Sri Lanka
STDF PROJECT GRANT APPLICATION FORM

Project Title:
“Improving Safety and Quality of the Sri Lankan Fruits and Vegetables”

Requested by
The Ceylon Chamber of Commerce

January 2013
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<table>
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<th>Abbreviation</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>AETD</td>
<td>Agriculture Extension and Training Division</td>
</tr>
<tr>
<td>CCC</td>
<td>Ceylon Chamber of Commerce</td>
</tr>
<tr>
<td>CFCA</td>
<td>Central Food Control Administration</td>
</tr>
<tr>
<td>EU</td>
<td>European Union</td>
</tr>
<tr>
<td>FAO</td>
<td>Food and Agriculture Organization</td>
</tr>
<tr>
<td>FEO</td>
<td>Field Level Extension Officer</td>
</tr>
<tr>
<td>FPQO</td>
<td>Field Level Plant Quarantine Officer</td>
</tr>
<tr>
<td>FT</td>
<td>Field Level Trainer</td>
</tr>
<tr>
<td>F&amp;V</td>
<td>Fruit and Vegetable</td>
</tr>
<tr>
<td>IPPC</td>
<td>International Plant Protection Convention</td>
</tr>
<tr>
<td>ITC</td>
<td>International Trade Centre</td>
</tr>
<tr>
<td>LFVPPEA</td>
<td>Lanka Fruit and Vege. Producers, Processors and Exporters Association</td>
</tr>
<tr>
<td>MOA</td>
<td>Ministry of Agriculture</td>
</tr>
<tr>
<td>MOH</td>
<td>Ministry of Health</td>
</tr>
<tr>
<td>MT</td>
<td>Master Trainer</td>
</tr>
<tr>
<td>NAC</td>
<td>National Agribusiness Council</td>
</tr>
<tr>
<td>NSC</td>
<td>National Steering Committee</td>
</tr>
<tr>
<td>NPM</td>
<td>National Project Manager</td>
</tr>
<tr>
<td>PHI</td>
<td>Public Health Inspector</td>
</tr>
<tr>
<td>PQO</td>
<td>Plant Quarantine Officer</td>
</tr>
<tr>
<td>SCPPC</td>
<td>Seed Certification and Plant Protection Centre</td>
</tr>
<tr>
<td>SLSI</td>
<td>Sri Lanka Standards Institute</td>
</tr>
<tr>
<td>SPS</td>
<td>Sanitary and Phytosanitary Measures</td>
</tr>
<tr>
<td>STDF</td>
<td>Standards and Trade Development Facility</td>
</tr>
<tr>
<td>TOT</td>
<td>Training of the Trainer</td>
</tr>
<tr>
<td>WTO</td>
<td>World Trade Organization</td>
</tr>
</tbody>
</table>
## PROJECT SUMMARY

<table>
<thead>
<tr>
<th>Project Title</th>
<th>Improving Safety and Quality of the Sri Lankan Fruits and Vegetables</th>
</tr>
</thead>
</table>
| Requesting Organization | The Ceylon Chamber of Commerce  
50, NavamMawatha  
Colombo 02, Sri Lanka  
Tel: +94 11 5588800/+94 11 2421745-7  
Fax + 94 11 2449352/ + 94 11 2437477  
E-mail: info@chamber.lk  
Web: www.chamber.lk |
| Contact person for follow up | Subhashini Abeyasinghe, Senior Economist, The Ceylon Chamber of Commerce  
Tel. + 94 11 5588883 Fax. +94 11 2381012 Email: subhashini@chamber.lk |
| Partnering Organizations | Ministry of Agriculture (MOA), Ministry of Health (MOH), National Agri Business Council (NABC), Lanka Fruit and Vegetable Producers, Processors and Exporters Association (LFVPPEA), |
| Implementing Organization | International Trade Centre (ITC), Geneva, Switzerland |
| Project Objectives | **Objective 1**: Build and sustain the competence of public and private stakeholders to comply with quality and food safety international requirements  
**Objective 2**: Improve the international, regional and national market opportunities of selected value chains of fresh fruit and vegetables |
| Project Outputs and Activities | Output 1: The value chains of selected crops of fruits and vegetables with high income generation and export potential are assessed  
WP 1.1 – Identifying crops and regions  
WP 1.2 – Identifying stakeholders in the F&V value chain  
WP 1.3 – Identify current status of the selected F&V value chain through survey  
Output 2: Enhanced availability of information on updated regulated pest list  
WP 2.1: Collect information on regulated pests affecting the fruit and vegetable sector and the potential organisms that can be identified as quarantine pests with a view to update the current list  
Output 3: Enhanced capacity of public and private stakeholders on understanding and complying with SPS standards, pest risk analysis/surveillance and improved entrepreneurial skills  
WP 3.1 – Training of the Trainer (TOT) Program for Master Trainers (MT)  
WP 3.2 – TOT Program for Field Level Trainers (FT) |
WP 3.3 – Capacity Building of Field Level Extension Officers (FEO)
WP 3.4 – TOT Program for Plant Quarantine Officers (PQO)
WP 3.5 – Capacity Building for Filed Level Plant Quarantine Officers (FPQO)
WP 3.6 – Capacity Building for Farmers
WP 3.7 – Capacity Building for Public Health Inspectors (PHI), Exporters, Processors and other relevant stake-holders
WP 3.8 – Evaluation of best performing farmers and agri extension officers
WP 3.9 – Study tour to Thailand for the selected best performers

Note: Some of the training sessions will be done to groups comprising of different stakeholders for example on phytosanitary standards for MTs and PQOs, on food safety standards for PQOs and PHIs

**Output 4 - Enhanced availability, accessibility and awareness of information on and compliance with SPS standards**

WP 4.1 – Developing training material, manuals, leaflets in all three languages
WP 4.2 – Developing and managing the Project Website
WP 4.3 – Disseminating information and creating awareness through media

**Output 5: Improved public-private cooperation and networking between stakeholders**

WP 5.1 – Holding Networking Sessions, advisory and technical committees, regular meetings to coordinate the institutional mechanism responsible for SPS management and enhance business match making
WP 5.2 – Formulating National Steering Committee
WP 5.3 – Identifying and recruiting consultants
WP 5.4 – Kick off and concluding Workshops
WP 5.5 – Monitoring, evaluating and reporting progress

<table>
<thead>
<tr>
<th>Budget</th>
<th>Total</th>
<th>US$ 758,598</th>
</tr>
</thead>
<tbody>
<tr>
<td>STDF</td>
<td>US$ 562,484</td>
<td></td>
</tr>
<tr>
<td>Non-STDF</td>
<td>US$ 144,875 (20%) (jointly borne by CCC and MOA)</td>
<td></td>
</tr>
<tr>
<td>ITC contribution</td>
<td>US$ 51,239</td>
<td></td>
</tr>
</tbody>
</table>

| Duration     | 24 Months (project to commence within 1 month from the date of approval) |
1. PROJECT BACKGROUND

1.1 FRUIT AND VEGETABLE TRADE

The potential for cultivating fruits and vegetables in Sri Lanka for the domestic and export markets is high. This potential has further increased with the liberalization of North and the East of the country, which are mainly agricultural areas. A greater potential exists for the export of processed fruits and vegetables. Development of the fruit crop sector is important because of the significant contribution it can make to increase the level of national income, generate new employment opportunities, increase farm income and enhance the nutrition and health of the people.

Local Demand: The local demand for fruits and vegetables in Sri Lanka is increasing with increasing income levels of people, rapid increase in the number of tourist arrivals into the country with the dawn of peace and increasing number of super market chains spreading across the country at a fast rate. Per capita GDP of Sri Lanka stood at US$ 899 in 2000 and in 2009 the per capita income has increased to US$ 2053. Further the average household expenditure on food and drink in Sri Lanka has increased by 43% during 2002-2007 according to Department of Census and Statistics of Sri Lanka. During the last decade, the number of super market outlets has increased rapidly. Today four super market chains lead the retailing market with Cargills having 150 outlets in 20 districts, Keells with 45 outlets and Arpico 25 outlets and Laughs Sunup has 10 outlets. All four chains have plans underway to make their presence felt in more locations. Tourist arrivals increased from 450,000 in 2009 to 650,000 in 2010. The industry expects the arrivals in increase to over 750,000 in 2011 and to 2.4 million by 2016. Thus the local demand for quality and safe fruits and vegetables is rapidly increasing.

International Demand: According to Lanka Fruit and Vegetable Producers, Processors and Exporters Association (LFVPPEA) there is high demand abroad for Sri Lankan fruits and vegetables. However a main constraint faced by the exporters is non-availability of exportable quality products in sufficient quantities. The value of exports of fruits and vegetables from Sri Lanka has remained low mainly due to this supply constraint faced by exporters. The value of export of fruits and vegetables (both processed and fresh) has increased over the past 10 years (Table 1 & 2). However as a percentage of total exports of the country, the export revenue generated by this sector still remains below one percent. Further the exported quantities remain insignificant as a percentage of total domestic production (Table 3).

Commodities with high income generation and export potential- Master plan of the Ministry of Agriculture for 2006-2010 had identified following fruits and vegetables based on consumer preference, demand, production, per capita availability, short-term production potential, export and agro industrial potential, income generation, contribution to national income and agro ecological suitability. When selecting crops for the project, these commodities will be further reviewed and analyzed based on the latest statistics and research.

Fruits: Pineapple, Papaya, Banana, Mango
Up country vegetables: bean, tomato, carrot, leeks, capsicum, beetroot, radish, knol-khol, cauliflower, cabbage
Low country vegetables: brinjal, okra, bitter gourd, snake gourd, luffa, red pumpkin, indigenous roots and tubers, leafy vegetables, mushrooms, ash plantain, sweet potato, pumpkin
### Table 1: Value of export of fresh fruits and vegetables from Sri Lanka

<table>
<thead>
<tr>
<th>Year</th>
<th>Fruits (fresh or dried) RsMn</th>
<th>US $ Mn</th>
<th>Vegetables RsMn</th>
<th>US $ Mn</th>
</tr>
</thead>
<tbody>
<tr>
<td>1999</td>
<td>437</td>
<td>6</td>
<td>250</td>
<td>4</td>
</tr>
<tr>
<td>2000</td>
<td>339</td>
<td>4</td>
<td>617</td>
<td>8</td>
</tr>
<tr>
<td>2001</td>
<td>399</td>
<td>4</td>
<td>576</td>
<td>6</td>
</tr>
<tr>
<td>2002</td>
<td>379</td>
<td>4</td>
<td>661</td>
<td>7</td>
</tr>
<tr>
<td>2003</td>
<td>605</td>
<td>6</td>
<td>679</td>
<td>7</td>
</tr>
<tr>
<td>2004</td>
<td>651</td>
<td>6</td>
<td>964</td>
<td>10</td>
</tr>
<tr>
<td>2005</td>
<td>609</td>
<td>6</td>
<td>1153</td>
<td>11</td>
</tr>
<tr>
<td>2006</td>
<td>982</td>
<td>9</td>
<td>1005</td>
<td>10</td>
</tr>
<tr>
<td>2007</td>
<td>1317</td>
<td>12</td>
<td>1252</td>
<td>11</td>
</tr>
<tr>
<td>2008</td>
<td>1508</td>
<td>14</td>
<td>2717</td>
<td>25</td>
</tr>
<tr>
<td>2009</td>
<td>1397</td>
<td>12</td>
<td>1343</td>
<td>12</td>
</tr>
<tr>
<td><strong>2010</strong></td>
<td><strong>1289</strong></td>
<td><strong>1639</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Central Bank Annual Reports

### Table 2: Value of Export of Processed fruits and Vegetables from Sri Lanka

<table>
<thead>
<tr>
<th>Year</th>
<th>Fruits tinned and bottled RsMn</th>
<th>US $ Mn</th>
<th>Fruits and Vegetable Juices RsMn</th>
<th>US $ Mn</th>
</tr>
</thead>
<tbody>
<tr>
<td>1998</td>
<td>126</td>
<td>2</td>
<td>37</td>
<td>0.6</td>
</tr>
<tr>
<td>1999</td>
<td>180</td>
<td>3</td>
<td>40</td>
<td>0.6</td>
</tr>
<tr>
<td>2000</td>
<td>176</td>
<td>2</td>
<td>53</td>
<td>0.7</td>
</tr>
<tr>
<td>2001</td>
<td>277</td>
<td>3</td>
<td>98</td>
<td>1.1</td>
</tr>
<tr>
<td>2002</td>
<td>383</td>
<td>4</td>
<td>102</td>
<td>1.1</td>
</tr>
<tr>
<td>2003</td>
<td>328</td>
<td>3</td>
<td>147</td>
<td>1.5</td>
</tr>
<tr>
<td>2004</td>
<td>442</td>
<td>4</td>
<td>173</td>
<td>1.7</td>
</tr>
<tr>
<td>2005</td>
<td>358</td>
<td>4</td>
<td>213</td>
<td>2.1</td>
</tr>
<tr>
<td>2006</td>
<td>507</td>
<td>5</td>
<td>178</td>
<td>1.7</td>
</tr>
<tr>
<td>2007</td>
<td>1765</td>
<td>16</td>
<td>329</td>
<td>3.0</td>
</tr>
<tr>
<td>2008</td>
<td>3013</td>
<td>28</td>
<td>209</td>
<td>1.9</td>
</tr>
<tr>
<td>2009</td>
<td>2926</td>
<td>25</td>
<td>175</td>
<td>1.5</td>
</tr>
<tr>
<td><strong>2010</strong></td>
<td><strong>2946</strong></td>
<td><strong>412</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Central Bank Annual Reports

### Table 3: Comparison of Production and Export Statistics for selected fruits and vegetables (2009)

<table>
<thead>
<tr>
<th>Crop</th>
<th>Domestic Production (MT)</th>
<th>Exports MT</th>
<th>As a % of total production</th>
</tr>
</thead>
<tbody>
<tr>
<td>Banana</td>
<td>383784</td>
<td>2649</td>
<td>0.7</td>
</tr>
<tr>
<td>Pineapple</td>
<td>51611</td>
<td>1254</td>
<td>2.4</td>
</tr>
<tr>
<td>Mango</td>
<td>67941</td>
<td>47</td>
<td>0.1</td>
</tr>
<tr>
<td>Papaw</td>
<td>24258</td>
<td>454</td>
<td>1.9</td>
</tr>
<tr>
<td>Tomato</td>
<td>73917</td>
<td>10.2</td>
<td>0.0</td>
</tr>
<tr>
<td>Leeks</td>
<td>26793</td>
<td>4.6</td>
<td>0.0</td>
</tr>
<tr>
<td>Cucumber</td>
<td>31061*</td>
<td>6.7*</td>
<td>0.0*</td>
</tr>
<tr>
<td>Carrot</td>
<td>35830</td>
<td>0.02</td>
<td>0.0</td>
</tr>
<tr>
<td>Beans</td>
<td>40513</td>
<td>0.8</td>
<td>0.0</td>
</tr>
<tr>
<td>Capsicum</td>
<td>14406</td>
<td>820</td>
<td>5.7</td>
</tr>
</tbody>
</table>

*2008

Source: Socio Economics and Planning Centre, Department of Agriculture

**Export destinations:** The main export markets for Sri Lankan fruits and vegetables are the Middle East and South Asia (Table 4&5). The penetration in to the developed country markets in East Asia (e.g. Japan, Korea) and the West (e.g. European Union) is still low. This is mainly because of the difficulties faced by exporters in meeting the stringent safety and quality requirements of developed country markets compared to the Middle Eastern and South Asian markets.

A survey conducted by the ITC on Non Tariff Measures faced by Sri Lankan Exporters, it was revealed that the majority of reported NTM cases adversely affecting agricultural companies in Sri Lanka are technical regulations (SPS and TBT) and related conformity assessments. The survey
further revealed that from the partner country perspective, the majority of cases are related to exports of agricultural goods to the European Union.

### Table 4: Country wise Exports of Vegetables (HS Chapter 07)

<table>
<thead>
<tr>
<th>Country</th>
<th>2009 (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.A.E.</td>
<td>37</td>
</tr>
<tr>
<td>Saudi Arabia</td>
<td>13</td>
</tr>
<tr>
<td>Maldives</td>
<td>8</td>
</tr>
<tr>
<td>India</td>
<td>6</td>
</tr>
<tr>
<td>U.K.</td>
<td>5</td>
</tr>
<tr>
<td>Kuwait</td>
<td>4</td>
</tr>
<tr>
<td>Qatar</td>
<td>4</td>
</tr>
<tr>
<td>Pakistan</td>
<td>4</td>
</tr>
<tr>
<td>Switzerland</td>
<td>3</td>
</tr>
<tr>
<td>Jordan</td>
<td>2</td>
</tr>
<tr>
<td>Canada</td>
<td>2</td>
</tr>
<tr>
<td>France</td>
<td>2</td>
</tr>
<tr>
<td>Bahrain</td>
<td>2</td>
</tr>
<tr>
<td>Other</td>
<td>12</td>
</tr>
<tr>
<td>Total</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Sri Lanka Customs Statistics

### Table 5: Country wise Exports of Fruits (HS Chapter 08 without coconuts (HS 0801))

<table>
<thead>
<tr>
<th>Country</th>
<th>2009 (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.A.E.</td>
<td>28</td>
</tr>
<tr>
<td>India</td>
<td>19</td>
</tr>
<tr>
<td>Maldives</td>
<td>9</td>
</tr>
<tr>
<td>Germany</td>
<td>8</td>
</tr>
<tr>
<td>Saudi Arabia</td>
<td>7</td>
</tr>
<tr>
<td>Qatar</td>
<td>7</td>
</tr>
<tr>
<td>France</td>
<td>4</td>
</tr>
<tr>
<td>Kuwait</td>
<td>4</td>
</tr>
<tr>
<td>U.S.A.</td>
<td>2</td>
</tr>
<tr>
<td>U.K.</td>
<td>2</td>
</tr>
<tr>
<td>Switzerland</td>
<td>1</td>
</tr>
<tr>
<td>Japan</td>
<td>1</td>
</tr>
<tr>
<td>Pakistan</td>
<td>1</td>
</tr>
<tr>
<td>Bahrain</td>
<td>1</td>
</tr>
<tr>
<td>Oman</td>
<td>1</td>
</tr>
<tr>
<td>Netherlands</td>
<td>1</td>
</tr>
<tr>
<td>Canada</td>
<td>1</td>
</tr>
<tr>
<td>Austria</td>
<td>1</td>
</tr>
<tr>
<td>Other</td>
<td>3</td>
</tr>
<tr>
<td>Total</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Sri Lanka Customs Statistics
1.2 **SPS Situation**

**Institutional framework for SPS Management**

The Institutes that are involved in SPS Management in Sri Lanka and their responsibilities are given in the table below.

<table>
<thead>
<tr>
<th>Institute</th>
<th>Responsibilities</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Department of Agriculture</strong></td>
<td>1. Facilitate the imports and exports of plants and plant products for the development of agriculture and related industries in the country.</td>
</tr>
<tr>
<td>(Seed Certification and Plant Protection Centre – National Plant Quarantine Service), Ministry of Agriculture</td>
<td>2. Issuing of phytosanitary certificates, inspection and treatment of imports and exports of plants and plant products.</td>
</tr>
<tr>
<td><strong>Contact point: IPPC</strong></td>
<td>3. Dissemination of knowledge on all aspects of plant quarantine via training and awareness programmes for interested groups</td>
</tr>
<tr>
<td><strong>Central Food Control Administration</strong>, Ministry of Health</td>
<td>1. Ensuring human safety &amp; Health</td>
</tr>
<tr>
<td><strong>Contact Point: CODEX</strong></td>
<td>o Ensure supply of safe &amp; wholesome food.</td>
</tr>
<tr>
<td></td>
<td>o Ensure availability of food standards, regulations.</td>
</tr>
<tr>
<td></td>
<td>o Deal with issues related to irradiation, genetic engineering.</td>
</tr>
<tr>
<td></td>
<td>2. Ensuring Proper &amp; good hygienic practices</td>
</tr>
<tr>
<td></td>
<td>o Prevent microbiological/chemical contamination</td>
</tr>
<tr>
<td></td>
<td>o Prevent adulteration &amp; fraudulent practices in sale of food</td>
</tr>
<tr>
<td></td>
<td>o Rational use of chemical additives such as antioxidants, preservatives,</td>
</tr>
<tr>
<td></td>
<td>emulsifiers, stabilizers, colours and flavours</td>
</tr>
<tr>
<td></td>
<td>o Eliminate wrong practices, using colours, flavours, preservatives to make stale / decayed food appear fresh or of good quality</td>
</tr>
<tr>
<td></td>
<td>3. Ensuring adequate public health controls</td>
</tr>
<tr>
<td></td>
<td>o Food is grown and harvested from safe unpolluted areas</td>
</tr>
<tr>
<td></td>
<td>o Food is protected from insects, rodents and contaminants</td>
</tr>
<tr>
<td></td>
<td>o To control zoonoses-meat inspection and dairy services, sanitary slaughter houses</td>
</tr>
<tr>
<td></td>
<td>o Rational use of pesticides (Use of insecticides, fungicides and herbicides was increased at the rate of 11.2 per year)</td>
</tr>
<tr>
<td></td>
<td>4. Implementation of food control programme</td>
</tr>
<tr>
<td></td>
<td>o To protect export trade (Earn foreign exchange)</td>
</tr>
<tr>
<td></td>
<td>To protect from imports of inferior / substandard or unfit food.</td>
</tr>
</tbody>
</table>
| Sri Lanka Standards Institute, Ministry of Technology and Research | 1. Formulate National standards required for the development of the National Economy  
2. Promote the use and application of national standards in all spheres of economic and social activity.  
3. Promote quality assurance in all sectors of the economy.  
4. Promote and disseminate valid measurement practices at national level.  
5. Provide consumer education and consumer protection.  
6. Educate and train Industry & Service personnel on concepts, practices and techniques of Standardization & Quality Management  
7. Provide test facilities and develop the national test capability.  
8. Provide documentation and information services on standards, technical regulations & related publications.  
9. Participate in international and regional standardization activities to safeguard national interest.  
10. Constantly develop and upgrade the Institution and its resources. |
|---|---|
| Industrial Technology Institute, Ministry of Technology and Research | Among many of their services, the ones related to SPS measures are  
1. Laboratory Testing  
   - Chemical and Microbiological testing of Food, Water, Wastewater, Chemicals,  
   - Testing of Essential oils, Oleoresins, Edible oils  
   - TQM Consultancy (e.g. HACCP)  
2. Analyse and issue reports (under Food Act) for the food samples submitted by the authorized officers of the Health Dept. (MOH, Food Inspectors, PHI, etc)  
3. Analyse and issue quality reports for food products submitted by Food Control and Administration Unit (FCAU), other Government Institutions and Private Institutions  
4. Analyse and issue quality reports for the samples submitted by the Dept. of Customs, Consumer Affairs Authority, Sri Lanka Tea Board and Sri Lanka Standards Institution etc.  
5. Actively participate as a member of the Food Advisory Committee in formulating new regulations and creating new policy decisions on food.  
6. Actively participate in Drafting Committees and Sectorial Committees of Sri Lanka Standards Institution for formulating new Sri Lanka standards.  
7. Conduct lectures and workshops for Medical Officers, Food and Drug Inspectors, Public Health Inspectors, Excise Officers and Police Officers.  
8. Central Environmental Authority and Environmental and Natural Resource Ministry for formulating new regulations, creating policy and decision making on the projects.  
9. Analyse and issue reports for food, illicit liquors, tobacco products and other products send by the Court of Law. |
| Government Analysts Department, Food Science Division, Ministry of Justice | 1. Analyse and issue reports (under Food Act) for the food samples submitted by the authorized officers of the Health Dept. (MOH, Food Inspectors, PHI, etc)  
2. Analyse and issue quality reports for food products submitted by Food Control and Administration Unit (FCAU), other Government Institutions and Private Institutions  
3. Analyse and issue quality reports for the samples submitted by the Dept. of Customs, Consumer Affairs Authority, Sri Lanka Tea Board and Sri Lanka Standards Institution etc.  
4. Analyse and issue quality reports for liquor samples submitted by Excise Department and other Private Institutions.  
5. Actively participate as a member of the Food Advisory Committee in formulating new regulations and creating new policy decisions on food.  
6. Actively participate in Drafting Committees and Sectorial Committees of Sri Lanka Standards Institution for formulating new Sri Lanka standards.  
7. Conduct lectures and workshops for Medical Officers, Food and Drug Inspectors, Public Health Inspectors, Excise Officers and Police Officers.  
8. Central Environmental Authority and Environmental and Natural Resource Ministry for formulating new regulations, creating policy and decision making on the projects.  
9. Analyse and issue reports for food, illicit liquors, tobacco products and other products send by the Court of Law. |
| Department of Fisheries, Ministry of Fisheries | 1. Issue of health certificates for each consignment of fish/fishery products for export  
2. Approval of fish processing establishments processing fish for export  
3. Issue of operating licenses to establishments to process fish for export  
4. Inspection of fish processing establishments, landing sites and fishing boats  
5. Inspection of transportation of fish (raw materials) from the landing sites to the processing plants  
6. Conduct an official sampling programme for water, ice and fishery products  
7. Conduct awareness programmes for the industry in quality & safety  
8. Conduct an official residue monitoring programme for aquaculture products. |
| Contact point: CODEX |  
| Department of Animal Production and Health, Ministry of Livestock & Rural Community Development | In charge of inspection of quality of imported animals, animal products and by products, live poultry, poultry products and poultry by products |
| Contact Point: OIE |  

**Current status of the standards for fruits and vegetables & testing Infrastructure**

The Sri Lanka Standards Institute standards are voluntary and SLSI has no authority to make their standards mandatory. The SLSI standards can be made mandatory only by a Government Agency that has the mandate to do so such as the Consumer Affairs Authority or the Ministry of Health. There are only 34 SLSI standards that are mandatory at the moment and most of these are technical standards related to cement products, electric products, PVC products, steel products etc. There are only 7 food items that has mandatory SLSI standards; brown sugar, canned fish, condensed milk, fresh fruit cordial, fruit cordial concentrates, ready to serve fruit drinks and synthetic cordials, for these products SLS mark is compulsory. Currently Sri Lanka Standards are available for only a handful of fruits and vegetables; table potatoes, Big Onions, Red Onions, Fresh Bananas, Fresh Tomatoes and Pineapples. These are voluntary standards and although these have been in existence for nearly a decade (introduced in 2001/2002), up to now no one has obtained SLS standards from SLSI for these products.

SPS standards regulation in Sri Lanka is still not at par with the international SPS standards. This is specifically true when it comes to sanitary standards for fruits and vegetables. Further interventions at the production/growing stage to ensure quality and safety is minimal. In most instances consultations between agencies happens in an ad-hoc/informal manner and is not institutionalized.

The Food Act of Sri Lanka is being revised and new standards are being introduced or the existing ones are being upgraded in line with international standards. For example Sri Lanka does not have maximum pesticide residue levels stipulated by law for fruits and vegetables, but the new regulation is expected to introduce these standards and prohibit sale of fruits and vegetables containing residues of
pesticides in excess of the permitted limits. The new regulation is expected to be made effective in the near future.

The testing infrastructure in the country falls under different Ministries. At present the two leading institutes that provide standards certification and testing facilitates for exporters (e.g. HACCP) are Sri Lanka Standards Institute and the Industrial Technology Institute and these fall under the purview of the Ministry of Technology and Research. In addition to these, there are three other laboratories falling under the purview of the Ministry of Health. The labs of the Registrar of Pesticides and the labs of the plant quarantine division fall under the purview of the Ministry of Agriculture. The Government Analysts Department also has a lab for food testing. This department falls under the Ministry of Justice. In addition to these there are private companies (e.g. SGS Lanka Pvt Ltd) that provide testing and certification facilitates to exporters as well.

**SPS issues faced by the Fruit and Vegetable Sector**

*Improper pesticide and fertilizer use, poor post-harvest practices:* According to the Master Plan of the Ministry of Agriculture (2006-2010) and the corporate plan of the Ministry for 2011-2013 as well as several research conducted, the quality and safety of fruits and vegetables produced in Sri Lanka suffer due to improper pesticide and fertilizer use, poor handling/sorting during collection, inappropriate storage and transport.

According to studies done and cited by Hector Kobbekaduwa Agrarian Research and Training Institute (HARTI), Sri Lanka is the highest fertilizer consumer in the SAARC region and farmers in Sri Lanka apply two to eight times more fertilizer than other countries in the region. It is estimated that about 55% of cash crop growers have over used fertilizers and 48.5 percent chance of fertilizer over use when imported hybrids are cultivated.

Table 6: Fertilizer application in upcountry vegetable farming

<table>
<thead>
<tr>
<th>Crop</th>
<th>Inorganic Fertilizers (N+P₂O₅+ K₂O)</th>
<th>Recommended</th>
<th>Applied</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beet</td>
<td></td>
<td>489</td>
<td>1,731</td>
</tr>
<tr>
<td>Cabbage</td>
<td></td>
<td>421</td>
<td>1874</td>
</tr>
<tr>
<td>Carrot</td>
<td></td>
<td>489</td>
<td>1032</td>
</tr>
<tr>
<td>Leeks</td>
<td></td>
<td>421</td>
<td>868</td>
</tr>
<tr>
<td>Potato</td>
<td></td>
<td>550</td>
<td>1798</td>
</tr>
</tbody>
</table>

Source: Hector Kobbekaduwa Agrarian Research and Training Institute

Research conducted on the intensive cultivating farmers in the hill country shows that about 45% of farmers prefer to use more pesticides than recommended amount and at higher frequencies to ensure better results in crop productivity. The research results from Matale, Nuwara Eliya, Badulla and Kandy districts show that 59% of the farmers had used more than recommended amounts of pesticides in their vegetable cultivation. Another study reveals that 70% of farmers had used more than the stipulated dosage and 82 percent had symptoms of extreme toxicity following spraying. All these findings invariably increases the risks posed to human health due to the high toxicity of the fruits and vegetables produced in the country. Several research reports indicate that the farmers have limited knowledge about adverse effects of the pesticides they used.
Table 7: Major Pests affecting selected Vegetables and Fruits in Sri Lanka

<table>
<thead>
<tr>
<th>Crop</th>
<th>Common Name</th>
<th>Name of Insect</th>
<th>Crop Loss</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bean</td>
<td>Bean fly</td>
<td>Ophiomyia phaseoli</td>
<td>Not Available (NA)&lt;sup&gt;1&lt;/sup&gt;</td>
</tr>
<tr>
<td></td>
<td>Pod borers</td>
<td>Maru cavitrata</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Helicoverpa armigera</td>
<td></td>
</tr>
<tr>
<td>Cabbage</td>
<td>Caterpillar</td>
<td>Plutella xylostella</td>
<td>NA&lt;sup&gt;2&lt;/sup&gt;</td>
</tr>
<tr>
<td></td>
<td>- Diamond Back Moth</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Cabbage stem borer</td>
<td>Hellula undalis</td>
<td>NA</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Chrysodeixis erisoma</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Leaf webber</td>
<td>Crocodolomia pavonana</td>
<td>NA</td>
</tr>
<tr>
<td></td>
<td>Army worm</td>
<td>Plusiaerisoma</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Black cut worm</td>
<td>Spodoptera litura</td>
<td>NA</td>
</tr>
<tr>
<td>Tomato</td>
<td>Root-knot nematodes</td>
<td>Meloidogyne spp.</td>
<td>NA</td>
</tr>
<tr>
<td></td>
<td>Tomato fruit borer</td>
<td>Helicoverpa armigera</td>
<td>NA</td>
</tr>
<tr>
<td></td>
<td>Black cut worm</td>
<td>Agrotis spp.</td>
<td>NA</td>
</tr>
<tr>
<td>Beetroots</td>
<td>Root-knot nematodes</td>
<td>Meloidogyne spp.</td>
<td>NA</td>
</tr>
<tr>
<td></td>
<td>Leaf miner</td>
<td>Liriomyza huidobrensis</td>
<td>NA</td>
</tr>
<tr>
<td>Brinjal</td>
<td>Shoot and pod borer</td>
<td>Leucinodes orbonalis</td>
<td>NA</td>
</tr>
<tr>
<td></td>
<td>Scales and mealy bugs</td>
<td></td>
<td>NA</td>
</tr>
<tr>
<td>Mites</td>
<td>Tetranychus spp.</td>
<td></td>
<td>NA</td>
</tr>
<tr>
<td></td>
<td>Leaf hoppers</td>
<td>Amarasca spp.</td>
<td>NA</td>
</tr>
<tr>
<td>Okra</td>
<td>Shoot and pod borer</td>
<td>Earias vittella</td>
<td>NA</td>
</tr>
<tr>
<td></td>
<td>Red cotton bug</td>
<td>Dysdercus cingulatus</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Leaf webber</td>
<td>Sylepta derogate</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Leaf hoppers</td>
<td>Amarasca</td>
<td>NA</td>
</tr>
<tr>
<td>Mango</td>
<td>Mango leafhopper</td>
<td>Idiocerus clypealis</td>
<td>NA</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Idiocerus niveosparus</td>
<td>NA</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Amritodus brevistyulus</td>
<td>NA</td>
</tr>
<tr>
<td></td>
<td>Mango fruit fly</td>
<td>Bactrocera dorsalis</td>
<td>NA</td>
</tr>
<tr>
<td></td>
<td>Mango seed weevil</td>
<td>Stenochetus mangiferae</td>
<td>NA</td>
</tr>
<tr>
<td></td>
<td>Leaf cutting weevil</td>
<td>Deporous marginatus</td>
<td>NA</td>
</tr>
<tr>
<td>Pineapple</td>
<td>Mealy bugs</td>
<td>Dysmicoccus brevipes</td>
<td>NA</td>
</tr>
<tr>
<td>Citrus</td>
<td>Leaf minor</td>
<td>Phyllocnistis citrella</td>
<td>NA</td>
</tr>
</tbody>
</table>


<sup>2</sup>Jesudasan & Yogaratnam (1985) estimate extent of damage to be 12-13%, Source: Pest Control in Asia and the Pacific, Asian Productivity Organization (1993)

Research done on poor post-harvest practices estimates 30-40 percent of fruit and vegetables produced in the country is wasted due to such practices. The objective of the project is to address the above mentioned problems and thereby increase the availability high quality fruits and vegetables for the local and international market.
**Lack of awareness and training:** There is poor awareness of international and export market SPS standards requirements and the importance and benefits of adhering to these standards among all stakeholders in the F&V value chain. The training on SPS standards and how to meet them is rare and ad hoc. The survey conducted by the ITC on NTMs also revealed that lack of trained official to be a significant barrier that affects safety and quality of the exported agricultural produce. For example the survey found out that export inspection processes were reported to be very time consuming and adversely affects the export of perishable products and involves several steps, some of which seem redundant. Further the safety and quality of the goods is adversely affected as a result of inspections being carried out by untrained officials. A survey on NPPO capacity to meet IPPC standards done in 2007 by FAO reveals that in addition to providing training for plant quarantine officials in areas such as pest risk analysis and pest surveillance, there is a need to create awareness programs for other stakeholders; specially major exporter and importer groups on the WTO/SPS Agreement, IPPC and the international standards.

**Lack of a proper pest risk analysis system:** One of the basic requirements in managing pests is the pest risk analysis. With identification, determination and evaluation of risk, the process helps avoid or reduce the probability of entrance or establishment of the pest into the country. This is essential to help protect the country’s agriculture from damages that can be caused by harmful (quarantine) pests which can be brought in along with imported commodities. Expertise in pest risk analysis and institutionalizing a process to evaluate the risk helps both to protect the country from damages that can be caused by harmful pests, as well as facilitate trade of agricultural inputs (seeds/plant material) and outputs (fresh fruits and vegetables). Lack of such expertise can be a potential barrier to trade, where even plant and plant material carrying no or low risk pests being prevented from entering the country. Hence, there is an urgent need to train the respective officials on pest risk analysis and update the data base of quarantine pests in Sri Lanka to facilitate trade of safe and healthy fruits and vegetables.

**Poor Coordination among different stakeholders:** The institutional mechanism responsible for SPS management is highly fragmented and coordination and cooperation among the respective institutes is poor. For example when developing Agriculture product related sanitary standards, it is important that the Ministry of Health consult the Ministry of Agriculture. When SLSI develop national standards for food items, it is important that they consult both the Ministry of Health and Ministry of Agriculture. At the moment most of the consultations happen on an informal/ad hoc basis. There are formal advisory committees and technical committees meant to encourage consultations however there are no regular meetings and functionality and efficiency of these committees is not satisfactory.

**Lack of understanding on the current capacity of the testing infrastructure:** Sri Lanka’s testing infrastructure is mostly owned by the Government. The existing laboratory facilities fall under the purview of different Ministries and there is lack of coordination and cooperation among laboratories and lack of awareness on each others strengths and weaknesses. Exporters find that the local facilities to be inadequate to meet the testing and certifying of SPS standards required by importing countries. This compels them to get the testing done outside the country, increasing costs and causing delays. The ITC survey further confirmed this by reporting complaints of exporters that demonstrating compliance to be a larger problem that exceeds the difficulties in actually complying with the technical measures. Firms reported to be facing a bottleneck in domestic technical testing and certification facilities and due to lack of training and lack of equipment having to get the certification done outside the country. Further capacity constraints of the testing infrastructures will be a major impediment to implement the upgraded local standards which are expected to come into effect soon.
Laboratories acknowledge that the major constraints faced are lack of equipment; training and technical knowhow. FAO survey on NPPO capacity to meet IPPC standards has documented some of the problems faced by plant quarantine laboratories. However, capacity of most of the laboratories in the country has not been evaluated and there has not been any focused assessment of the local testing infrastructure to meet the requirements of the fruit and vegetable sector.

1.3  LINKS WITH NATIONAL DEVELOPMENT PLANS

A brief description of the national development strategies and policies in place for the development of the fruits and vegetable sector in Sri Lanka is given below which makes it evident that the project objectives, activities and outcomes not only falls perfectly in line with the strategies and policies of the government but complements and supports the implementation of the stated strategies.

The MahindaChinthana, the Government’s national development strategy as well as the Corporate Plan of the Ministry of Agriculture both have clearly stated that enhancing the income levels and living standards of the farming community by improving the quality, sustainability and standards of fruit and vegetable production and minimizing the post-harvest losses is a main policy objective of the Government of Sri Lanka. The Ministry of Agriculture has identified following as being the major constraints hampering the growth of the fruits and vegetable sector in the country.
- Poor Safety and Quality resulting from imbalanced fertilizer use, improper pesticide use, inadequate application of post-harvest management techniques, poor handling during collection, transportation and storage, high incidence of pest and diseases
- Lack of Training opportunities due to inadequacies of extension staff (i.e. their knowledge and numbers) and mobility
- Lack of capital to invest in quality upgrading, machinery and technology
- Poor marketing resulting from lack of farmer group activities, producers being ignorant of consumer preference, lack of market information and lack of high quality products

The Ministry has identified in its corporate plan (2011-2013) and in its National Agricultural Policy the following interventions as necessary to address the above constraints
- **Improving the safety and quality** of fruits and vegetables by introducing packaging, cold storage facilities, providing adequate institutional and infrastructural facilities to operate the pesticide regulatory system effectively, introducing a code of conduct on the distribution and use of pesticides in order to minimize associated health and environmental risks, strict implementation of plant protection regulations to prevent alien weeds, insect pests and diseases from entering the country, enforcing sanitary and phytosanitary measures in post-harvest processing and value addition of agricultural products, enforcing better standards for transportation of fruits and vegetables to reduce post-harvest losses and establishing food safety and quality assurance mechanisms for crops with export potential that could meet international food safety standards
- **Provide training** to farmers by reinstating the agricultural extension service, reorganizing and strengthening existing extension system to disseminate information to the farming community, appointing trained officers (7000) for chemical sales outlets, providing opportunities for agricultural scientists and farmers to local trainings and foreign trainings for skills development.
- **Better marketing of fruits and vegetables** by strengthening farmer associations and developing farmers’ entrepreneurship, linking formal private sector with informal farmers, encouraging farmers to grow what is demanded by the market, clustering small farmers to grow a single crop and negotiate purchasing agreements with formal private sector, introducing modern Information Communication Technology (ICT) for effective information dissemination to the farming community and explore and promote foreign markets for crops with high export potential.
- **Improving access to finance** by strengthening rural credit institutions connected with farmers’ investments, savings and risk management, introducing simple procedures in providing loan facilities for agricultural activities and agro based industries and ensuring availability of credit to farmers at concessory interest rates
Further the Sri Lanka Export Development Board identified in its Strategic Plan 2011-2015 the following to promote fruit and vegetable exports; introducing packaging systems and proper transport systems to minimize post-harvest losses and improve product quality and facilitate to obtain international standards and quality certification, provide market intelligence for the stakeholders on suitable crops for export, assist establishment of out grower systems, promotion of fruits and vegetables in existing and new markets, conduct awareness programs for farmer community, assist exporters to apply new technology, develop SMEs and promote producer – exporter linkages to supply products on buy back agreements and organize quality improvement programs

Central Food Control Administration (CFCA) of the Ministry of Health having realized the need to upgrade the existing regulations on food and also of introducing standards for the fruits and vegetable sector in line with the international standards, has drafted regulations for fruits and vegetables to ensure that safe and high quality products are available for both local and international markets. The CFCA has identified the need to build the capacity of health inspectors as well as of the laboratories as being essential to implement the new regulations and to ensure compliance.

The project is timely and falls perfectly in line with Government policy stated above; it complements and supports the implementation of activities and achievement of the outputs outlined in the Government’s policy.

1.4 LINKS WITH OTHER RELATED PROGRAMS

There has not been any direct SPS capacity building assistance for the F&V sector. However, SPS issues had been addressed in an ad hoc manner as part of several broader agricultural and trade policy capacity building projects.

WTO/STDF funded project was initiated and partially completed in 2006/07. The project titled “Model Arrangement for SPS stakeholder Involvement at the National Level” was initiated with the overall objective of improving the SPS related information flows and information sharing. Under the project several stakeholder consultations were held. A web based model to share information was proposed. However, the web based National SPS portal did not materialize. A main challenge identified in the project is internet connectivity of stakeholders and lack of familiarity with internet based information systems in the regions and sustainability of information sharing through web based system once the project ends. These are useful findings from which the current project will learn and have systems in place to ensure accessibility and continuity of information sharing process.

In 2007 FAO has funded identification of the capacity development needs of the NPPO using the PCE tool. The key recommendations made based on the findings are reviewing the legislation, providing technical assistance to conduct PRA workshops, strengthen the mechanism for national coordination between the technical agencies engaged in pest survey activities, training for managing phytosanitary activities (e.g. laboratory management, auditing, management of entry/exit points, surveillance etc.), standardize export and import certification operations at the airport and seaport and to review the organizational structure of NPPO. The findings and recommendations of the PCE, especially in the area of training will be incorporated to the best extent possible into the proposed WTO/STDF project when designing training program for the plant quarantine officials.

UNIDO has a project on “Strengthening International Certification Capacity of the Food Industry in Sri Lanka”. The project is implemented via a MOU signed between the UNIDO and the Ministry of Industry of Sri Lanka. The project focuses on enhancing capacity in the areas of health, environment and occupational safety. The proposed WTO/STDF project will complement the UNIDO work, since we are focusing on improving safety and quality of fruit and vegetable sector, which is raw material to
the food industry. The current project will closely work with UNIDO specially in promoting backward integration of food processors that took part in UNIDO program with the producers benefitting from the proposed program.

There has been several short one day/half day seminars held by the LFVPPEA together with the Export Development Board on international SPS standards and European Standards, with local resource persons and own funding. At present there is an export coaching program funded by the CBI, Netherlands to assist Sri Lankan fruits and vegetable exporters to penetrate into the EU market and SPS standards is one of the components addressed within this program. The proposed WTO/STDF funded project will complement the CBI project by enhancing the supply base of exporters, strengthening the government institutional mechanism to support the exporters, which are vital areas not addressed by the CBI program. Since members of the LFVPPEA are beneficiaries of the CBI funded project, the lessons and experience of that project can easily be incorporated in to the design and implementation of the proposed WTO/STDF project.

There is a FAO funded ongoing program to strengthen the agriculture extension system and farmers on Agri-enterprise development and marketing. National Agri Business Council and the Ministry of Agriculture are closely associated with this project. The proposed WTO/STDF funded project will complement this project by enhancing capacity of producers and extension staff to improve the quality and safety of fruits and vegetables so that they have a marketable product. The project is expected to formulate district level agro enterprise promotion units which will be manned by trained agriculture officers. The proposed WTO/STDF project will ensure that these officials will also be trained as trainers in the SPS capacity building program. Further these officers who have already undergone training on Agro-enterprise development will be used to train farmers in business management/finance and marketing. Since the NAC and MOA are closely involved in the project, the experience and learning from this project will help avoid duplication of the training especially in the area of business management and marketing and assist in further improvement of implementation of the proposed WTO/STDF funded project.

Private Sector led marketing Chain Development of the National Agribusiness Development Program funded by the International Fund for Agricultural Development: The program supports value chain development in the agribusiness sector through three main components namely i) Private sector led marketing chain development ii) Community based (CBOs) Led Marketing Chain Development and (iii) Micro Financing and Training of Youth. This project will be complemented by the proposed WTO/STDF funded project by once again enhancing the quality and safety of the produce, strengthening the ability of farmers to negotiate terms and conditions with formal private sector, access finance and manage finance and also by providing opportunities for them to network.

The SWITCH-Asia Program funded by EU on “Sustainable Consumption and Production for SMEs in the Food & Beverage Sector” seeks to address the optimum usage of natural resources (raw materials, energy and water) and to comply with international food safety standards. The WTO/STDF funded project will once again complement this project by enhancing the capacity of the fruit and vegetable supplier value chain so that the food and beverage industry has access to high quality and safe fruits and vegetables to use in the processing. Further the beneficiaries of this program could be potential buyers of the quality fruits and vegetables from farmers. Since CCC is coordinating and managing this project at national level, the WTO/STDF project will learn from the experiences of these projects and build upon it.
2 PROJECT OBJECTIVES, ACTIVITIES AND OUTPUTS

2.1 PROJECT OBJECTIVES, ACTIVITIES AND OUTPUTS

The project aims at:

i) Building and sustaining the competence of public and private stakeholders to comply with quality and food safety international requirements, and

ii) Improving the international, regional and national market opportunities of selected value chains of fresh fruit and vegetables.

A series of activities is foreseen in order to reach the project’s results described below. These activities along with the performance indicators are detailed in the logical framework.

Component/Output 1: The value chains of selected crops of fruits and vegetables with high income generation and export potential are assessed

The project will improve the understanding of the current status of fresh fruit and vegetables value chain and the gaps to meet international standards. Understanding the current status will be used in designing the capacity building program to address the training needs of the stakeholders.

WP 1.1: Identifying crops and districts
The existing research and statistics will be analysed to identify the crops with high income generation and export potential and the top six crops will be selected as the target group for the project. The capacity building program to meet safety and quality standards will be carried out for the selected commercial scale producers and other stakeholders of the selected crops from the districts most suited to grow the identified crops.

WP 1.2: Identifying stakeholders in the F&V value chain
Once the crops and regions/provinces are identified, the relevant organizations in both public and private sector (including project partners) will be consulted to identify key stakeholders in the F&V value chain. The names and contact details of the identified stakeholders will be documented.

WP 1.3: Survey to identify current status of the F&V value chain
A representative sample of the identified stakeholders will be selected to be interviewed. A questionnaire will be developed in consultation with the consultants, focusing on assessing; Production & agro practices, Quality management, Quality Testing and certification, Access to markets/buyers, Business management, access to finance and marketing. The interviews will be carried out by a competent three person team. The results summarized and a survey report will be compiled. This will help identify needs of the trainees and help refine the training objectives, training modules and training activities.

Component/Output 2: Enhanced availability of information on updated regulated pest list

Information on pests/weeds/diseases that affect fruit and vegetable sector will be collected and the existing database will be updated. Updating the pest/weed database will help minimize pest outbreaks, reduce risk of contamination and facilitate trade.

WP 2.1: Collect and document information on regulated pests
A survey to collect and document information on regulated pests, the potential organisms that can be identified as quarantine pests affecting fruit and vegetable sector (with special focus on selected export crops) in the territory of Sri Lanka will be conducted. They will be analysed according to risk.
This would be done by a team of local experts selected by the Department of Agriculture. The team would comprise of persons having expertise in the areas such as entomology, pathology, weed science, nematology, plant protection and taxonomists in specialised areas.

**WP 2.2 Purchasing of equipment needed for pest surveys**

A set of equipment will be purchased to enable the conduct of pest surveys related to the selected crops. The equipment will be granted to the NPPO.

**Component/Output 3: Enhanced capacity of public and private stakeholders on understanding and complying with SPS standards, pest risk analysis/surveillance and improved entrepreneurial skills**

The project will enhance the understanding of all stakeholders in the F&V value chain on SPS standards, enhancing their capacity to meet SPS standard, pest risk analysis, pest surveillance and enhance entrepreneurial skills of farmers. The objective of the capacity building program is to bring up the knowledge/awareness of all key stakeholders in the public and private sector to one platform in terms of their awareness and understanding of SPS standards and the importance of adhering to these standards. TOT programs will ensure continuous capacity building even after the end of the project.

At the moment there is very high variance in the knowledge from very low level to a medium/high level between institutes and within institutes which is a reason for lack of cooperation and coordination among institutes and officials as well. Lack of awareness and training is a major reason for the current low supply of high quality and safe fruits and vegetables for the local and international market as well. Combined training programs will help officers from different institutions better understand each other’s needs and concerns and improve coordination.

**WP 3.1: Training of the Trainer (TOT) Program for Master Trainers (MTs)**

The MTs attached to In Service Training Institutes of the Extension and Training Division of the Department of Agriculture are primarily responsible for training field level extension officers. Their capacity will be enhanced to better serve the training needs of extension officers and the knowledge base of the agriculture extension and training division upgraded to enable them to provide sustained training in SPS area for current and future extension staff.

There are 30 MTs. These officers will receive 10 days of training in following areas: Good Agricultural Practices, Pest and disease management at field level, Post-harvest handling, Phytosanitory and food safety standards, Training and extension methodology, Business Management, Finance and Marketing. The training includes a filed visit to a farm in Sri Lanka which cultivates fruits/vegetables for export market that adhere to international best practices.

**WP 3.2: TOT program for Field Level Trainers (FTs)**

The FTs attached to District Agriculture Training Centres are primarily responsible for training farmers. Their capacity will be enhanced to better serve the training needs of farmers. The knowledge base and capacity of the field level agriculture extension and training divisions are strengthened to provide continuous training in SPS area to farmers.

The FTs will receive 10 days of training on the same areas as MTs. The training will be mainly conducted by MTs with the guidance of other international and local experts. At present there are about 50 officers working as Field Level Trainers. They will be trained in two batches of 25 each.
quarantine officers that were trained as trainers (refer. WP 3.4) will also get involved in providing training in quarantine aspects of the training.

**WP 3.3: Capacity Building of Agri. Extension Division of DOA – Field level extension officers (FEOs)**
The capacity of FEOs will be developed to better serve the needs of farmers and train/advise farmers on production and marketing of safe and high quality produce.

Master Trainers (MTs) will train additional 150 FEOs serving at the field level selected based on their overall experience, exposure to fruit and vegetable sector and the experience in working in the regions identified. The training will cover the same areas as indicated in WP 2.1, but not as in depth as the training provided under the TOT program. The duration will be 5 Days, for 6 batches (25 each). The quarantine officers that were trained as trainers (refer. WP 3.4) will also get involved in providing training in quarantine aspects of the training.

**WP 3.4: TOT program for Plant Quarantine Officers (PQOs)**
The capacity of the plant quarantine officers will be enhanced to better serve importers, producers and exporters in the fruit and vegetable sector. The Pest Risk Analysis training will build the capacity of the Plant Quarantine Office to establish a permanent pest risk analysis team.

The training will be provided for 20 officers belonging to following categories; director, deputy director, research officer and agriculture officer for a period of 10 days. The training will cover five day training on pest risk analysis based on the PRA training course developed by the IPPC International Advisory Group on Pest Risk analysis. In addition the training is expected to cover as areas such as pest surveillance, vapour heat treatment and cold treatment, international and export market Phytosanitary standards applicable to fruit and vegetable sector. These officers in turn will train field level plant quarantine officers. At the end of the project a permanent team for pest risk analysis will be established within the plant quarantine office.

**WP 3.5: Capacity Building of the field level plant quarantine officers (FPQOs)**
The capacity of the FPQOs will be enhanced to better serve the needs of farmers and to better monitor and manage pest risks.

Training will be provided covering areas such as pest survey and surveillance, pest risk analysis, irradiation, vapour heat treatment and cold treatment as quarantine requirements, rapid pest identification, international and export market phytosanitary standards. The training will be provided by the plant quarantine officers that underwent Train the Trainer program. At the field level 75 officers will be selected to receive training based on criteria such as officers with BSc or a Diploma with more than 3 years of experience attached to the quarantine office. The duration of the training will be five days (three batches of 25 each).

**WP 3.6: Capacity Building of farmers**
The capacity of farmers to produce safe and high quality produce and their business management and marketing skill will be enhanced.

The areas covered will be the same as in WP 3.1, but the training will be much more simplified to suit the requirements of the farmers and will be focused on the particular crops they grow. The duration of
the training will be five days. The training will be provided to 400 farmers in batches of 25 each. The farmers will be selected based on the crops they grow (identified exportable crops) and their commercial orientation. Priority will be given to those who cultivate for export market.

**WP 3.7: Capacity Building of PHIs, exporters, processors, other relevant stakeholders**

Awareness and ability to meet SPS standards among exporters, processors and other relevant stakeholders will be enhanced.

Other relevant stakeholders (e.g. ITI, SLSI, Ministry of Health Senior officials, Export Development Board officials, importers and distributors of seeds, fertilizer and chemicals etc.) will undergo a two day Seminar on international SPS standards and one day Seminar on Exporting to EU. The number of participants is expected to be about 75 - 100. The training program will be tailor made for fruit and vegetable sector and advertised in newspapers and promoted through chambers and other partner institutes to encourage participation by the private sector. The participants to undergo the training will be selected based on objective criteria. The government officials will be nominated by respective government institutes. The training will cover areas such as international SPS standards, EU specific standards, national laws and regulations, international best-practices and case studies of success stories.

**WP 3.8: Evaluation of best performing farmers and agri. extension officers**

The farmers and agriculture extension officers will be encouraged applying their knowledge and those who do best will be recognised and rewarded.

The national and international consultants will develop an application form to evaluate and select the best performing farmers and extension services officers. The National Steering Committee (NSC) will identify a team of independent agriculturalists to do the evaluations. At the beginning of the training program, the agriculture extension officers and the farmers will be briefed about the competition/criteria for selection/award and the deadline announced and application forms distributed to all participants. The evaluation panel will go through the applications and short list participants and do direct interviews and in the case of farmers visit the farms.

**WP 3.9: Study tour to Thailand for the selected best performers**

The best performers among farmers and extension officers will be exposed to best agricultural practices in Thailand.

The best three extension officers and the best three farmers will take part in a one week study tour to Thailand. The location/s of visit in Thailand will be decided once the crops are identified (to ensure the places visited will match crops selected) by the Steering Committee in consultation with sector experts. The winners will be accompanied by a competent official from one of the partner organizations to be selected by the National Steering Committee.

**Component/Output 4: Enhanced availability, accessibility and awareness of information on and compliance with SPS standards**

Currently lack of information as well as poor access to available information is a problem. Further, most of the material is available only in English, limiting access to many stakeholders in the districts. The project will address this problem by making available information in all three languages (Sinhala, Tamil, English), in print format and online through the project website and also create awareness among stakeholders on the availability of information at workshops/training programs and through press releases and radio programs.

**WP 4.1: Developing training material, manuals, leaflets on all key areas covered in the training program in all three languages**
Training materials, training program, manuals on how to ensure safety and quality at different stages in the F&V chain and visual leaflets will be developed by the consultants/local experts. These will be translated into all three languages (Sinhala, Tamil, and English). Sufficient quantity will be printed to be distributed among participants at training programs and copies will be made available to all relevant government institutes. The material will also be made available online through the project website and stakeholder websites. All areas covered in the training will be included in the manuals such as GAP, Post-harvest handling, international and export market SPS standards, pest detection and control, pest risk analysis etc. In addition, manuals will be developed on the current plant quarantine requirements/regulations applicable in Sri Lanka for the selected crops and the regulated pest/weed lists to facilitate trade. At present there are no manuals to guide either the producers/traders or the officers in these areas.

**WP 4.2: Developing and managing the Project Website**

A comprehensive website for the project will be developed with timely updates. The project website will have project information, project updates/progress, workshop/training program details, all the training materials developed, the survey reports, the contact details of relevant institutes, links to related websites and information of potential buyers and sellers and other service providers in the fruit and vegetable sector. The project website will be linked to other stakeholder websites. The contents of the website will be regularly updated. Publicity will be given to the website at all training programs and workshops and by issuing a press release. The content management of the website is done by the CCC and it will take the responsibility of updating the information content in the website after the end of the project period.

**WP 4.3: Information Dissemination and Awareness Creation through Media**

Enhanced public awareness on the importance of SPS issues and standards.

Regular press releases will be made to create awareness on SPS area and the project. Radio programs done by extension service targeting those involved in the agriculture sector will run programs covering the project information and will be used to enhance awareness on SPS issues.

**Component/Output 5: Improved public-private cooperation and networking between stakeholders**

The project will improve public private cooperation and networking among all stakeholders in the F&V value chain so that they can work together to meet these standards. There is poor cooperation and coordination among public institutes, between public and private institutes and between stakeholders at national and district level. The networking sessions, workshops will help improve cooperation and networking.

**WP 5.1: Networking Sessions to coordinate the institutional mechanism responsible for SPS management and enhance business match making**

Ten networking sessions will be organised bringing together buyers, producers, relevant government institutes, importers and distributors of agriculture inputs and lending institutes. The participants will be given opportunity to share their views and explore ways to improve cooperation and coordination. Based on interest, business match making meetings will also be arranged. The contact details of all the participants will be distributed. The outcomes of each session will be documented with recommendations made on improving coordination.
WP 5.2: Formulating National Steering Committee
A National Steering Committee will be established. Composition, role and responsibility and meeting schedule of the National Steering Committee is given under section 5.6

WP 5.3: Identifying and recruiting consultants/surveyors
Competent team of consultants and surveyors recruited. The national and international consultants and surveyors will be identified, interviewed and recruited by the National Project Manager in consultation with the National Steering Committee. If necessary, advertisements will be placed in local newspapers for local consultants.

WP 5.4: Kick off and concluding Workshops
The program will be assessed and subsequent activities refined based on stakeholder views and project results disseminated.

All stakeholders from the private and public sector, experts, donors, media will be invited to take part at the kick off and concluding workshops. At national level kick off workshop will be held on the 5\textsuperscript{th} Month, and at the kick off workshop project website will also be launched. The concluding workshop at national level will be held on 24\textsuperscript{th} Month. The senior officials of all relevant Ministries and other government Institutes as well as donor agencies will be invited for this workshop. The project outcome, issues faced will be shared with all the participants. A special presentation will be made on the possibility of replicating the project to other agricultural crops. Relevant stakeholders handling other agricultural crops will be invited to participate at the workshop. A paper to this effect with other recommendations (e.g. interventions required to upgrade testing infrastructure, steps to take to improve coordination) will be given to the Minister of Agriculture, Heads of relevant Government Institutes and Donor Agencies at the workshop.

WP 5.5: Monitoring, evaluating and reporting Progress
Progress monitored, evaluated, reviewed and documented at regular intervals. Time schedule of progress report submission is given in section 5.1 on project reporting. The National Project Manager will be responsible for progress reports. The coordinator at Provincial level will assist in providing the inputs on the district progress to the report. Each quarter, the project manager has to present a 1-2 page paper to the NSC on activities undertaken, progress, budget, outcome and issues faced. Evaluation forms will be prepared and distributed to participants at each program. The completed forms will be collected at the end of the program, summarised and will be included in the progress report. All progress reports will be tabled at the National Steering Committee meetings, reviewed and subsequent activities refined based on the findings of the reports.

2.2 FINAL BENEFICIARIES

<table>
<thead>
<tr>
<th>Final beneficiaries</th>
<th>Expected benefit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Small farmers</td>
<td>- Enhanced knowledge and capacity to produce quality and safe fruits and vegetables and good practices on handling storage etc</td>
</tr>
<tr>
<td></td>
<td>- Higher entrepreneurial, marketing and financial management skills</td>
</tr>
<tr>
<td></td>
<td>- Better links between buyers and producers</td>
</tr>
<tr>
<td></td>
<td>- Better links with relevant government officials</td>
</tr>
<tr>
<td></td>
<td>- Improved quality of the production, better prices, guaranteed market</td>
</tr>
<tr>
<td></td>
<td>through contracts and increased income</td>
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<td>------------------</td>
<td>--------------------------------------------------------------------------</td>
</tr>
<tr>
<td></td>
<td>- Better access to information on quality &amp; safety requirements, quality &amp;</td>
</tr>
<tr>
<td></td>
<td>safety management, buyers and relevant public and private sector institutes</td>
</tr>
<tr>
<td></td>
<td>- Better prices and higher income levels</td>
</tr>
<tr>
<td>Super markets,</td>
<td>- Increased awareness of SPS standards</td>
</tr>
<tr>
<td>Hotels, Restaurants, Processors, Exporters</td>
<td>- Increased capability of obtaining international safety certification</td>
</tr>
<tr>
<td></td>
<td>- Better backward links with farmers</td>
</tr>
<tr>
<td></td>
<td>- Improved links with government institutes and officials</td>
</tr>
<tr>
<td></td>
<td>- Increased availability of quality products for local and export market</td>
</tr>
<tr>
<td></td>
<td>- Better access to information on quality &amp; Safety requirements, Management, suppliers, relevant public and private sector institutes</td>
</tr>
<tr>
<td></td>
<td>- Increased export revenue</td>
</tr>
<tr>
<td>Agricultural</td>
<td>- Enhanced knowledge on SPS standards</td>
</tr>
<tr>
<td>extension staff</td>
<td>- Enhanced ability to train and guide farmers on how to produce quality and</td>
</tr>
<tr>
<td></td>
<td>safe products</td>
</tr>
<tr>
<td></td>
<td>- Improved knowledge of soft skills needed by farmers such as access to</td>
</tr>
<tr>
<td></td>
<td>finance, marketing, negotiating contracts and ability to train the farmers in</td>
</tr>
<tr>
<td></td>
<td>these aspects</td>
</tr>
<tr>
<td></td>
<td>- Better links with farmers, other public institutes and the formal private</td>
</tr>
<tr>
<td></td>
<td>sector</td>
</tr>
<tr>
<td></td>
<td>- Better access to training materials and other relevant manuals/guides, which will help improve the quality of the future training</td>
</tr>
<tr>
<td>Health Inspectors</td>
<td>- Enhanced knowledge on SPS standards</td>
</tr>
<tr>
<td></td>
<td>- Enhanced capacity to carry out inspection work for both imports, exports</td>
</tr>
<tr>
<td></td>
<td>and local produce</td>
</tr>
<tr>
<td></td>
<td>- Better links with private sector and other government institutes</td>
</tr>
<tr>
<td></td>
<td>- Improved access to information</td>
</tr>
<tr>
<td>Plant Quarantine</td>
<td>- Enhanced knowledge on SPS standards</td>
</tr>
<tr>
<td>officials</td>
<td>- Better links with private sector and other government institutes</td>
</tr>
<tr>
<td></td>
<td>- Enhanced capacity to carry out inspection</td>
</tr>
<tr>
<td></td>
<td>- Improved access to information</td>
</tr>
<tr>
<td>Consumers</td>
<td>- Availability of safe and high quality fruits and vegetables in the market</td>
</tr>
<tr>
<td>Government/nation</td>
<td>- Increase health of people and plants, increased income levels of rural farmers, increase in foreign exchange earnings, improvement in productivity and national output, cost savings through proper use of resources (fertilizer &amp; pesticides) and reducing environmental damage</td>
</tr>
</tbody>
</table>

### 3 RATIONALE & JUSTIFICATION

#### 3.1 CONTRIBUTION TO ECONOMIC GROWTH AND POVERTY REDUCTION

**Export market and product diversification**

Sri Lanka is highly dependent on few products for its export revenue. Apparel, tea, rubber and rubber products account for over 75% of exports from Sri Lanka. There is need to diversify the export base and promoting export of fruits and vegetables will contribute towards diversification.

The exports to EU are also highly concentrated on few products, e.g. 60% is accounted for by apparel. There is a great need to diversify exports overall and also exports to the European Union. Building capacity of Sri Lankan exporters to meet EU specific SPS standards and thereby increasing exports of fruits and vegetables to EU will contribute towards achieving this goal.
Sri Lanka’s current exports of fruits and vegetables are heavily dependent on few countries. For example 50 percent of vegetables are exported to just two countries; UAE and Saudi Arabia and 50 percent of fruits end up in three countries; UAE, India and Maldives. The heavy dependence on few markets makes export revenue highly vulnerable to any external shocks that occur in these markets, hence, there is a need to diversify market base of Sri Lankan fruits and vegetable exports. Building capacity to export to EU will help reduce heavy dependence on few markets as meeting stringent EU standards would also enable to expand exports to other markets.

Poverty Reduction

The Table 8 below and the Chart 1 shows the main districts where fruits and vegetables are produced on a large scale and Chart 1 plots the incidence of poverty in these districts. The main livelihood of people living in these districts happens to be agriculture and these regions demonstrate the highest level of poverty in the country. Increasing capacity of small farmers engaged in fruits and vegetable cultivation in these regions will help raise their income levels and living standards and contribute towards reducing poverty.

### Table 8: Level of poverty in major fruit and vegetable growing regions in Sri Lanka

<table>
<thead>
<tr>
<th>District</th>
<th>Extent under cultivation of fruits and vegetables</th>
<th>Production of fruits and vegetables</th>
<th>People employed in agriculture</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>ha</td>
<td>%</td>
<td>mt</td>
</tr>
<tr>
<td>Kurunegala</td>
<td>20,126</td>
<td>13%</td>
<td>142023</td>
</tr>
<tr>
<td>Moneragala</td>
<td>13,621</td>
<td>9%</td>
<td>146824</td>
</tr>
<tr>
<td>Anuradhapura</td>
<td>11,642</td>
<td>8%</td>
<td>89942</td>
</tr>
<tr>
<td>Badulla</td>
<td>11,022</td>
<td>7%</td>
<td>107381</td>
</tr>
<tr>
<td>Ratnapura</td>
<td>10,570</td>
<td>7%</td>
<td>69,800</td>
</tr>
<tr>
<td>Kandy</td>
<td>8,700</td>
<td>6%</td>
<td>62483</td>
</tr>
<tr>
<td>Nuwaraeliya</td>
<td>8,412</td>
<td>6%</td>
<td>84674</td>
</tr>
<tr>
<td>Other</td>
<td>66229</td>
<td>44%</td>
<td>413002</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>150392</strong></td>
<td><strong>100%</strong></td>
<td><strong>1,192,357</strong></td>
</tr>
</tbody>
</table>

*proportion of poor population to total population in each district (2006/07)

Source Department of Census and Statistics
Links to achieving MDGs

The project will directly contribute to the achievement of the Goal one of the MDGs; Eradicate extreme poverty and hunger. The districts listed in Table 9 contribute most to the fruit and vegetable production in Sri Lanka accounting for over 50% of the land under cultivation of fruits and vegetables and over 60% of the total production. The assessment of key MDG indicators by district is given in Table 10. It is evident from the statistics the regions where the main livelihood is agriculture and specially fruits and vegetables, lags far behind in terms of most of the indicators compared to the national average.

Table 9: Link with MDG Indicators

<table>
<thead>
<tr>
<th>District</th>
<th>Poverty headcount ratio</th>
<th>Poverty gap ratio</th>
<th>Share of poorest quintile in national consumption</th>
<th>Prevalence of underweight children &lt; 5 yrs</th>
<th>Pop. below minimum level of dietary energy consumption</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kurunegala</td>
<td>15.4</td>
<td>3.1</td>
<td>7.7</td>
<td>20.6</td>
<td>48.6</td>
</tr>
<tr>
<td>Moneragala</td>
<td>33.2</td>
<td>7.8</td>
<td>8.9</td>
<td>26.6</td>
<td>35.3</td>
</tr>
<tr>
<td>Anuradhapura</td>
<td>14.9</td>
<td>2.8</td>
<td>6.8</td>
<td>25.0</td>
<td>48.9</td>
</tr>
<tr>
<td>Badulla</td>
<td>23.7</td>
<td>5.3</td>
<td>7.9</td>
<td>32.8</td>
<td>40.1</td>
</tr>
<tr>
<td>Ratnapura</td>
<td>26.6</td>
<td>5.3</td>
<td>8.3</td>
<td>23.9</td>
<td>43.3</td>
</tr>
<tr>
<td>Kandy</td>
<td>17.0</td>
<td>3.8</td>
<td>7.1</td>
<td>25.3</td>
<td>50.0</td>
</tr>
<tr>
<td>Nuwaraeliya</td>
<td>33.8</td>
<td>6.8</td>
<td>9.8</td>
<td>25.3</td>
<td>34.9</td>
</tr>
<tr>
<td>National Average</td>
<td><strong>15.2</strong></td>
<td><strong>3.1</strong></td>
<td><strong>7.1</strong></td>
<td><strong>21.6</strong></td>
<td><strong>50.7</strong></td>
</tr>
</tbody>
</table>

Source: MDG Indicators of Sri Lanka, a Mid Term Review – 2008, Department of Census and Statistics

According to the Department of Census and Statistics the prevalence of poverty varies considerably between districts, with Colombo reporting the lowest figure of 5.4 percent and Nuwara-Eliya reporting the highest figure of 33.8 percent. The poor are mostly concentrated in the three districts; Ratnapura, Monaragala and Nuwara-Eliya, where the poverty headcount index stands above 25 percent. While the percentage of poor populace has almost doubled in Nuwara-Eliya district, Monaragala and Gampaha districts have also not recorded any improvement, within the period under review. (1990/91-2006/07 period)

*Increasing income by producing for export market:* As indicated by the limited and average price statistics available for a selected number of products (Table 10), the farmer’s income levels and living standards can be raised significantly if the quality of their produce is improved. These are the current prices and it is expected that with the implementation of the project the resulting improvements in quality and safety will enable farmers to get even better prices than the current FOB prices.

Table 10: Comparison of average domestic and export prices of selected vegetables (2009)

<table>
<thead>
<tr>
<th>Crop</th>
<th>Domestic Retail Price (Rs/Kg)</th>
<th>FOB Price (Rs/Kg)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tomato</td>
<td>100</td>
<td>125</td>
</tr>
<tr>
<td>Leeks</td>
<td>84</td>
<td>133</td>
</tr>
<tr>
<td>Cucumber</td>
<td>54*</td>
<td>250*</td>
</tr>
<tr>
<td>Carrot</td>
<td>102</td>
<td>480</td>
</tr>
<tr>
<td>Beans</td>
<td>100</td>
<td>110</td>
</tr>
</tbody>
</table>

(*2008) Source: Socio Economics and Planning Centre, Department of Agriculture
The above table indicates the current average FOB price. The current production is largely exported to Middle Eastern and Asian markets. A comparison of average price of these markets to the average price received from EU markets show, improved access to the European market will further enhance income levels of farmers.

Table 11: Comparison of country specific Average FOB Prices for selected products

<table>
<thead>
<tr>
<th>Country</th>
<th>Fresh Banana</th>
<th>Fresh Papaya</th>
<th>Fresh Pineapples</th>
</tr>
</thead>
<tbody>
<tr>
<td>UAE</td>
<td>43</td>
<td>76</td>
<td>106</td>
</tr>
<tr>
<td>Saudi Arabia</td>
<td>41</td>
<td>104</td>
<td>101</td>
</tr>
<tr>
<td>Germany</td>
<td>521</td>
<td>811</td>
<td>205</td>
</tr>
<tr>
<td>Czech Republic</td>
<td>516</td>
<td>805</td>
<td>(France)214</td>
</tr>
</tbody>
</table>

Source: Sri Lanka Customs Statistics

European Union is the largest importer of fruits and vegetables of export interest to Sri Lanka. For example in 2009 EU accounted for 52% of fresh and dried banana imports in the world whereas the Middle Eastern countries accounted for only 3%. In 2009 European Union accounted for 57% fresh and dried pineapples in the world and in contrast Middle East accounted for only 1% (Source. www.trademap.org). Compared to the price Sri Lanka receives for products exported to Middle Eastern countries, in EU countries the price received is much higher. For example in 2010 UAE accounted for 39% of the quantity exported of pineapples and 17% of export revenue. In contrast only 17% of the quantity was exported to Germany, but revenue received accounted for 36% of export revenue. Hence enhanced capacity on exports to EU will ultimately lead to higher prices for farmers and thus better income and higher export revenue for Sri Lanka. Higher incomes will also encourage farmers to further invest in quality and safety and expand production.

3.2 IMPROVED MARKET ACCESS

The project will improve market access for small farmers for their produce by
- Increasing their capacity to produce fruits and vegetables of high quality and safety
- Enhancing their entrepreneurial, business management and marketing skills
- Increasing their knowledge on availability of finance and how to access and manage finance
- By enhancing the capacity of agriculture extension staff of the Ministry of agriculture to assist farmers to market their produce and find buyers
- Encouraging and facilitating establishment of out-grower/contract farming systems with buyers for local market (e.g. super markets, hotels, restaurants) and buyers for export market.

Facilitating and encouraging out-grower/contract farming systems is important because 1) scarcity of agricultural land in Sri Lanka and 2) the land holdings of the areas where vegetables are cultivated are generally small ranging from 0.09 to 0.37 ha in the dry zone and from 0.57 to 1.46 ha in the wet zone and fruit cultivation is mainly found in the home gardens. Hence, strengthening farmer organizations, clustering farmers to cultivate a single crop during a season and linking them with the formal private sector buyers is an important way forward to overcome constraints faced by exporter with respect to quality and consistency of supply.

The project will improve market access for exporters by
- Increasing capacity of producers to produce exportable quality fruits and vegetables and thereby increasing availability of exportable quality produce
Providing training on the international and EU specific SPS standards
Providing an opportunity to link with producers who are trained and is capable of meeting quality requirements of exporters
Indirect exports by providing more and better quality produce to hotels

3.3 IMPROVED DOMESTIC PUBLIC HEALTH SITUATION

As already mentioned above, there is high risk of fruits and vegetables being contaminated in Sri Lanka due to poor production and post-harvest practices. The project will directly contribute to the improvement of domestic public health situation by
- Enhancing the knowledge of producers on how to produce safe and quality fruits and vegetables
- Enhancing the knowledge of agriculture extension officers who would ensure more farmers would be trained to produce safe and quality fruits and vegetables
- Ensuring that farmers are incentivized to improve quality by providing them opportunities to find a guaranteed market (formal private sector) and a reasonable price
- Increasing the availability of high quality and safe produce by encouraging application of the knowledge from the inception of the program by informing farmers and extension officers of a competition to select the best at the end of the program and incentivizing by rewarding the winners with an international study tour to Thailand
- Enhancing the capacity of health inspectors to monitor and implement the SPS standards to ensure that imported, exported and domestically produced fruits and vegetables are fit for human consumption
- Training the plant quarantine division on international standards to ensure prevention of pests and diseases
- Enhancing knowledge of standard setting and implementing organizations on international SPS standards
- Increasing availability and accessibility to SPS related information/training material
- Improving coordination between public & public and private & public stakeholders

3.4 IMPROVED PUBLIC – PUBLIC & PRIVATE – PRIVATE COOPERATION

In Sri Lanka the SPS issues are handled by a number of different government institutes and there is poor coordination and cooperation between these institutes. Even the standard testing and certification laboratories fall under different Ministries which results in poor coordination and cooperation. The project was formulated in consultation with a large number of stakeholders both in the private and the public sector, hence encompasses and addresses their concerns and interests.

The project will be implemented under the guidance of a National Steering Committee comprising of both public and private sector stakeholders. A coordinator at provincial level will assist in coordinating the inputs locally and at monitoring progress. The project activities address capacity constraints of both public and private sector stakeholders hence benefits both private and public sector organizations. Hence, the implementation of the project activities requires extensive interaction between different Government institutes as well between government and private sector organization. Workshops and networking sessions also bring together all stakeholders both public and private to share their views. Further the project will also improve national and district level stakeholder corporation.

3.5 RELEVANCE FOR THE STDF

The project falls in line with the following themes of the STDF
- Capacity building for public and private organizations, notably with respect to market access.
  The project builds capacity of the informal private sector farmers, formal private sector producers,
  processors and exporters, and public sector organizations that set, implement and monitor SPS
  standards and those that provide training with the focus of enhancing the capacity to export more,
  especially to the European Union

- Information sharing on standards and coordination of technical cooperation activities.
  The project will strengthen links between the public and private sector, since the project will be
  jointly implemented by them and the project aims to have a number of stakeholder meetings
  where each stakeholder gets an opportunity to share and receive ideas/views. Further the
  information will be shared with all stakeholders by making all the training material and manuals
  and leaflets available in print and in soft copy format and on the project website in all three
  languages (English, Sinhala, Tamil)

- SPS capacity evaluation
  The project will take stock of the current practices and the knowledge of the stakeholders in the
  fruits and vegetable value chain and the training will be tailor made to fill the gap between the
  current status and the knowledge and the required status and the knowledge

3.6 Special Features of the Project

Comprehensive Value Chain Approach to ensure Safety and Quality
The current and previous donor and government funded activities to support agricultural sector and
agricultural exports have failed to adopt a comprehensive value chain approach. These programs in
some instances had been too general because they target the entire agricultural sector, without
prioritizing any particular product or a district. In contrast the proposed WTO/STDF project is
focused on one sector i.e. fruits and vegetables and even in that sector on a few selected crops with
high export and income generating potential. The previous and ongoing projects address capacity
constraints of one particular sector; either the private sector or the public sector. The proposed
WTO/STDF project addresses capacity constraints of both public and private sectors. Also, the other
projects address specific aspects of the value chain, not the entire value chain; for example a project
may address the constraints of exporters, but not of producers, a project may address the need to
network, without addressing the supply/production constraints. The proposed WTO/STDF project is
different because it addresses all aspects of the value chain.

All key stakeholders will get a good initial exposure to SPS standards and the project aims to bring
the knowledge of all key stakeholders to one platform. This is important as it will help the smooth
implementation of safety regulations, safety compliance, testing and certification because all key
stakeholders understand the system needs. Further it is expected to create interest in wanting to have
more in depth training in their specific areas (e.g. quarantine).

Addressing all key constraints that prevent investments in quality and safety
The training is also result oriented, and attempts to address all key constraints. After training on how
to produce fruits and vegetables alone the farmers will also be equipped with better business
management, finance and marketing knowledge and be provided with an opportunity to network with
potential buyers. Thereby they will be encouraged and supported to invest in quality and safety. Thus
the proposed project is designed to ensure that the project will in fact result in actual production and supply of high quality and safe fruits and vegetables to the local and export market.

**Incentivize application of the knowledge gained**

The project is unique because from the very beginning the farmers and extension officers will be encouraged and incentivized to learn thoroughly and apply their knowledge in practice by informing them of a competition that will be held at the end of the project and that the winners will be sent to Thailand for an agriculture study tour for a week. At the end of the program three best farmers from the three regions and three best extension officers will be selected based on evaluations carried out by an independent, competent panel of agriculturalists from private and public sectors.

**Replication of the Project**

This project will focus on few identified exportable crops but it can be easily replicated not only on other fruits and vegetables as well as other agricultural products in Sri Lanka, and in any other country. Further it is expected that the success of this project will trigger demand for similar programs from other farmers, interest in the government and the private sector to implement/replicate similar exercises and may also encourage donors to finance such initiatives. This will be encouraged by doing a presentation on how the project can be replicated for other agricultural crops and also together with other recommendations (e.g. lab updating, improving coordination) a paper will be presented to the Minister and other relevant Government and Donor Agencies including benefits of replicating the projects for other crops.

3.7 **Sustainability of the Project**

**Strengthens the capacity of the Government agriculture training arm:**

The Agriculture Extension and Training Division provide training and advisory services to farmers. The capacity building of field level extension officers will ensure that the farmers will continue to receive training and guidance on how to produce safe and quality products even after the end of the project. TOT program will ensure continuity of training on SPS standards and quality and safety management after the end of the project. The task of trainers will be made easy further by making available the training materials, manuals and leaflets developed through the project. Thus the knowledge imparted will be continuously made availability and disseminated. Further the usefulness of the training and the resource material as well as the knowledge of agriculture extension officers will not only be limited to the fruits and vegetable sector, it will be available and be of use to the entire agricultural sector.

**Strengthening the capacity of relevant Government Institutes**

The capacity building of the entire government mechanism and the relevant officials would ensure that the institutions who are responsible for implementing, monitoring, inspecting, testing and certifying SPS standards are up to date on the current developments in the SPS area and what is expected of them to ensure that the products available for the local and international market are safe and of high quality. Further the plant quarantine and health inspector training will include officials who provide training for future recruits to these divisions, hence ensuring continuation of training. This strengthening of the institutional mechanism will have long lasting effects, which go beyond the project term.
Strengthen the testing infrastructure
To ensure that the fruits and vegetables as well as other food crops sold in the domestic market and for export are of high quality and safe, there has to be adequate testing and certification facilities. Due to the limited project funds, the project does not invest neither in assessing the gaps between the current facilities (equipment and staff) and the required facilities in regional and international markets nor enhancing capacity of labs. The project management will liaise with potential donors to identifying possible support to conduct the gap analysis and upgrading of the infrastructure.

Promotion of Contract Farming and backward integration
As part of the business management training, contract farming will be encouraged and opportunities provided at the networking sessions to negotiate contracts. These contract farming arrangements will ensure that farmers will continue to produce high quality and safe fruits and vegetables because they have a guaranteed market and a better price for their products. In turn the exporters, processors will have opportunity to get involved in ensuring quality of the products.

Promoting establishment/strengthening of farmer organizations/clusters
As part of business management training for farmers, they will be encouraged to establish farmer organizations or if there is already such organizations to strengthen the same. These organizations will be able to cluster and produce fruits and vegetables and negotiate better deals (contracts) with formal private sector

Commitment from MOA to extend the training to remaining extension officers
As indicated in the letter of support, the MOA is firmly committed to extend the SPS training to the remaining extension officers and to make the training on SPS issues a regular component in the training provided for extension officers.
4 INPUT AND BUDGET

4.1 BUDGET

<table>
<thead>
<tr>
<th>Component-Output 1: Understanding of the current status</th>
<th>Unit</th>
<th>Unit cost</th>
<th>No.</th>
<th>WTO/STDF contribution</th>
<th>Non-STDF (CCC) or Dept of Agric</th>
<th>Total (STDF-CCC)</th>
</tr>
</thead>
<tbody>
<tr>
<td>WP 1.1 Identifying Crops and Regions</td>
<td>Per day</td>
<td>75</td>
<td>10</td>
<td>750</td>
<td>750</td>
<td>US$</td>
</tr>
<tr>
<td>WP 1.2 Identifying stakeholders in the F&amp;V value chain</td>
<td>Per day</td>
<td>75</td>
<td>15</td>
<td>1,125</td>
<td>1,125</td>
<td>US$</td>
</tr>
<tr>
<td>WP 1.3 - Identify current status of the F&amp;V value chain through survey (inclusive of food, accommodation, travel)</td>
<td>Lump sum</td>
<td></td>
<td></td>
<td>7,500</td>
<td>7,500</td>
<td>US$</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Component-Output 2: Pest Risk Analysis</th>
<th>Unit</th>
<th>Unit cost</th>
<th>No.</th>
<th>WTO/STDF contribution</th>
<th>Non-STDF (CCC) or Dept of Agric</th>
<th>Total (STDF-CCC)</th>
</tr>
</thead>
<tbody>
<tr>
<td>WP 2.1 Survey to collect and document information on regulated pests Three DOA officer ($ 50 * 3 * 60 = $9,000)</td>
<td>Lump sum</td>
<td>9,000</td>
<td>9,000</td>
<td>US$</td>
<td></td>
<td></td>
</tr>
<tr>
<td>WP 2.2 Expendable equipment needed for pest surveys related to the selected crops</td>
<td>Lump sum</td>
<td>30,000</td>
<td>30,000</td>
<td>US$</td>
<td></td>
<td></td>
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</table>

<table>
<thead>
<tr>
<th>Component-Output 3: Capacity Building *</th>
<th>Unit</th>
<th>Unit cost</th>
<th>No.</th>
<th>WTO/STDF contribution</th>
<th>Non-STDF (CCC) or Dept of Agric</th>
<th>Total (STDF-CCC)</th>
</tr>
</thead>
<tbody>
<tr>
<td>WP 3.1 – Extension Service TOT – Master Trainers Venue (with meals/accommodation) (50$ per person per day)</td>
<td>per person/10 days</td>
<td>50</td>
<td>30</td>
<td>15,000</td>
<td>15,000</td>
<td>US$</td>
</tr>
<tr>
<td>WP 3.2 – Extension Service TOT – Field Level Trainers Venue (with meals/accommodation) (50$ per person per day)</td>
<td>per person/10 days</td>
<td>50</td>
<td>2,000</td>
<td>2,000</td>
<td>US$</td>
<td></td>
</tr>
<tr>
<td>WP 3.3 – Capacity Building Field Level Extension Officers (FEOs) Venue (with meals/accommodation) (50$ per person per day)</td>
<td>Per person/5 days</td>
<td>250</td>
<td>150</td>
<td>37,500</td>
<td>37,500</td>
<td>US$</td>
</tr>
<tr>
<td>WP 3.4 – TOT for plant quarantine officers (PQOs) Venue (with meals/accommodation) (150$ per person per day/per person)</td>
<td>Per person/10 days</td>
<td>1,500</td>
<td>20</td>
<td>30,000</td>
<td>30,000</td>
<td>US$</td>
</tr>
<tr>
<td>WP 3.5 – Capacity building of field level quarantine officers (FPQOs) Venue with meals and accommodation (150$ per person per day/per person)</td>
<td>Per person/5 days</td>
<td>75</td>
<td>75</td>
<td>56,250</td>
<td>56,250</td>
<td>US$</td>
</tr>
<tr>
<td>WP 3.6 – Capacity building of Farmers Venue (with meal) (15$ per person per day)</td>
<td>Per person/10 days</td>
<td>15</td>
<td>30,000</td>
<td>30,000</td>
<td>US$</td>
<td></td>
</tr>
<tr>
<td>WP 3.7 – Capacity Building PHI/Exporters/Processors/Other stakeholders Venue (with meal) (15$ per person per day)</td>
<td>Per person/10 days</td>
<td>30</td>
<td>7,500</td>
<td>7,500</td>
<td>US$</td>
<td></td>
</tr>
<tr>
<td>WP 3.9 Study tour to Thailand (5 days, 7 participants) inclusive of cost of national consultant in Thailand to organise the program</td>
<td>Lumpsum</td>
<td>12,000</td>
<td>12,000</td>
<td>US$</td>
<td></td>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Component-Output 4: Enhanced availability, accessibility of and awareness on information on and compliance with SPS standards</th>
<th>Unit</th>
<th>Unit cost</th>
<th>No.</th>
<th>WTO/STDF contribution</th>
<th>Non-STDF (CCC) or Dept of Agric</th>
<th>Total (STDF-CCC)</th>
</tr>
</thead>
<tbody>
<tr>
<td>WP 4.1 – Developing training material, manuals, leaflets in three languages (type setting, designing, translating, printing)</td>
<td>Lump sum</td>
<td>15,000</td>
<td>15,000</td>
<td>US$</td>
<td></td>
<td></td>
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<tr>
<td>WP 4.2 – Developing and managing the Project Website Designing and developing the website</td>
<td>Lump sum</td>
<td>5,000</td>
<td>5,000</td>
<td>US$</td>
<td></td>
<td></td>
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<tr>
<td>WP 4.3 Information dissemination and awareness creation through media</td>
<td>Lumpsum</td>
<td>2,000</td>
<td>2,000</td>
<td>US$</td>
<td></td>
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</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Component-Output 5:5. Improved public-private cooperation and networking between stakeholders</th>
<th>Unit</th>
<th>Unit cost</th>
<th>No.</th>
<th>WTO/STDF contribution</th>
<th>Non-STDF (CCC) or Dept of Agric</th>
<th>Total (STDF-CCC)</th>
</tr>
</thead>
<tbody>
<tr>
<td>WP 5.1 Networking Sessions per session</td>
<td>1,500</td>
<td>10</td>
<td>15,000</td>
<td>15,000</td>
<td>US$</td>
<td></td>
</tr>
<tr>
<td>WP 5.2 National Project Coordinator</td>
<td>Per month</td>
<td>3,000</td>
<td>24</td>
<td>72,000</td>
<td>72,000</td>
<td>US$</td>
</tr>
<tr>
<td>WP 5.3 Coordinator at provincial level</td>
<td>Per month</td>
<td>500</td>
<td>15</td>
<td>7,500</td>
<td>7,500</td>
<td>US$</td>
</tr>
<tr>
<td>WP 5.3 Project Assistant</td>
<td>Per month</td>
<td>800</td>
<td>16</td>
<td>12,800</td>
<td>12,800</td>
<td>US$</td>
</tr>
<tr>
<td>WP 5.3 Other CCC support staff (3 persons)</td>
<td>Per month/3 people</td>
<td>1,250</td>
<td>10</td>
<td>12,500</td>
<td>12,500</td>
<td>US$</td>
</tr>
<tr>
<td>WP 5.3 Project Accountant</td>
<td>Per month</td>
<td>800</td>
<td>12</td>
<td>9,600</td>
<td>9,600</td>
<td>US$</td>
</tr>
<tr>
<td>WP 5.3 Office space with facilities for project team in Colombo</td>
<td>Per month</td>
<td>400</td>
<td>24</td>
<td>9,600</td>
<td>9,600</td>
<td>US$</td>
</tr>
<tr>
<td>WP 5.3 Overheads, stationary and related costs</td>
<td>Lumpsum</td>
<td>6,000</td>
<td>6,000</td>
<td>US$</td>
<td></td>
<td></td>
</tr>
<tr>
<td>WP 5.1 National level meeting room facilities</td>
<td>per hour</td>
<td>50</td>
<td>24</td>
<td>1,200</td>
<td>1,200</td>
<td>US$</td>
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<tr>
<td>WP 5.1 Regional level meeting room facilities</td>
<td>per hour</td>
<td>30</td>
<td>30</td>
<td>900</td>
<td>900</td>
<td>US$</td>
</tr>
<tr>
<td>WP 5.4 Workshops (kick off and concluding) per w/shop</td>
<td>2,000</td>
<td>2</td>
<td>4,000</td>
<td>4,000</td>
<td>US$</td>
<td></td>
</tr>
<tr>
<td>ITC Travelling (Project coordination) per trip</td>
<td>6,000</td>
<td>4</td>
<td>24,000</td>
<td>24,000</td>
<td>US$</td>
<td></td>
</tr>
<tr>
<td>ITC Technical Adviser</td>
<td>Per month</td>
<td>16,000</td>
<td>2</td>
<td>32,000</td>
<td>32,000</td>
<td>US$</td>
</tr>
<tr>
<td>ITC Senior Technical Adviser</td>
<td>Per month</td>
<td>21,000</td>
<td>1</td>
<td>21,000</td>
<td>21,000</td>
<td>US$</td>
</tr>
<tr>
<td>General Operating Expenses or sundry</td>
<td></td>
<td>21,634</td>
<td>21,634</td>
<td>US$</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Internal Transport and accommodation for project staff and Trainers</td>
<td></td>
<td>20,400</td>
<td>20,400</td>
<td>9,600</td>
<td>9,600</td>
<td>US$</td>
</tr>
<tr>
<td>Internal Transport for Agriculture Extension and Quarantine Officers **</td>
<td></td>
<td>5,750</td>
<td>5,750</td>
<td>US$</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Cost of accommodation may vary depending on district/urban/farm and cost of venue may vary depending on public/private ownership. DOA officers per diem cost (@US$ 50)

*) Include cost of travelling of the project team members to implement project activities during the 24 month period

**) Some consultants will get involved in more than one component

Summary budget by category
4.2 COST EFFECTIVENESS

Using local resource persons as far as possible who are knowledgeable on the ground situation as well as involving all relevant Government institutions who are connected to the project and getting their support from the beginning is intended to ensure successful implementation of the project at a cost effective level.

The capacity development will be focused on the extension staff officers who are engaged in farmer training and development. This will avoid the necessity and costs involved in directly training farmers and the benefit will be greater as the extension officers will continue to train many more farmers over a period which is much longer than the project duration. Further the program is cost effective because it incorporates a ‘Train the Trainers’ element, where trainers of plant quarantine and extension service divisions also take part in the training. The international experts will only carry out the TOT program and the remaining field level training will be thereafter carried out by the officers trained as trainers. The number of officials attached to these divisions is large (e.g. extension service each has over 1000 officials) and cannot be trained under this program, however, by training the trainers, the capacity of these divisions to train the remaining officials as well as future recruits is ensured. Further the program makes training material available to the training centers, which will assist to ensure quality of the subsequent training programs as well.

Although the program is targeted to cover only a few crops and few regions, the extension, quarantine and health inspection officials can apply this knowledge to other agricultural products as well. Thus strengthening the government institutional mechanism is a cost effective way of promoting quality and safety of the entire agricultural produce in the country.

Adopting a comprehensive value chain approach - A project may not deliver the expected end product, if in the design and implementation of the project the concerns and interests faced by all the stakeholders are not taken into account. Hence, the inputs that go into the project could be wasted. The proposed WTO/STDF project has been designed taken into account concerns and interests of a large number of stakeholders and addresses all the key constraints of the system.
5 PROJECT IMPLEMENTATION AND MANAGEMENT

The International Trade Centre (ITC) has been requested by the applicant, viz CCC, and STDF to take the role of Implementing Agency. ITC will implement the project, in close collaboration, with the Ceylon Chamber of Commerce (CCC) and with various relevant national technical entities.

A National Steering Committee (NSC) will be formed by authorized representatives of key institutions (CCC, MoH, MOA, NAC, LFFPPEA, ITC), to ensure an institutional level coordination and communication and quality assurance of the project. The contribution from the institutions concerned at this level to the project implementation will be crucial to look into the impact level and results level changes of the project and to enable political level decisions for the project implementation. On a needs basis, NSC could invite representatives from other relevant ministries such as Ministry of Technology and Research. Every two months the NCS will review the progress of the project through reporting from the National Project Manager. The composition and the Terms of Reference of NSC are described in the section below.

The project management will be carried out by a project management team, headed by ITC (Geneva based) and a National Project Manager. The project management team will be fully responsible for managing the project, and carry out all tasks relevant to activity management, personnel management, logistic management, financial management, communication management and monitoring.

5.1 INTERNATIONAL TRADE CENTRE (ITC)

The implementing role of the project shall be assigned to an International Agency appointed on a contractual agreement by the WTO. Such agency should have the required expertise and experience of implementing similar project in the past. It was suggested to appoint ITC, Geneva, as the preferred implementing agency given the focus of the project on private sector development.

ITC’s mandate:
The ITC is the joint technical cooperation agency of the World Trade Organisation (WTO) and the United Nations. As the development partner for small business export success, ITC’s goal is to help developing and transition countries achieve sustainable human development through exports. Through strategic development and capacity building based on these business services, ITC connects opportunities to markets. As a result, ITC achieves long-term, tangible benefits at both national and community levels. ITC enables small business export success in developing countries by providing, with partners, sustainable and inclusive trade development solutions to the private sector, trade support institutions and policymakers.

ITC and STDF:
ITC has supervised STDF project 69 in Yemen “Improved capacity for ensuring the quality and safety of Yemeni seafood products” and is currently supervising STDF project 172 “Expanding Nigeria’s export of sesame seeds and sheanut/butter through improved SPS capacity building for private and public sector”.

The scope of the STDF project in Sri Lanka (compliance with requirements and enhance market opportunities) falls within the ITC’s mandate and core competences. The organisation specialises in trade development, inter alia, through both sector-enterprise specific promotion and technical cooperation at the institutional level. Synergies and complementarities between the proposed project and other trade-related technical assistance initiatives developed (or under development) by the Government of Sri Lanka, ITC and international agencies would be promoted for greater impact of
interventions in the field. In addition, ITC is piloting a small intervention to review coordination among Trade Support Institutions (TSIs) networks to address SPS issues with a view to identify best practices. This would benefit Sri Lanka to improve synergies among TSIs to better accompany enterprises for export readiness and access markets. ITC will assume responsibility for implementing the activities and providing the services described in the project document and as per the agreement by the WTO.

**Roles and responsibilities:**
- Coordinate overall project
- Provide guidance and advice counterparts for the successful implementation of the programme’s activities and for reaching its objectives
- Review and adjust workplan as per stakeholders’ recommendations
- Participate in few meetings of the NSC
- Ensure agreed activities, timelines and outcomes are delivered as per plan
- Ensure effective and timely implementation of individual project components
- Decide on budget allocation and revision
- Liaise regularly and coordinate activities with the NPM and project stakeholders
- Ensure effective involvement of the NPM in project coordination
- Regularly review progress of the project and where necessary make recommendations to enhance effective and timely implementation of responsibilities and activities of all project partners
- Monitoring, Evaluating and Reporting Progress
- Disseminate information and success stories of the project achievements

5.2 **THE CEYLON CHAMBER OF COMMERCE**

**The Institute**

The Ceylon Chamber of Commerce is a not for profit, business support organization. CCC is interested in this project because it falls in line with objectives of the CCC to assist the private sector to enhance their export capacity, to establish better and closer working relationship with relevant government institutes by facilitating a dialogue between relevant public and private stakeholders, assist reduce the regional disparities in income and living standards and encourage the formal private sector to integrate backwards with the regions. The CCC values this project because
- It adds value to private sector engaged in producing, processing and exporting fruits and vegetables by enhancing their capacity to export
- It improves the links between private and public sector organizations involved in SPS standard setting, implementation and training
- It improves the district outreach of the Chamber and its links with the regions

**Role and Responsibility (under close guidance of ITC)**
- Appointing competent persons to coordinate the delivery of the project (project manager, project assistant, project accountant)
- Implementation of the project activities locally at the centre and at district level with NAC
- Coordinate with different stakeholders at national/district level and with ITC
- Organize National Steering Committee Meetings and keeping minutes
- Identifying resource persons to carry out the program in consultation with other stakeholders
- Providing well equipped office space for the Project Team in Colombo
Providing meeting room facilities for the stakeholder/National Steering Committee meetings in Colombo

- Monitoring, Evaluating and Reporting Progress
- Managing Finance and keeping records
- Publicizing project activities and project results (inviting media for workshops, and issuing press releases, advertisements)

**Contact Details**

Address: No. 50, NavamMawatha, Colombo 02
Contact Person: Mr. Chandraratne D. Vithanage (National Project Manager)
Contact details: Tel. +94 777-508992 Fax. +94 11 2381012/2449352 Email.

### 5.3 NATIONAL AGRIBUSINESS COUNCIL

**The Institute**

The NAC is a private not for profit council with 18 Associations and 15 Cooperate Members covering every sphere of agribusiness. Lanka Fruit and Vegetable Producers, Processors and Exporters Association is also a member association of NAC. Their objective is to provide services to make Sri Lanka’s agribusiness sector competitive in the globalized market place. They are interested in this project because they are keen to:

- Offer technical assistance and essential services to Agribusiness Associations and their members to improve international competitiveness
- Encourage cluster development initiatives
- Enable members to improve links with farmers and expand their supply bases
- Provide business information and planning
- Establish market linkages
- Build public-private sector partnerships to develop Agri business

**Role and Responsibility**

- Nominate a representative to serve in the National Steering Committee
- Participate at kick off and concluding workshops
- Assist implementation of project activities at the district level
- Assist CCC to identify resource persons to carry out the training program
- Assist CCC to identify relevant stakeholders to undergo training (specially farmers and private companies engaged in agri-business)
- Coordinating activities with the district stakeholders and with the National Project Manager
- Assist in identifying independent evaluators to screen best performers from farmers and extension officers who underwent training

**Contact Details**

Address: 50, NavamMawatha, Colombo 02
Contact person: Mr. Asoka Gopallawa, Chairman (Provincial Coordinator)
Contact details: Tel: + 94 11 5231090, E-mail: nac@chamber.lk
The Institute

Seed Certification and Plant Protection Centre (SCPPC) and the Agriculture Extension and Training Division (AETD) fall under the purview of the Ministry. The project complements and supports the achievement of the overall objective of the Ministry that is of enhancing the income levels and living standards of the farming community by improving the quality, sustainability and standards of agriculture production in the country (including fruit and vegetable production) and minimize post-harvest losses.

SCPPC is responsible for prevention of introduction, establishment and spread of dangerous alien pests within the country and is involved in inspecting and testing export and import consignments. They are interested in the project as they wish to:
- Enhance the knowledge and awareness of the officials on the international SPS standards and export market standards
- Improve links with other government organizations, farmers, processors and exporters of fruits and vegetables
- Improve their laboratory capacity to meet the standards assessed

AETD conducts training programs for extension staff, farmers, and entrepreneurs. The division is interested in this project as they wish to:
- Upgrade the knowledge of the staff attached to the division and the extension staff at the field level on international SPS standards and export market standards
- Enhance capacity of extension service officers in market oriented farming, agro enterprise development, marketing and accessing finance and thereby enhance their ability to assist and guide farmers to better respond to market opportunities
- To improve links with farmers, exporters, processors and financial institutions and other stakeholders.
- To have material developed (e.g. manuals) that can be used in future training programs
- It enhances the capacity of the extension and training division to assist farmers to improve their production quality, access to finance and links with buyers and thereby increase the income levels and living standards of the farmers

Role and Responsibility

- Nominate a representative to serve in the National Steering Committee
- Participate at kick off and concluding workshops
- Assist CCC to identify resource persons to carry out the training program and the core project team
- Assist NAC in identifying crops/regions/farmer organizations/other district stakeholders in fruit and vegetable value chain
- Assist NAC to conduct the survey to assess the current status of the fruit and vegetable value chain, needs/gaps
- Nominate a competent official to assist resource persons in developing training material, manuals and leaflets (provide inputs, comments, attend meetings)
- Nominate competent and committed provincial agriculture officers (one for each location) to assist implementing capacity building programs at district level
- Identify and release agriculture extension staff, plant quarantine staff and other relevant government officials to take part in the program and provide transport for the participants to go for the training

Role and Responsibility
Assist by releasing meeting facilities at district level for project related meetings
Assist by releasing training facilities at the district level to conduct the training programs
Release officials to carry out training at district level (e.g. to train farmers, field level officers)
Assist in disseminating information/resource material to the relevant stakeholders

Contact Details
Address: No. 80/5, Rajamalwatta Avenue, Battaramulla
Contact Person: Dr. D B T Wijeratne, Additional Secretary (Agriculture Development)
Contact details: Tel. 94 11 2887431/11-2869553, fax: 94 11 2868926, Email: dbtwij@hotmail.com

5.5 MINISTRY OF HEALTH (MOH)

The Institute
Central Food Control Administration (CFCA) of the Ministry of Health is responsible for setting food standards and regulations to ensure human safety and health and monitoring the food control program to promote exports and to protect consumers from import and production of inferior/substandard or unfit food. The Ministry is in the process of amending the Food Act of Sri Lanka and thereby upgrade local standards to fall in line with international SPS standards. They are interested in this project because they want to
Enhance the knowledge of their staff on SPS standards
Train their staff on inspection, sampling, risk assessment and monitoring practices
Asses the capacity of labs to meet upgraded local standards, international standards and export market standards in order to ensure safety of fruits and vegetables sold in local and export market

Role and Responsibility
Nominate a representative to serve in the Project National Steering Committee
Assist CCC to identify resource persons to carry out the training program
Participate at kick off and concluding workshops at national level
Nominate an official to assist in developing training program, training material, manuals and leaflets
Identify and release PHIs attached to import/export inspection and other relevant health ministry officials to take part in the training

Contact Details
Address: Rev. BaddegamaWimalawansaMawatha, Colombo 10
Contact person: Dr. T B AnandaJayalal, Director, Environmental Health, Occupational Health and Food Safety
Contact details: Tele/fax: + 94 11 2672004, E-mail: jayalal313@yahoo.co.uk
5.6 LANKA FRUIT AND VEGETABLE PRODUCERS, PROCESSORS AND EXPORTERS ASSOCIATION

The Institute

The Lanka Fruit & Vegetable Producers, Processors and Exporters Association (LFVPPEA) were established in the year 1980 under the auspices of the Sri Lanka Export Development Board. The membership of the Association consisting of 33 companies accounting for approximately 85% of the export earning of this sector. The association is interested in this project because they want to

- Increase the availability of exportable quality and safe fruits and vegetables
- Encourage clustering of small farmers and increasing backward integration
- Enhance their capacity and knowledge of international SPS and EU export market SPS standards so that it is easier for them to acquire international certification
- Increase export volumes and values
- Diversify the export markets

Role and Responsibility

- Nominate a representative to serve in the Project National Steering Committee
- Participate at kick off and concluding workshops
- Assist NAC and DOA to identify crops, regions and farmers and other stakeholders to be trained
- Encourage participation of members at the capacity building program and
- Ensure participation of members at the networking and match making sessions held in the districts
- Contribute to development of training program, material, manuals and leaflets by giving comments, suggestions and participating at meetings

Contact Details

Address: Hony. General Secretary’s Office: DevelopmentInterplan (Ceylon) Ltd, No. 80, Reclamation Road, Colombo – 11
Contact details: Fax: 11-2332331, E-mail: zuraishh@hotmail.com, Tele: +94 11-2332330

5.7 NATIONAL STEERING COMMITTEE

Composition: The Ceylon Chamber of Commerce (CCC), Ministry of Health (MOH), National Agribusiness Council (NAC), Ministry of Agriculture (MOA), Seed Certification and Plant Protection Centre (SCPPC), Extension and Training Division (EQTD) of Dept. of Agriculture, Lanka Vegetable and Fruit Producers, Processors and Exporters Association (LFVPPEA), International Trade Centre (ITC)¹

Terms of Reference:

- Take responsibility of the overall project, its activities, timely implementation and achievement of outcomes
- Regularly review progress of the project and where necessary make recommendations to enhance effective and timely implementation of responsibilities and activities of all project partners

¹ITC will be able to participate to selected meetings of NSC
- Discuss issues that hamper effective implementation of the project and make recommendations to overcome them and where necessary changes to the work plan
- Reconcile differences in opinion and approach between different stakeholders and resolve disputes arising out of such differences
- Review, recommend and maintain an active dialogue with other relevant public and private stakeholders whose inputs are necessary or can add value to the project and invite them to take part in the National Steering Committee meetings as and when necessary
- Review the need for specialized working groups on selected areas/activities and recommend establishment of such groups

Meeting Schedule – Once in two months
5.8 Project Management Structure

Implementing Agency - ITC

National Coordination Unit (CCC)
*National Project Manager (CCC)*

National Steering Committee (CCC, MOA, SCPPC, ETDA, MOH, DOA, LFVPPEA, NAC)

Department of Agriculture

Seed Certification and Plant Protection Centre (SCPPC)

Extension and Training Division of Dept. of Ag (DOA)
### 5.9 Risks

<table>
<thead>
<tr>
<th>Risk identified</th>
<th>Actions to Manage the risk identified</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Achieving the Overall objective</strong>&lt;br&gt;– Delay in applying knowledge to cultivation to reap benefits</td>
<td>– Create enthusiasm to invest by informing them of farmer award scheme and international study tour&lt;br&gt;– Getting existing successful farmers/companies to share their experiences&lt;br&gt;– Providing cultivators an opportunity to meet buyers who are willing to pay a higher price for high quality and safety produce through networking sessions</td>
</tr>
<tr>
<td><strong>Understanding the current status of the value chains</strong>&lt;br&gt;– The willingness to respond to the interview&lt;br&gt;– Quality of the responses</td>
<td>– Increasing the sample size to ensure that there is sufficient number of respondents&lt;br&gt;– Enhancing the quality of the responses by ensuring that the interviews are carried out by and with competent persons</td>
</tr>
<tr>
<td><strong>Information dissemination/sharing</strong>&lt;br&gt;– Poor internet access and usage at district level&lt;br&gt;– Lack of popularity and lack of trust in internet as a source of information&lt;br&gt;– Infrequent use of libraries and reading documents&lt;br&gt;– Availability of reliable and current information&lt;br&gt;– Ensuring presence of key media persons at events and getting them to publish press releases</td>
<td>– Creating awareness on the website at every training program and how to access and how to use the information and explaining benefits&lt;br&gt;– Increasing the availability of printed material at places frequently visited by the users&lt;br&gt;– Encouraging use of the materials by trainers when conducting training programs&lt;br&gt;– Cross checking information from different sources&lt;br&gt;– Validating information by obtaining views from experts/field level persons&lt;br&gt;– Using already established media contacts of partner institutes and their PR officers to disseminate project information through media</td>
</tr>
<tr>
<td><strong>Capacity Building</strong> Finding the expected number of eligible and interested participants&lt;br&gt;– Ensuring continuous participation&lt;br&gt;– Application of the knowledge gained&lt;br&gt;– Timing of the training programs (e.g. clash with harvesting seasons etc.)</td>
<td>– Expanding the district coverage (area) or crop coverage (number) if possible and practical&lt;br&gt;– Making the organizations nominating participants for training undertake responsibility of ensuring continuous participation during the entire training program and issuing a training certificate to those who have attended the training in full&lt;br&gt;– Emphasizing the benefits of applying the knowledge&lt;br&gt;– Carefully plan for training programs avoiding harvesting seasons&lt;br&gt;– At every training program distributing the application forms for farmer/ext. officer awards and educate the participants of the requirements&lt;br&gt;– Ensuring that the panel of evaluators are</td>
</tr>
<tr>
<td><strong>Evaluating and rewarding participants</strong>&lt;br&gt;– Quality of the applications&lt;br&gt;– Favoritism/malpractices in the selection process</td>
<td>–</td>
</tr>
</tbody>
</table>
independent in the selection process, and make the evaluation process transparent and done on objective criteria and ensure that all key decisions are made by the panel.

Public Private Cooperation and Networking among all stakeholders
- Time required to develop trust
- Reluctance of some stakeholders to cooperate
- Convincing stakeholders of benefits of participation
- Getting private sector companies and farmers who have established long term successful partnerships to share their experiences and benefits of such partnerships
- Ensuring project teams comprise of persons who are more cooperative and flexible

Overall Implementation
Inefficient procedures, poor cooperation and red tape causing delays in meeting deadlines
- Ensuring project teams comprise of persons who are quick to respond
- Training carried out in one region is assessed and lessons learned incorporated prior to conduct of training in the second region and so on.
- The project team will learn from the previous or ongoing projects to avoid problems and issues faced by those projects to the best extent
- Building in contingencies in the event there are unexpected externalities that delay any part of the project.
- Getting the blessings and guidance for the project at Ministerial level

6 REPORTING, MONITORING AND EVALUATION

6.1 PROJECT REPORTING

<table>
<thead>
<tr>
<th>Report</th>
<th>Time of Submission</th>
</tr>
</thead>
<tbody>
<tr>
<td>Preliminary National Progress Report</td>
<td>Month 6</td>
</tr>
<tr>
<td>First Year - Mid Term Progress Report</td>
<td>Month 12</td>
</tr>
<tr>
<td>First Year – End Year Progress Report</td>
<td>Month 18</td>
</tr>
<tr>
<td>Final National Progress Report</td>
<td>Month 24</td>
</tr>
</tbody>
</table>

6.2 MONITORING AND EVALUATION, INCLUDING PERFORMANCE INDICATORS

- Evaluation forms will be prepared, distributed and collected at the end of every program/activity and the results summarized and used in upscaling the other activities
- Discussions/Comments of stakeholders at each concluding workshop to be documented and used to improve programs that follow
- A website will be developed and all outputs will be uploaded to the web as and when events progress
- Performance indicators/output indicators given in the logical framework will be evaluated and monitored
The learning and application of learning by farmers and agriculture extension officers will be evaluated and rewarded (this will be a good evaluation of the success of the training program as well)

Progress Reports – every six months a progress report prepared by the project manager will be reviewed by ITC and the National Steering Committee (NTC) and submitted to STDF via ITC

Internal reporting of progress will be done every month, where the project manager will have to do a brief 1-2 page summary of the activities carried out, outcome and issues faced and recommendations if any to the NTC for its regular communication with ITC and in preparation of the NTC meetings

The NTC will hold meetings every two months and evaluate the project progress and provide recommendations/suggestions

6.3 DISSEMINATION AND REPLICATION OF PROJECT RESULTS

Workshops – The workshop participants will comprise of senior officials from key Government Institutes, business community and donor agencies. Presentation will be made on project outcome and the possibility of replicating the project to other agricultural crops. The workshops will be given full media coverage.

Master Trainers/District Level Trainers from Extension Service, Plant Quarantine Office will incorporate this training program into their usual training program syllabus

Given the importance of the safety and quality of fruits and vegetables produced in the country, the Ministry of Agriculture has undertaken a commitment to ensure continuity of the training in SPS areas even after the end of the project period.

The field level agriculture Extension Officers that undergo training will be required to train small groups of farmers in their respective areas and thereby further disseminate the information.

Media coverage – The program will be given publicity through regular press releases on the project progress, outcomes and issues. Extension and Training Division of the Department of Agriculture runs several radio programs on agriculture. This project results will be disseminated through these radio programs as well. Media will be invited to participate at kick off and concluding workshops as well as some of the training sessions.

Project website: The project website will have all the training material and the contact details of participants who participated in the program, as well as project details and outcomes.

Websites of stakeholders: The websites of all stakeholders; e.g. Ministry of Agriculture, Department of Agriculture, Ceylon Chamber of Commerce will also carry information on the project, and make available the resource material.

In addition to the above the training material/manuals/leaflets made available in print form to all the stakeholders and institutional reference copies will be kept in the libraries and also soft copies made available through the website.

Making a presentation to all stakeholders including those handling other agri crops o benefits of the program and how it can be replicated at the concluding workshop. Further a position paper together with all the recommendations (e.g. government interventions to upgrade the testing infrastructure, improve coordination, replicating of the project etc.) will be submitted to the Minister of Agriculture, Heads of other relevant Government Institutes and to Donor Agencies.
ATTACHMENTS

APPENDIX 1: LOGICAL FRAMEWORK

Note: Targets will be decided and added during the inception period based on the conduction of baseline studies (value chain analysis)

<table>
<thead>
<tr>
<th>Project description</th>
<th>Measurable indicators / targets</th>
<th>Sources of verification</th>
<th>Assumptions and risks</th>
</tr>
</thead>
</table>
| **Goal**             | Increase in income generation through supply of high quality and safe fruits and vegetables to the local and international market | - At least 80 farmers receive or about to receive an increase in the average revenue for their products in compliance with quality ad SPS measures  
- Reduction in incidents due to usage of fertilizers/pesticides  
- Reduction in post-harvest losses of selected F&V  
- Reduction in pest prevalence | - Researches  
- Reports  
- Project Surveys  
- Statistics at Sri Lanka Custom’s Department | - The economic and political conditions in the domestic and global context would be favourable to achieve the goal  
- Absence of extreme weather events  
- Time period required to apply knowledge to cultivation and enable market linkages to reap benefits |

| **Immediate Objectives (outcomes)** | 1. Build and sustain the competence of public and private stakeholders to comply with quality and food safety international requirements | - Plant Quarantine Office has a permanent operational Pest Risk Analysis team  
- The Extension Office makes SPS component a part of their regular training curriculum  
- N. of extension officers applying the acquired skills and competences to assist farmers to produce better quality and safe fruits and vegetables increased  
- N. of farmers and exporters applying the acquired skills and produce selected fruit and vegetable in compliance with SPS measures | - Project report  
- Report from the National Plant Quarantine Service  
- Report from Lanka Fruit and Vegetable Producers, Processors and Exporters | - Stakeholder’s participation and willingness to apply the knowledge gained  
- The choice of the national project manager is critical along with his/her leadership and coordination skills  
- Delays in meeting deadlines and completing activities within the stipulated time period |
| Outputs | 1. The value chains of selected crops of fruits and vegetables with high income generation and export potential are assessed | - Increase in number of requests for phytosanitary certificates (for export purposes)  
- Increase in the volume of quality fruits and vegetables available for export (selected items)  
- Reduction in rejections of selected fruits and vegetables due to SPS issues  
- Satisfaction of exporters / traders with respect to export controls is improved | Association  
- Report from Extension Office  
- Baseline | - Government’s and stakeholders’ commitment to strengthen the SPS system |
|---|---|---|---|
| | 2. Improve the international, regional and national market opportunities of selected value chains of fresh fruit and vegetables | - Increase in the number of contract farming arrangements / contracts with buyers  
- Exporters have access to a larger pool of farmers supplying fruits and vegetables in compliance with SPS measures | Project report  
- Contract farming arrangements and contracts signed with buyers  
- Baseline | - Government commitment to promote agri-food trade  
- The political situation remains stable during the project implementation  
- Market demand  
- Absence of extreme weather events |
| 2. Enhanced availability of information on updated regulated pest list | - Study on the quality and safety status of at least six selected FF&V value chains and gaps to meet international standards validated | - Completed Questionnaires  
- Survey report  
- Studies/Researches | - Existing research and statistics are available  
- Availability of crops with export potential  
- Willingness to respond to the interview  
- Quality of the responses |
| 3. Enhanced capacity of public and | - Reliable updated pest/weed disease database available | - Survey  
- Database | - Quality of the responses  
- Availability of specialised expertise |
<table>
<thead>
<tr>
<th>Private stakeholders on understanding and complying with SPS standards, pest risk analysis/surveillance and improved entrepreneurial skills</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stakeholders on SPS standards and importance to adhere to the standards aligned</td>
</tr>
<tr>
<td>30 Master Trainers (MTs) have acquired skills and knowledge in the SPS area and business topics and are able to address training needs of Extension Officers and Field Level Trainers</td>
</tr>
<tr>
<td>50 Field Level Trainers (FTs) have acquired skills and knowledge in the SPS area and business topics to address the training needs of farmers</td>
</tr>
<tr>
<td>150 Field Level Extension Officers (FEOs) have acquired skills and knowledge to train/advice farmers on production and marketing of safe and high quality produce</td>
</tr>
<tr>
<td>20 Plant Quarantine Officers (PQOs) have acquired skills and knowledge to assist importers, producers and exporters</td>
</tr>
<tr>
<td>Permanent Pest Risk Analysis (PRA) team established</td>
</tr>
<tr>
<td>75 Field Level Plant Quarantine Officers (FPQOs) have acquired skills and knowledge to better serve the needs of farmers and monitor and manage pest risks</td>
</tr>
<tr>
<td>400 farmers have improved skills and knowledge on how to produce safe and high quality produce, and on marketing and business management</td>
</tr>
<tr>
<td>At least 75 other relevant stakeholders, exporters and processors have increased awareness and ability to meet SPS standards</td>
</tr>
<tr>
<td>Farmers and extension officers are encouraged to apply the acquired knowledge and those assessed to do the best are</td>
</tr>
<tr>
<td>of Participants</td>
</tr>
<tr>
<td>- Assessment of participant’s knowledge and skills prior and after the training</td>
</tr>
<tr>
<td>- Summary of the evaluation forms completed by participants (before and after the intervention)</td>
</tr>
<tr>
<td>- Summary of the evaluations carried out by the evaluation panel</td>
</tr>
<tr>
<td>- Production reports</td>
</tr>
<tr>
<td>Gained</td>
</tr>
<tr>
<td>- Continuous participation throughout the entire program</td>
</tr>
<tr>
<td>- Timing of the training programs (e.g. clash with harvesting seasons etc.)</td>
</tr>
</tbody>
</table>
4. Enhanced availability, accessibility and awareness of information on and compliance with SPS standards

- Updated information on SPS standards and how to meet them easily available and accessible in three local languages to stakeholders in print format and online through the project website
- The project websites contains at least 100 documents on SPS, contact details of stakeholders, networking meetings, list of participants
- Monthly statistical reports generated by the website
- Printed copies of documents
- Summary of the evaluation forms completed by participants
- Attendance Sheet
- Minutes of the meetings
- Information obtained from suppliers and buyers
- Availability of reliable and up-to-date information
- Poor internet access and usage at regional level
- Usage of libraries and poor habit of reading
- Time required to develop trust
- Willingness to cooperate between some of the stakeholders
- Convincing stakeholders of benefits of participation

5. Improved public-private cooperation and networking between stakeholders

- Active participation of SPS stakeholders (public and private) in coordinating SPS management
- At least 10 contacts established between exporters/farmers and buyers through business match making meetings
- Proposal for replicating the project for other agricultural crops submitted to Government and Donor Agencies
- Participants’ list
- Minutes and meetings’ reports
- List of match making between buyers and exporters/farmers
- Willingness to cooperate between some of the stakeholders
### Output 1: The value chains of selected crops of fruits and vegetables with high income generation and export potential are assessed

<table>
<thead>
<tr>
<th>1.1. Identifying crops and regions</th>
<th>- Target crops with high income generation and export potential identified and documented</th>
<th>- Statistics/research Report</th>
<th>- Reliability and availability of data/research - Availability of experts/officials at national level</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>- Suitable regions to grow the selected crops identified</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.2 Identifying stakeholders in the F&amp;V value chain</td>
<td>- Stakeholders in the F&amp;V value chains identified, interviewed conducted and contact details documented</td>
<td>- Report - Database of stakeholders</td>
<td>- Cooperation of the respective stakeholders</td>
</tr>
<tr>
<td>1.3 Identifying current status of the selected F&amp;V value chains through survey</td>
<td>- Current status of the F&amp;V chains and training needs of stakeholders assessed and documented</td>
<td>- Survey - Report on value chain assessment</td>
<td>- Cooperation of the respective stakeholders</td>
</tr>
</tbody>
</table>

### Output 2: Enhanced availability of information on updated regulated pest list

| 2.1 Collect information on regulated pests affecting the fruit and vegetable sector and the potential organisms that can be identified as quarantine pests with a view to update the current list | - The collection is conducted | - Survey - Report on pest risk | - Cooperation of the respective stakeholders - Availability of experts |
| 2.3 Purchasing of equipment needed for pest surveys related to the selected crops | - Equipment purchased | - Procurement order and invoice | - Availability of equipment |

### Output 3: Enhanced capacity of public and private stakeholders on understanding and complying with SPS standards, pest risk analysis/surveillance and improved entrepreneurial skills

<table>
<thead>
<tr>
<th>3.1 Training of the Trainer (TOT) Programme for Master Trainers (MTs)</th>
<th>- Ten-day ToT programme delivered and available to be further replicated</th>
<th>- Training report</th>
<th>- Training needs properly identified - Qualified trainers - Continuous participation throughout the entire programme - Timing of the training</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.2 TOT Programme for Field Level Trainers (FTs)</td>
<td>- Ten-day ToT programme delivered and available to be further replicated</td>
<td>- Training report</td>
<td>- Training needs properly identified - Qualified trainers - Continuous participation throughout the entire program - Timing of the training programs</td>
</tr>
<tr>
<td>3.3 Capacity Building of Agri Extension Division of DOA - Field Level Extension Officers (FEOs)</td>
<td>- Five-day training programme delivered</td>
<td>- Training report</td>
<td>- Training needs properly identified - Qualified trainers - Continuous participation throughout the entire program - Timing of the training programs (e.g. clash with harvesting seasons etc.)</td>
</tr>
<tr>
<td>3.4 TOT programme for Plant Quarantine Officers (PQOs)</td>
<td>- Ten-day TOT programme delivered</td>
<td>- Training report</td>
<td>- Training needs properly identified - Qualified trainers - Continuous participation throughout the entire program - Timing of the training programs</td>
</tr>
<tr>
<td>3.5 Capacity Building of the Field Level Plant Quarantine Officers (FPQOs)</td>
<td>- Five-day TOT programme delivered</td>
<td>- Training report</td>
<td>- Training needs properly identified - Qualified trainers - Continuous participation throughout the entire program - Timing of the training programs</td>
</tr>
<tr>
<td>3.6 Capacity Building for Farmers</td>
<td>- Five-day training delivered</td>
<td>- Training report</td>
<td>- Training needs properly identified - Qualified trainers - Continuous participation throughout the entire program</td>
</tr>
</tbody>
</table>
| 3.7 Capacity Building for Public Health Inspectors (PHI), Exporters, Processors and other relevant stakeholders | - Two-day seminar conducted | - Seminar report  
- Adverts | - Timing of the training programs (e.g. clash with harvesting seasons etc.) |
|---|---|---|---|
| 3.8 Evaluation of best performing farmers and agri extension officers | - Evaluation of farmers and agriculture extension officers conducted  
- Evaluation team of independent agriculturist established  
- Three extension officers and three farmers selected | - Application forms with competition/ criteria for selection/reward  
- Report on direct interviews and visit to farms  
- Short list of participants | - Quality of the applications received  
- Impartiality of selection process |
| 3.9 Study tour to Thailand for the selected best performers | - Study tour conducted with success exposing participants to the best agricultural practices in Thailand | - Mission’s report | - Cooperation of stakeholders in Thailand |

**Output 4: Enhanced availability, accessibility and awareness of information on and compliance with SPS standards**

| 4.1 Developing training material, manuals, leaflets on all key areas covered in the training programme in all three languages (Sinhala, Tamil, English) | - The material is developed and made available | - Printed copies of documents  
- Online documentation | - Materials that responds to the training needs of stakeholders  
- Internet access across the country  
- Quality of the translation (Sinhala and Tamil) |
| 4.2 Developing and managing the Project Website | - A comprehensive project website with timely updates launched at the National Kick off workshop  
- The number of project website visitors | - Web statistiques (buyers, suppliers, downloads) | - Delay in getting information/ updates  
- Poor internet access  
- Poor popularity of internet as a source of information |
| (suppliers, buyers, other private and public stakeholders) increase | documents | Poor knowledge on how to access and use internet |
| Publicity of the website through press releases and workshops/training programs | - Inputs from the National Steering Group on website design | - Engagement of the institutions to manage and maintain the website |

### 4.3 Disseminating information and creating awareness on SPS issues and their importance through media

| At least 10 actions taken | Press releases | Ensuring presence of all key media personnel |
| - At least 10 actions taken in media coverage | Radio programs | - Getting the press releases published regularly in key newspapers |

### Output 5: Improved public-private cooperation and networking between stakeholders

| At least ten actions taken enabling cooperation and coordination among different stakeholders in the SPS area through regular working sessions and workshops | Press releases and advertisements | Convincing stakeholders of benefits of participation, in particular formal sector buyers |
| Match making meetings organised if interest arises | List of participants | Lack of trust between formal and informal sectors |

| At least 10 actions taken enabling cooperation and coordination among different stakeholders in the SPS area through regular working sessions and workshops | Press releases and advertisements | Convincing stakeholders of benefits of participation, in particular formal sector buyers |
| Match making meetings organised if interest arises | List of participants | Lack of trust between formal and informal sectors |

| National Steering Committee established | NSC reports | Availability and active participation of the stakeholders |
| | | |

| Competent team of consultants and surveyors recruited | CVs | Availability of qualified and |
| | ToR | |

| National Steering Committee established | NSC reports | Availability and active participation of the stakeholders |
| | | |

| Competent team of consultants and surveyors recruited | CVs | Availability of qualified and |
| | ToR | |

| National Steering Committee established | NSC reports | Availability and active participation of the stakeholders |
| 5.4 Kick off and concluding Workshops | - Programme validated based on stakeholder views  
- Project results disseminated | - Workshop report and feedback  
- Presentations on the design and progress of the project  
- Views and inputs from the stakeholders  
- Press releases | - Cooperation and participation by relevant stakeholders, experts and others (academia, donors based) |
|--------------------------------------|-------------------------------------------------|-------------------------------------------------|-------------------------------------------------|
| 5.5 Monitoring, evaluating and reporting progress | - Accountability, management and monitoring system in place | - Regular progress reports  
- Feedback from participants  
- Workshops  
- Regular review by the National Steering Committee | - Meeting deadlines due to poor and delayed feedback  
- Leadership of project manager |
## APPENDIX 2: WORK PLAN AND TIME TABLE

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Appendix 3: Terms of Reference for Key Staff Involved in Project Implementation

National Project Manager

Name and contact details:
Mr. Chandrarathne D Vithanage – Senior Assistant Secretary General,
The Ceylon Chamber of Commerce
Tel. +94 777-508992 E-mail. chandra@chamber.lk,

Terms of Reference
- Direct and Manage Project Development from beginning to end
- Effectively communicate project expectations to team members, members and stakeholders
  in a timely and clear fashion
- Assist in identification of international and national consultants, project staff and other relevant stakeholders
- Liaise with project stakeholders (both district and national) on an ongoing basis.
- Draft and submit budget proposals, and recommend subsequent budget changes where necessary.
- Determine and assess need for additional staff and/or consultants and make the appropriate recruitments if necessary during project cycle
- Identify and resolve issues and conflicts within the project team
- Track project milestones and deliverables
- Regularly update and report progress of the project to the National Steering Committee
- Develop and deliver progress reports, financial reports, proposals, requirements documentation,
  and presentations.
- Be the contact point between the coordinator at district level and the project National Steering Committee
- Be the contact point between ITC, WTO/STDF and the National Project team

Duration of the assignment – 24 months

Qualifications

Education
- Master of Business Administration (MBA), Postgraduate Institute of Management of University of Sri Jayewardenepura - 1996
- M.Sc. in Agriculture, University of Peradeniya - 1992
- B.Sc in Agriculture (Second Class Honours), Ruhuna University - 1985

Work Experience
- Senior Assistant Secretary General, The Ceylon Chamber of Commerce (1996- to date)
Responsibilities - Managing donor funded private sector development programmes implemented by the Chamber and is in charge of all SME Development activities of the Chamber and liaising with the District Chambers of Commerce and Industry affiliated to the CCC. Some of the projects formulated and managed are Sida funded Sida/CCC Export Development Programme, 1997-2002, NORAD funded Sri Lanka Norway Industrial Co-Operation Programme, 2001 onwards, EU funded Sri Lanka Czech Interprise Project, 2005 -2007, UNDP funded Sustainable Recovery of Micro Enterprise Sector Project, 2005 – 2007 (Livelihood Development of Tsunami affected people in eight districts), Promotion of Eco-efficient Productivity (Environment

- **Business Development Coordinator - 1992 To 1996**
  SEEDS (Sarvodaya Economic Enterprises Development Services) Guarantee Ltd

- **Assistant Manager/Food Technologist – 1988 To 1992**
  Employment, Investment and Enterprise Development Division, Mahaweli Authority of Sri Lanka

- **Research Assistant – 1987 To 1988**
  Natural Resources Energy and Science Authority of Sri Lanka (NARESA)

- **Junior Manager - 1986 To 1987**
  Green Farms Ltd.

**Other relevant experience**

- Council member, Western Region Development Council, Ministry of Western Region Development.
- Member of the Project National Steering Committee of the ADB funded SME Sector Development Programme
- Board Member – Rural Enterprise Network (Pvt) Ltd of Practical Action (former Intermediate Technology Development Group)
- CCC representative on the Skills Development Project of the Ministry of Vocational and Technical Training
- Member of the National Coordinating Committee for the Southern Province Rural Economic Advancement Project
- Member of the Project National Steering Committee of the Technical Education Development Project of the Ministry of Vocational and Technical Training
**International Expert on international SPS standards and EU specific standards**

**Terms of Reference**

- Review and provide inputs on the survey questionnaires/evaluation forms/application forms for awards/manuals developed by local experts
- Develop training materials in advance of the commencement of the training
- Conduct training on International SPS standards and EU market specific SPS standards to Master Trainers, Field Level Trainers, PHIs, Exporters, Processors and other relevant Government officials outlined in the project activities
- Provide inputs for the website content development
- Work closely with the National Steering Committee and the National Project Coordinator in implementing the project activities

**Duration of the Assignment: 15 days**

**Qualifications**

- University degree in Agriculture (post graduate qualifications in the relevant field would be an added advantage)
- Hands on experience in working in the fruit and vegetable export sector (preferably tropical fruits and vegetables and experience in trading with EU countries as an importer or exporter)
- Hands on experience in trading with the European Union
- Sound knowledge on international and EU market specific SPS requirements in relation to fruits and vegetables imported into EU
- Over ten years experience in conducting similar capacity building programs in developing countries
- Good communication skills and fluency in English
- Experience in working with different stakeholders
International Phytosanitary Experts (2 persons)

Terms of Reference

- Review and provide inputs on the survey questionnaires/evaluation forms/application forms for awards/manuals developed by local experts
- Develop training materials in advance of the commencement of the training
- Conduct the IPPC developed pest risk analysis training for the plant quarantine officers
- Conduct pest and disease management/pest surveillance for plant quarantine officers
- Work closely with the National Steering Committee and the National Project Coordinator in implementing the project activities

Duration of the Assignment: 25 days for one expert and 8 days for the other

Qualifications
- University degree in Agriculture (post graduate qualification in the relevant field would be an added advantage)
- Hands on experience working in the plant quarantine/pest risk analysis and specializing in fruit and vegetable sector (preferably tropical fruits and vegetables)
- Over ten years experience in conducting similar capacity building programs in developing countries
- Experience in conducting IPPC developed PRA training
- Experience in conducting training programs on pest and disease management/surveill ance will be an added advantage
- Good communication skills and fluency in English
- Experience in working with different stakeholders
International Expert on Good Agricultural Practices/Post-harvest Technology

Terms of Reference

- Review and provide inputs on the survey questionnaires/evaluation forms/application forms for awards
- Develop training materials/manuals in advance of the commencement of the training
- Conduct GAP training for Master Trainers and Field Level Trainers
- Train the Trainers on how to train field level extension officers and farmers
- Join the trainees on the field visit
- Work closely with the National Steering Committee and the National Project Coordinator in implementing the project activities

Duration of the Assignment: 30 days

Qualifications

- University degree in Agriculture (post graduate qualification in the relevant field will be an added advantage)
- Hands on experience working in fruit and vegetable sector (preferably tropical fruits and vegetables)
- Over ten years experience in conducting similar capacity building programs in developing countries
- Good communication skills and fluency in English
- Experience in working with different stakeholders
**Local expert on Post-harvest Technology**

**Terms of Reference**
- Assist in developing survey questionnaires/application forms/website content
- Develop manuals/training material for farmers and extension officers with the inputs from international consultant
- Conduct training for Master Trainers and Field Level Trainers together with the international consultants
- Take part in kick off and concluding workshops
- Work closely with the National Steering Committee and the National Project Coordinator in implementing the project activities

**Duration of the assignment: 80 days**

**Qualifications**
- University degree in Agriculture (post graduate qualifications in post-harvest technology field would be an added advantage)
- Hands on experience in working in the fruit and vegetable sector
- Over five years experience in conducting similar training programs for farmers and other stakeholders
- Sound knowledge on local fruit and vegetable sector
- Good communication skills
- Fluency in English and Sinhala (fluency in Tamil would be an added advantage)
- Experience working with different stakeholders

**Local Phytosanitary Expert**

**Terms of Reference**
- Carry out the survey and update the regulated pest list with the team of officials from DOA
- Assist in developing survey questionnaires/application forms/website content
- Develop manuals/training material for extension officers/plant quarantine officers with the inputs from international consultant
- Conduct training for Master Trainers/plant quarantine officers and Field Level Trainers together with the international consultants
- Take part in kick off and concluding workshops
- Work closely with the National Steering Committee and the National Project Coordinator in implementing the project activities

**Duration of the assignment: 20 days**

**Qualifications**
- University degree in Agriculture (post graduate qualifications would be an added advantage)
- Hands on experience of over 10 years working in the plant quarantine field and specializing in fruit and vegetable sector
- Sound knowledge on local fruit and vegetable sector
- Good communication skills
- Fluency in English and Sinhala (fluency in Tamil would be an added advantage)
- Experience working with different stakeholders

Expert on Business Management and Finance

Terms of Reference

- Assist in developing questionnaire to assess the current status of the fruit and vegetable value chain
- Develop the training materials, manuals on business management and marketing of fruits and vegetables to local buyers (whether for local sales or for export)
- Provide inputs to develop the application form to assess best performing farmers and extension services officers
- Train farmers, and agriculture extension staff and other relevant stakeholders on contract farming and establishing out-grower systems
- Train farmers, extension staff on business management, business planning and marketing
- Guide farmers in formulating new farmer organizations or in strengthening existing farmer organizations
- Provide inputs into the project website content development

Duration of the assignment: 12 days

Qualifications

- A degree in business management
- Experience in working in the agricultural sector
- Fluency in English and Sinhala (Tamil would be an added advantage)
- Experience in conducting training programs in business management, planning and finance in local languages and specially grass root level entrepreneurs
- Sound understanding of the fresh agricultural products trade (local and international)

Expert on Marketing

Terms of Reference

- Train farmers and extension services officers on sales and marketing
- Assist project team to add a section on sales and marketing into the manual
- Assist farmers during networking sessions to apply knowledge into practice
- Provide inputs to develop the application form to assess best performing farmers and extension services officers
- Give inputs to developing the questionnaire to assess stakeholder needs
- Provide inputs into the project website content development

Duration of the assignment: 12 days
Qualifications

- Degree in Marketing
- Experience in working in the field of marketing in the fruit and vegetable sector
- Experience in conducting similar training programs
- Fluency in English and Sinhala (Tamil an added advantage)
APPENDIX 4: LETTERS OF SUPPORT FROM EACH ORGANIZATION

Ministry of Agriculture
“Office de la Agriculture” 805, Rajamawatte Avenue, Battaramulla, Sri Lanka.
Office: 2809533, 2888902, 2872197, Fax: 2808910

Mr. Melvin Spreij
Counselor
Secretary of the Standards and Trade Development Facility (STDF)
Agriculture and Commodities Division
World Trade Organization
Centre William Rappard
Rue de Luasanne 154
CH 1211 Genève 21
Switzerland

Dear Mr. Spreij

WTO/STDF Project on SPS Capacity Building for Fruits and Vegetables Sector

This is to inform that the Ministry of Agriculture of Sri Lanka will support the project proposed by the Ceylon Chamber of Commerce on “Improving Safety and Quality of Sri Lankan Fruits and Vegetables”, which will be jointly implemented by the Ceylon Chamber and the National Agribusiness Council with the support of the other relevant stakeholders.

The proposed project will address the current quality and safety issues in the fruit and vegetable sector of the country by improving the capacity of all stakeholders in the fruit and vegetable value chain to meet international quality and safety standards. This will help improve farmers' income and also the foreign exchange earnings of the country. In addition, this project will improve coordination and cooperation among private sector and relevant government institutes responsible for developing, implementing, inspecting and certifying SPS Standards to facilitate international trade.

The Ministry of Agriculture believes that skilled, competent and committed extension service is essential to upgrade the quality and safety of our agricultural produce. This project will be a starting point where a selected number of officers from the extension service will receive training in the SPS area. Given the importance of safety and quality of agriculture produce, the Ministry intends to ensure continuity of the training of the extension service personnel in the SPS area even after the end of the project period by allocating sufficient funding for this purpose.

From the Ministry of Agriculture, I am happy to inform you that I will coordinate the project. My contact details are given below.

Dr. D B T Wijeratne
Additional Secretary (Agriculture Development)
Ministry of Agriculture
805, Rajamawatte Avenue
Battaramulla, Sri Lanka.
Tel: 00 94 11 2887431, fax: 00 94 2888926, E-mail: dbtw@hotmaill.com

Thank you,
Yours Sincerely,

Dr. D B T Wijeratne
Additional Secretary (Agriculture Development)
For Secretary
Mr. Melvin Spreij  
Counsellor  
Secretary of the Standards and Trade Development Facility (STDF)  
Agriculture and Commodities Division  
World Trade Organization  
Centre William Reppard  
Rue de Lausanne 154  
Switzerland

Dear Mr. Melvin Spreij,

The Letter of Support to SPS Capacity Building Project for the Fruit and Vegetable Sector

I wish to inform that, Ministry of Health agrees to the following roles and responsibilities mentioned in the letter which received from the Ceylon Chamber of Commerce (CCC) regarding the above subject.

- Nominate a representative to serve in the Project Steering Committee  
- Assist CCC to identify resource person to carry out the training programme (specially for health inspectors training)  
- Participate at kick off and concluding workshops at national level  
- Nominate an official to assist in developing training programme, training material, manuals and leaflets  
- Assist the survey of labs by ensuring the cooperation of laboratories falling under the Ministry  
- Identify and release PHIs attached to import / export inspection and other relevant health ministry officials to take part in the training

As per the request, the contact details of the project contact person nominated by the Codex Secretariat annexed herewith.

Dr. P.G. Mahipala  
Additional Secretary/ Medical Services  
Codex Secretariat  
Ministry of Health  
Sri Lanka

Copy: Ms. Subhashini Abeysinghe  
Senior Economist/ The Ceylon Chamber of Commerce
The Contact details of the Project Contact Person

Name: Dr. T.B. Ananda Jayalal
Occupation: Director of Environmental Health, Occupational Health and Food Safety
Address: Public Health Services I, Ministry of Health
No. 385, Rev. Baddegama Wimalawansa Thero Mawatha
Colombo 10, Sri Lanka
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March 18, 2011

Mr. Melvin Spreij
Counselor
Secretary of the Standards and Trade Development Facility (STDF)
Agriculture and Commodities Division
World Trade Organization
Centre William Rappard, Rue de Lausanne 154
CH 1211 Geneve 21
Switzerland

Dear Mr. Spreij,

**WTO/STDF Project on SPS Capacity Building for Fruits and Vegetable Sector**

We are writing to inform you that the National Agribusiness Council welcomes the opportunity to partner with the Ceylon Chamber of Commerce to implement the WTO/STDF funded project to build capacity of the fruit and vegetable sector in Sri Lanka to meet international and EU specific SPS standards.

This is a project that falls perfectly in line with the vision and the mission of the National Agribusiness Council, which is to create a globally competitive agribusiness sector in Sri Lanka. Building capacity of small farmers to produce safe and high quality fruits and vegetables, teaching them business management, finance and marketing skills and providing them with an opportunity to network with the formal private sector will not only make the agribusiness sector competitive, but also enhance the living standards of the rural farmer community. Strengthening the Government mechanism that supports the farmer community i.e. the extension services officers will ensure continuous upgrading of skill levels of farmers even after the end of the project.

With the experience we have in working with the rural farmer community in Sri Lanka, with the excellent links we have established over the years with all stakeholders; farmers, public sector and the formal private sector, and the expertise we have, we are confident of our ability to successfully implement the regional capacity building program with the support of the Ceylon Chamber and other stakeholders.

Yours Sincerely,

Asoka Gopallawa
Chairman
Lanka Fruit & Vegetable Producers, Processors & Exporters Association  
(Incorporated by Guarantee)  
Hony. General Secretary's Office  
Development Interplan (Ceylon) Ltd  
No. 80, Reclamation Road, Colombo – 11, Tphones: 11-2332330, 2332773 Fax: 11-2332331  
Email: zuraisih@hotmail.com Mobile: 0777-754854  

Colombo – 04th April, 2011  

Mr. Melvin Spreij  
Counselor  
Secretary of the Standards and Trade Development Facility (STDF)  
Agriculture and Commodities Division  
World Trade Organization  
Centre William Rappard, Rue de Luasanne 154  
CH 1211 Geneve 21  
Switzerland  

Dear Mr. Spreij,  

WTO/STDF Project on SPS Capacity Building for Fruits and Vegetable Sector  

We are writing to inform that Lanka Fruit and Vegetable Producers, Processors and Exporters Association (LFVPPEA) welcomes the project proposed by the Ceylon Chamber of Commerce to improve the quality and the safety of the fruits and vegetables produced in Sri Lanka.  

The demand for Sri Lankan fruits and vegetables is high in the international market. However, a main constraint faced by the exporters in meeting this demand is the availability of exportable quality fruits and vegetable in the country. Further with the exporters having to meet increasingly stringent SPS standards in importing countries, upgrading the safety and quality of the supply is essential in order to increase our exports. The LFVPPEA also welcome the focus on EU, which is the largest importer of fruits and vegetables in the world where our penetration is still significantly below the potential.  

We are happy to note that the project addresses the need to build capacity of Government institutes and labs involved in setting, implementing, testing and certifying SPS standards, which is necessary to ensure continuous improvement of the safety and quality of local production.  

Only a handful of members of our association have obtained international safety standards certification. Hence, building the capacity of members to upgrade their safety standards and obtain certification is very important. Further increase
knowledge of EU’s official standards will help enhance capacity of our members to export to the European Union countries.

We look forward to work with the Ceylon Chamber of Commerce and the National Agribusiness Council and the other stakeholders to make this project a success.

Yours Sincerely,
LANKA FRUIT & VEGETABLE PRODUCERS, PROCESSORS AND EXPORTERS ASSOCIATION

S Gnanaskandam
Chairman
APPENDIX 5: EVIDENCE OF THE TECHNICAL AND PROFESSIONAL CAPACITY OF THE APPLICANT & CO-IMPLEMENTING PARTNER

The Ceylon Chamber of Commerce will implement the project together with the support and commitment of other local partners. The evidence of the CCC’s technical and professional capacity to implement the project is given below.

Wide Stakeholder representation

The Ceylon Chamber of Commerce (CCC), the premier business forum in Sri Lanka with over 170 years service to the Sri Lankan Business Community currently has a direct membership of over 500 companies representing businesses ranging from small businesses to medium and large enterprises encompasses almost every sphere of economic activity in Sri Lanka - Agriculture, Industry and Services. The CCC has in addition to its direct membership a network of 39 affiliated sectoral trade associations and 21 business councils.

District outreach

The CCC has been actively involved at the district level, sharing information, imparting skills and promoting business opportunities by working through the network of affiliated chambers. The chamber actively engaged in promoting district business opportunities, sharing skills and knowledge through its 16 affiliated provincial chambers. Bridging the gap between Colombo, the centre and peripheral businesses the chamber acted as a catalyst in integrating district economies with the centre collaborating with donor agencies, business councils, regionally based organizations.

The entry of the National Agribusiness Council in year 2009 as an affiliated association, with a membership of 20 Agricultural Trade Associations brought the long awaited agricultural sector representation within the spectrum of Chamber activities.

Another such fruitful initiation was joining hands with the Youth Business Sri Lanka (YBSL). YBSL established in 1997, is the district expansion of the Hambanthota Youth Business Trust which assist the youth from disadvantaged backgrounds through provision of financial support and mentoring to establish their own businesses.

Experience in Project implementation/Management

The Ceylon Chamber of Commerce has extensive experience in managing and implementing projects in partnership with different international and local partners.

USAID CORE project - The project is a part of US Government’s integrated strategy designed to promote economic growth in conflict affected and conflict bordering areas of Sri Lanka. The Project devised into five components focuses on integrating vulnerable populations into mainstream economic activity through the provision of support for local business and service providers with the aim of reducing income disparities. The Chamber worked very closely with the AECOM international Development, a US based consultancy firm, from the formulation stage and is involved in the successful implementation of the project.

The Sri Lanka-Norway Industrial Co-operation (match making programme) is one of the major donor funded on-going projects, launched in 1993 funded by The Norwegian Agency for Development Co-
operation (NORAD), which facilitates the transfer of Norwegian expertise and skills to Sri Lankan business community through a match making process. Under this project collaborating business agreements and technology transfer agreements are initiated each year on a continuous basis.

**SWITCH Asia Programme** supported by the European Commission. The Chamber launched 3 successful projects under the programme.

- **“Greening of Sri Lanka Hotels”** launched in 2010 with the objective of greening 350 hotels in the medium and small category. The project launched in 2010 is a successful on going project.
- **“Sustainable consumption and production in the food and beverage sector”** launched in 2009 is another on going project which provides training on sustainable consumption and production practices to more than one hundred small and medium enterprises. The training programmes include guidance on obtaining ISO22000:2005/HACCP/GMP as well.
- **Enhancing environmental performance in the export sector of Sri Lanka.** The project with the objective of Enhancing Environmental Performance in Key Sri Lankan Export Sector (EEPEx) was launched in 2009 and implemented by the Industrial Technology Institute (ITI). The Chamber holds the responsibility of industry coordination, creating awareness and sector coordination to motivate industrialists to participate in the project.

**Experience in working with different stakeholders**

The Chamber has a proven track record of successfully working with different stakeholder groups including Ministries, Government Departments, Universities, Research Institutes, Local and International NGOs and Donor organizations. The Ceylon Chamber of Commerce has a good rapport with all these stakeholders. In implementing the above projects, the CCC closely works with public, private, research and donor organizations.

**Promoting International Standards**

Partnering with Association for International Standards (AIS) is yet another achievement of Ceylon Chamber of Commerce, which has benefited the business community over the past 12 years. Introduction and promotion of International standards has enabled the local businesses to be more competitive in both domestic and international markets. AIS on a continuous basis provides a platform for all interested persons on International Standards to exchange knowledge and experiences through meetings, discussions, seminars, workshops, study visits and through national and international conferences and conventions.

**Experience in organizing training programs/workshops**

The chamber has extensive experience in organizing various national and international interactive training sessions, awareness sessions mobilizing experts from different fields which are beneficial to the business community and general public at large on a regular basis.
National Agribusiness Council

The vision of the NAC is to make Sri Lanka’s Agribusiness Sector globally competitive by 2015. The mission is to create an enabling environment to facilitate the Competitiveness & Profitability of National Agribusiness.

Networking

In addition to having 18 Associations and 15 Cooperate Members covering every sphere of agribusiness in the country, NAC also very well networked to a number of Trade Associations, Chambers, Universities, NGOs, Financial Institutions, Overseas International trade and business organizations and Donor agencies engaged in agriculture, agribusiness and rural development work.

NAC has direct communication with Regional Farmer Council members which is ever expanding and reaching the goal of covering all the agri- sectors in all Districts in the near future.

Activities

National Agribusiness Council is a powerful voice in the Agri business related policy analysis, fighting political and bureaucracy machineries for policies and regulations assisting the growth and sustainability of the industry. Some of the recent achievements are the creation of the “green channel for perishable product” at the airport, Tax removal of importing fruit seeds and lands made available for establishing model farms.

The NAC organizes trade exhibitions. AgBiz 2010 was held for the fifth consecutive time. The NAC is actively engaged in organizing or co-organising training programs for the agribusiness sector.

Farmer Awards - To encourage and educate the Nation’s farmers the Annual Farmer Awards was organized by the National Agribusiness Council. The fifth award ceremony was held on 22nd August 2010 at the BMICH concurrently with the Ag-Biz Trade Fair.

National Agribusiness Awards - Fulfilling a much needed requirement to recognize Institutions in the Agricultural Business area the Annual Agribusiness Awards was organized by the National Agribusiness Council. It was held for the fifth consecutive year concurrently with the Ag-Biz Trade fair on 22nd August 2010 at BMICH.

Projects

Telefood Special Funds – Buy Back Chicken Growers Project: TeleFood is the FAO's annual campaign dedicated towards reducing the number of hungry people in the world by operating at the grass-root level. The NAC is actively involved in assisting grass root level farmers under this project.

Facilitating private sector networking under the UNDP funded ongoing program to strengthen the agriculture extension system and farmers on Agri-enterprise development and marketing