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Sri Lanka Connecting Regional Economies (CORE)



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Sri Lanka Connecting Regional Economies (CORE)

Final Report, October 2008 – March 2012

DISCLAIMER

The author's views expressed in this publication do not necessarily reflect the views of the U.S. Agency for International Development or the United States Government.



Acknowledgements

The CORE project was able to support thousands of beneficiaries to participate more fully and productively in value chains, helped hundreds of youth find careers, promoted investments of half a billion Sri Lankan Rupees (USD \$4.4 million) and contributed to long-term improvements in Sri Lanka's economy. This was made possible in large measure to the constant and valuable support from the Government of Sri Lanka, in particular from the Ministry of Economic Development and the government offices of the Eastern, North Central and Uva Provinces. The leaders of these institutions provided on-going guidance and shared in the challenges and opportunities offered by the CORE project, thereby making the success of the project their own.

Our thanks also goes to USAID/Sri Lanka, and in particular the Economic Growth (EG) team for their support and understanding that a project that promotes investment and private sector-led growth, particularly in areas such as agriculture, are key drivers to economic growth in Sri Lanka.

Finally, we offer our heartfelt gratitude to all the partners and beneficiaries identified in this report for their tireless efforts and contributions to boost Eastern Sri Lanka's economy and improve the lives of the residents. Each individual effort and each single act have come together to constitute a formidable and sustainable impact on the lives of Sri Lankan men and women.

ரீலீ (USAID/CORE) உதவியை
 ணைக்கும் (USAID/CORE) திட்டம்
 nies (USAID/CORE) Project

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Acronyms

AIC	Advanced Information Consulting (Pvt) Ltd	MoED	Ministry of Economic Development
AO	Assistance Objective	MSME	Micro, Small and Medium Enterprise
BBT	Business Basics Training	NEEDS	New Eastern Economic Development System
BOI	Board of Investment	PDIL	Pelwatte Dairy Industries (Pvt) Ltd
CBL	CBL Foods International (Pvt) Ltd.	PMP	Performance Monitoring Plan
CIC	CIC Mahaweli Livestock and	PPA	Public-Private Alliance
CORE	Connecting Regional Economies	RDA	Road Development Authority
DAHP	Department of Animal Production and Health	RISEN	Reintegration and Stabilization of the East and North
DoA	Department of Agriculture	SIYB	Start and Improve You Business association
DoA	Department of Agriculture	SLTDA	Sri Lanka Tourism Development Authority
DS	Divisional Secretariat	SME	Small and Medium Enterprise
EG	Economic Growth	SO	Strategic Objectives
EP	Eastern Province	UNDP	United Nations Development Program
GMP	Good Manufacturing Practices	USAID	US Agency for International Development
GoSL	Government of Sri Lanka	USD	United States Dollar
HACCP	Hazard Analysis and Critical Control Points	USG	US Government
ICT	Information and Communication Technology	VEGA	Volunteers for Economic Growth Alliance
LKR	Sri Lanka Rupee	WFD	Workforce Development
LOP	Life of Project	WRF	Warehouse Receipt Financing
MMW4P	Making Markets Work for the Poor		
M&E	Monitoring and Evaluation		

Executive Summary

The USAID funded Connecting Regional Economies (CORE) project had the opportunity to be among the first initiatives to promote significant economic growth in the eastern conflict and post-conflict region, and CORE took on this challenge in full stride. From its inception, CORE was dynamic and able to respond to the business environment in such a way that many beneficiaries achieved a sustainable increase in their income and/or business profits. CORE instituted a broad-based coordination among the stakeholders to leverage and synchronize investments for the greatest collective impact.

The CORE project began in October 2008 as a key initiative designed to contribute to the achievement of USAID's Assistance Objective 4 - to promote economic growth. This project, using a budget of USD 11.7 million, assisted beneficiaries in the communities in the Eastern Province, Anuradhapura District in North Central Province, and Monaragala District in Uva Province to integrate into mainstream economic activities.

To accomplish this, CORE worked within an implementation structure based on five interrelated components:

- Component 1.** Develop livelihoods for vulnerable households, women and children.
- Component 2.** Improve the competitiveness of selected agricultural and non-agricultural value chains that can engage producers.
- Component 3.** Enhance the productivity of newly engaged value chain participants.
- Component 4.** Address the workforce development needs in general and for specific groups with clear economic disadvantages.
- Component 5.** Advance reforms for the development of a positive business enabling environment

CORE combined the strengths of value chain/economic sector analysis with proven practices for identifying commercially viable market solutions that produced significant levels of competitiveness across a broad spectrum of businesses and industries. Participants were exposed to a wide range of interventions designed to involve them in the implementation and institutionalization of sustainable market-based solutions in the areas of: market access, input supply, product development, management training, policy reform, access to finance and others.

This report will guide the readers along the path we traveled and provide a summary of the activities illustrative stories of real people and their feedback, lessons learned and best practices tested and available for Sri Lankan rural development. We have established a foundation on which other donors, the GOSL, and the business sector can build on. We hope this report will go beyond the past and provide stakeholders with useful information and practical approaches that can be used for future programming. CORE's legacy will be seen in the many accomplishments of its stakeholders. However, amongst its biggest impacts are:

1. Home gardening and infrastructure assistance impacted the well-being of more than 2,400 families and allowed the generation of additional income, much of which benefitted women. Families are reinvesting some income to sustain their farming.
2. In three and half years of implementing these activities, over 14,000 farmers adopted better farming practices, accessed new farming technologies resulting in improved production yields and quality, and secured buyers for their goods which has led to an increase in incomes.
3. CORE was able to support more than 1,100 farmer households affected by the floods during the 2010/2011 Maha season to reinstate their farming activities.

4. CORE facilitated financing of over LKR 10 million across eight projects through pre-financing arrangements with partner companies or by linking with banks and microfinance institutions in the region.
5. Improved access to information through ICT services including the Krushilanka website, digitizing extension information, supporting TradeNet, and introducing farmer-owned and managed cyber extension centers that aggressively seek financial sustainability.
6. Technology transfer through a variety of interdependent GOSL and private extension systems to 10,228 farmers in 20 value chains, who are now adopting new technologies acquired through the technical training, leading to an increase in productivity, production and income.
7. CORE developed over 45 publications that government and private sector officials adopted and are now disseminating. This includes an innovative and simple Business Basics Training (BBT) program and manual using pictorials and a simple business game. This is the first time a business training program was tailored specifically to grassroots level in Sri Lanka. This innovative training program has been adopted by several development projects including the Ministry of Agriculture. Additionally a Tourism business development program and manual was introduced which the Sri Lanka SIYB association is using to certify trainers through the country.
8. The warehouse receipt financing system, designed by CORE, and soon to be piloted with World Bank funding, will free hundreds, if not thousands of small scale farmers from their traditional bondage to informal lenders charging high rates of interest with payment due at harvest time.
9. CORE used a flexible public-private alliance (PPA) approach to establish dozens of partnerships between the private and public sector and promoted policy dialogues with over 350 public and private sector participants. This collaborative approach is a proven success on which others can build on.

What is CORE's impact? In a nutshell, we instilled in our partners, beneficiaries, and other stakeholders a long term vision that incorporated coordination among the public and private sector as a key factor. This resulted in strong partnerships and leveraging of resources as people saw that together they could accomplish more. It reduced the dependency on donors that had followed the conflict and tsunami. It gave youth the opportunity for a career and not just a job. It laid the foundations for sustainability. And most importantly, it empowered each person involved, each business that changed, and each participating local and national institution to become an agent of change.

Introduction

“Whatever the project that we introduce to Sri Lanka, there are three things that we have to look at. One is we have to achieve something new, something we have not achieved before, and under the CORE project we have achieved something new. [Two] we should be able to preserve what is achieved, that aspect has also been achieved by CORE, they have preserved what these farmers achieved. And [three], you should be able to enhance what you have preserved. You can see clearly that [farmer] production and income have gone up because of this project. This project can be regarded as a complete success story.”

-Mr. Alexi Gunasekera,
Director of Donor
Coordination, Ministry of
Economic Development, CORE
Close-out meeting.

At the end of 2008, eastern Sri Lanka was finally overcoming the effects of the disastrous December 2004 tsunami while trying to also deal with the long conflict that crippled the region. Sri Lanka's economic growth has been at an annual average of 5% for the past 30 years, and it has been at the point of becoming a middle-income country. However, the civil conflict that started in 1983 prevented Sri Lanka from reaching its potential. Income inequalities are among the highest in Eastern and Northern Sri Lanka, where the conflict was a major factor in holding back its development. Given the country's strong human resource base and resilient private sector, the economic potential is substantial, particularly following the end of the conflict in 2009.

Within this context, the CORE Program sought to address the disparity in economic development between the east and the rest of Sri Lanka. This required an integrated approach that extends value chains¹ broadly and deeply into the grassroots level; gives individuals the skills and knowledge they need to participate as entrepreneurs and workers in value chains; and improves the business environment to enable value chains to achieve greater competitiveness. (see indicator Tables 1, 2 and 3)

The USAID funded (CORE) project began in October 2008 as a key initiative designed to contribute to the achievement of USAID's Assistance Objective 4 - to promote economic growth. This project assisted beneficiaries in the Eastern, North-Central, and Uva Provinces of Sri Lanka to integrate into mainstream economic activities. It applied a demand-driven approach to support market linkages, improve competitiveness, create sustainable jobs and generate business opportunities. The project had a three-year base period with two possible option years which were not exercised.

During and following the end of the conflict, the challenge was to expand and improve value chains in the East, in such a way that those at the grassroots level could actively participate in the economy and improve their incomes. Only by addressing a fundamental change in the producer group status and psyche could we engender long-term solutions to economic development and conflict mitigation through improved growth with equity. At the center of a solution for this was a demand driven strategy that used a flexible public-private alliance (PPA) approach that was supported by targeted technical assistance and training.

¹Value Chain: The value chain describes the full range of activities that firms and workers do to bring a product from its conception to its end use. This includes activities such as design, production, marketing, distribution and support to the final consumer. The activities that comprise a value chain can be contained within a single firm or divided among different firms. Value chain activities can produce goods or services, and can be contained within a single geographical location or spread over wider areas. Using value chains for economic development means addressing the major constraints and opportunities faced by businesses at multiple levels of the value chain.



Taking the village to the world and bringing the world to the village.

Opening agriculture cyber centers by H.E. President Mr. Mahinda Rajapakse, Hon. Minister of Agriculture Mr. Mahinda Yapa Abeywardena, US Embassy Charge Ms. Valarie Fowler, USAID Mission Director Mr. James Bednar, Sri Lanka and US Government representatives and CORE beneficiaries and staff.

The project started with establishing relationships with the private and public sectors, improving basic skills, and shifting the mind-set from hand-out dependent mentalities to a much more entrepreneurial outlook. By year three of the CORE project, grants had promoted investments in the region, entrepreneurs were growing their businesses, the workforce was willing to invest in career decisions, and the public and private sector were holding open dialogues on policy changes that promoted a business enabling environment.

In September of 2011, USAID did not exercise the CORE project's two option years but instead extended the base period by 6 months while also reducing the budget. The activities that had been planned to further strengthen initiatives such as the linkages and technology adoption of over 14,000 farmers and the development of business skills of over 90 enterprises, were re-evaluated. CORE drew from its dynamic implementation strategy to refocus on setting the stage for partners and other donors to take on prioritized initiatives, such as the introduction of the Warehouse Receipt Financing system, launching new products from the new processing facilities, incorporating more MSMEs into value chains, and increasing the number of agribusiness production facilities near farmers.

At the end of CORE's 3.5-year period, the project was able to achieve its targets (see tables 1 and 2). Some of the highlights are:

- improved income of 14,000 households;
- made 22 value chains more competitive;
- linked more than 850 farmers and SMEs to financing exceeding 10 million rupees;
- facilitated investments in excess of 500 million rupees;
- strengthened the workforce with more than 390 youth finding career paths; and
- promoted policy dialogue with over 350 public and private sector participants

These figures are just one measure of success. The project provided services beyond its scope of work to ensure long-term sustainable impact. CORE served as a conduit to introduce concepts and new ideas, bridged technical gaps, worked with partners to take risks, set benchmarks across economic sectors, engaged in tough negotiations to achieve key changes, and most importantly it enabled project actors to become agents of change.



Pictured above are CORE beneficiaries.

I. CORE Approach

The key to CORE's success is a demand driven approach that addresses the gaps throughout the production processes and empowers everyone to become more active participants in the economy. During and following the end of the conflict, the economic sectors in Eastern Sri Lanka were made up of fragmented value chains² in a business environment that was not conducive to growth. What did this mean for residents in the area? It meant that they did not have enough income and were constantly worried about their future. This mindset began to shift in as CORE interventions progressed.

"It is CORE's encouragement that inspired me and the rest of the farmers to cultivate better and face the future without fear and debt."

Chaminda Rajakarana,
B'onion farmer, Anuradhapura

"We were worried about the risk until CORE intervened. Thanks to their support, our plans to open the software development center in Ampara were expedited."

Dr. S. Dharmavasan,
Managing Director of AIC, Kingslake

"I have never lived away from home. This is the first time and I have learned a lot. Sinhala, Tamil and Muslims, we work well together as friends. I've learned many skills, and this is good for my future."

TOS Lanka employee recruited through a
CORE 'Career Day' event in Ampara

"Food companies have access to a consistent supply of quality produce, consumers have more choices, and farmers receive a stable, fair price for their fruits and vegetables. Everybody wins from this partnership."

Rebecca Cohn
former USAID Mission Director on the benefit of CORE partnerships.

"This project has collaborated extremely well with the private sector and public sector to obtain excellent results. This is a government priority—and this project has really looked into that aspect. The approach adopted by CORE to ensure the sustainability is what we expect. "

Alexi Gunasekera
Director of Donor Coordination, Ministry of Economic Development

² In this context, the fragmented value chain refers to activities, such as design, production, marketing, and distribution, which are not performed well or absent. For example, for tourism in Trincomalee, services such as tour guides, local crafts, restaurants, water skiing and boat riding, were not available and hotels struggled to provide the tourism experience that tourists are demanding. To bridge these gaps CORE supported entrepreneurs to enter the tourism value chain and provide the missing goods and services.



Name of USAID Activity: Connecting Regional Economies (CORE)

Name of Prime Contractor: AECOM International Development

Total funding: USD 11,700,000 (for base period, including the extension period)

Start date: February 1, 2008

End date: March 31, 2012

Geographical location: Eastern Province (Ampara, Batticaloa and Trincomalee Districts), North Central Province (Anuradhapura District), Uva Province (Monaragala District) and Bordering Areas of those provinces (Vavuniya District).

Overall goals and objectives: The CORE project promoted economic growth by supporting livelihood development, foster competitiveness, creating private sector linkages, enabling beneficiaries to participate in value chains, strengthening the workforce and promoting a positive business enabling environment.

Expected outcomes:

- Increase incomes through participation in value chains;
- Develop and improve value chain support services;
- Promote investments in the CORE areas; and
- Increase employment as a result of training and introduction of new technologies.

The Connecting Regional Economies (CORE) project is implemented by AECOM International Development in accordance with the U.S. Agency for International Development (USAID) contract number 383-C-00-08-00500-00.

Project Design

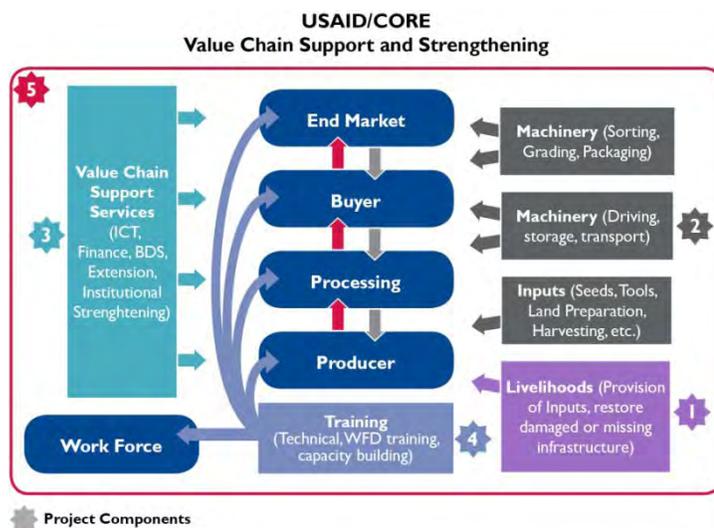
CORE assisted communities in the Eastern Province, Anuradhapura District in North Central Province, and Monaragala District in Uva Province, to integrate into mainstream economic activities. CORE accomplished this by enhancing competitiveness of selected value chains in these provinces, increasing productivity of farmers and businesses, creating sustainable jobs and fostering new business opportunities, thereby increasing household incomes.

To accomplish this, CORE worked within an implementation structure based on five interrelated components that had the following objectives:

- Component 1.** Develop *livelihoods* for vulnerable households, women and children. CORE created programs and institutional networks to restore economic security and social and physical well-being to the most vulnerable populations.
- Component 2.** Improve the *competitiveness* of selected agricultural and non-agricultural value chains that can engage producers. CORE supported linkages between local farm and non-farm enterprises and fast-growing domestic markets with potential for export that offered new income opportunities and incentives for target producers.
- Component 3.** Enhance through *value chain services* the productivity of newly engaged value chain participants. CORE promoted equitable value chain relationships and increased access to resources – finance, technology and information – that enabled participants to more broadly benefit from new opportunities.
- Component 4.** Address the *workforce* development needs in general and for specific groups with clear economic disadvantage, such as youth and women. CORE helped such groups meet labor demands of priority value chains and the larger economy. The workforce development program focused on improving supply within the labor market to meet current and future demand.
- Component 5.** Advance reforms for the development of a positive *business enabling environment*. CORE promoted dialogue and raised awareness to improve agro-related and other policies, and help reduce impediments to productivity in priority value chains.

CORE adopted a top-down approach, while at the same time promoting beneficiaries at the grassroots level. Knowledge and skills were enhanced upstream in order for beneficiaries to better participate in their respective value chains. In addition, policy and regulatory impediments to growth in these value chains were addressed to create a more positive business enabling environment. CORE applied a “conflict lens” as a way to address the initiatives within a context of civil strife.

CORE’s approach included eight key activities to strengthen the chains and expand employment and income generation opportunities to the small producers and member of their families.



1. **Associativity.** CORE experts worked to strengthen existing small producer associations and in a few instances created new ones. Farmer associations are critical to the effective operations of value chains. This permits buyers, especially anchor firms, to interact with a handful of groups of producers rather than directly with hundreds or even thousands of individual farmers. Additionally, in the

aggregate, associations produce in sufficient volume to meet market needs, making purchase processes much more efficient for the buyer and expanding market access. In addition, they are more capable of providing products and produce on a timely basis, increasing reliability which is critical for buyers. The associations also provide members with economies of scale in input purchases, post-harvest processing, packaging, and transport. This includes better coordination with the anchor company and training and technical assistance in exercising quality control, using best cultivation practices, improving post-harvest handling, among other areas. CORE also provided essential equipment, such as hoes (mammothies) and milk collection containers, to association members as part of the overall project effort.

2. **Linking Producers with Buyers.** Anchor companies in particular provide maximum market access for small producers. Linking buyers with producer has additional benefits as well, these include:
 - Facilitating training and technical assistance to farmers from anchor or lead firms, including, for example, best cultivation practices, soil management, post-harvest handling, etc.
 - Access to inputs
 - Quality control
 - Access to finance, either directly (typically via forward sales contracts) or through guarantees to financial institutions
 - Access to technology
 - Access to information

The single most critical factor for the producer is to have an established, known and reliable buyer.

3. **Agriculture Inputs.** One of the key impediments to greater agricultural develop is the lack of adequate seed. With this in mind, CORE piloted Seed Villages and worked to:
 - strengthen extension services and transfer of new technologies
 - train farmers to produce true seeds as an agro-enterprise in addition to table onions
 - build the capacity to store the harvest adequately to be able to meet the off season demand and thereby increase incomes by selling at higher prices

CORE shared the costs of purchasing good quality seed and linked the Seed Village with a major buyer who provided technical assistance to ensure high quality product. CORE implemented a series of grants that provided inputs such as seeds and plants, but not other inputs like fertilizers. These grants also provided input-related equipment, such as sprayers.

4. **ICT Services.** CORE piloted Farmer-Managed and Farmer Society- Department of Agriculture (DOA) Partnership cyber center models. These facilities make available to producers a series of office/support services, including:
 - access to extension services and cultivation information (www.krushlinaka.lk)
 - agriculture and other training programs (computer training, language skills, etc)
 - communication services – internet, email, telephone, fax services
 - market linkages
 - price information (TradeNet)

The equipment is provided by the government and USAID. The centers are basically self-sustaining, charging farmers for the various services that are provided.

5. **Extension Service.** CORE worked with both the private and public sectors to develop extension materials, train extension agents, and improve access to extension through ICT services.
6. **Certification.** CORE worked closely with the GOSL Institute of Standards in providing certification services to producers in Good Manufacturing Practices (GMP) Certification and other national and

international certifications. Needless to say, GMP certification is essential to producing crops for export, expanding exponentially market opportunities, profits and margins.

- 7. Access to Finance.** CORE worked with both producers and financial institutions to increase small farmer access to credit. Specific activities included:
 - Training producers on how to package successful loan applications that resulted in 83 loans in the aggregate amount of LKR 10 million.
 - Working with financial institutions to develop new financial products geared towards the needs and limitation of small producers. For example CORE developed Warehouse Receipt Financing procedures.
- 8. Workforce Development.** CORE engaged the private sector to source employees from the East. Specific activities included: cost-share trainings, career counseling, placement, and follow-up. Jobs opportunities were created in the tourism, ICT, and agro-processing sectors.
- 9. Business Enabling Environment.** Key to improved private sector productivity and profitability is creation of a favorable enabling environment for doing business. CORE was responsible for developing fora to bring together leaders from the public and private sectors to identify specific obstacles to doing agribusiness and recommend relevant policy and institutional reforms.

In addition, the project incorporated the following cross-cutting activities to support the five components:

- **Grants:** To provide funds for beneficiaries and partner companies to enable them to more effectively overcome specific constraints or gaps identified during the implementation of project activities.
- **Outreach and Communication:** To document project progress and impact; prepare materials for media; arrange public events; and promote the role of USAID in supporting the economy of Sri Lanka.
- **Monitoring and Evaluation:** To track the impacts of project activities, including the number of beneficiaries, increases in incomes, increased value of products in each value chain, and the aggregate value of investments that were leveraged from the private sector.

Challenges

In implementing this multi-dimensional approach, CORE faced several challenges to address. For almost three decades and up to the end of the conflict in the second year of the project, businesses were not willing to invest in or expand to the East, the majority of the businesses in the East were managed by small entrepreneurs that did not have the skills sets to grow. And the workforce was less skilled and had fewer job opportunities than the rest of the country. Furthermore, agriculture, the biggest economic sector, had not grown as farmers could not access the latest technologies and farming methods. Progress in this sector was more difficult to track as support needed to be provided over multiple seasons, requiring CORE to work with thousands of beneficiaries and businesses for at least 2 years.

Finally, the flood in the East during year 2 was a huge setback as crops were washed out, livestock killed, and houses damaged, resulting in many beneficiaries losing their gains from year 1 and producing a very small harvest in year 2. Youth would not move to locations where there were jobs during and immediately following the conflict and, after the floods, their families could not afford to send them for the internships/on-the-job training outside of their hometowns. To address these challenges, activities needed to be tailored at the micro level and efforts increased over longer periods. Section II describes in more detail the activities while Section III describes the lessons learned.

Project Numbers

Table 1: USAID Reporting Requirement – F Indicators and Financial Summary

Development Result	Indicator	Target	Achieved	Program Element Funding	Actual Expenditure
Component 1: Livelihood support strategies	Custom indicator, see table 2*	--	--	USD 817,429 (3830122.00 DCOF) LKR 40,027,311	USD 816,464 LKR 40,027,311
Total:				USD 764,240 LKR 40,027,311	
Component 2: Improve the competitiveness of agriculturally-based and other value chains.****	Number of micro enterprises participating in USG assisted value chains **	12,000	13,076	USD 691,837 (A077- Private Sector Productivity)	USD 2,594,754 LKR 174,396,423
	Number of firms receiving USG assistance to improve management practices	92	98	USD 1,760,000 (A082- Strengthen Microenterprise Productivity) LKR 169,446,464	
Total:				USD 2,395,105 LKR 169,446,464	
Component 3: Improve the delivery of value chain services.	Custom indicator, see table 2*	--	--	USD 523,163 (A074- Agriculture Sector Productivity) USD 28,203 (EG-old funds) USD 625,000 (A067-Financial Sector Capacity) USD 108,592 (A076-Business Enabling Environment) USD 3,847 (3830122.00 DCOF) LKR 96,571,387	USD 1,316,407 LKR 99,143,897
Total:				USD 1,191,409 LKR 96,571,387	
Component 4: Implement a workforce development program and enhances the technical know-how of value chain participants.***	Number of people gaining employment or more remunerative employment as a result of USG funded workforce development programs	450	392	USD 1,100,000 (A078-Workforce Development) USD 43,193 (EG-old funds) LKR 87,010,648	USD1,180,502 LKR 92,721,980
	Number of persons participating in USG funded workforce development program	800	796		
Total:				USD 1,056,255 LKR 87,010,648	
Component 5: Foster an enabling environment that facilitates economic growth.	Number of institutions/ organizations to whom assessments are presented for consultation as a result of USG assistance	110	145	USD 391,408 (A076-Business Enabling Environment) LKR 29,426,876	USD 410,263 LKR 29,819,236
Component Total				USD 361,789 LKR 29,426,876	
Grants:				USD 290,012 (3830122.00 DCOF) LKR 129,359,830	USD 215,701 LKR 114,461,956
Crisis Modifier: USD 285,700				USD 188,712 (3830122.00 DCOF) LKR 7,657,484	USD 165,909 LKR8,809,403
TOTAL					USD 6,700,000 LKR 559,380,207

* This is a custom indicator, as there is no suitable F indicator under Economic Growth.

** This indicator refers to farmers as micro entrepreneurs, only farmers who are active in their respective value chains are counted.

***Indicators exclude farmers who increased their incomes because they are part of the informal workforce.

****The unanticipated flooding in year three wiped out a large majority crops, damaged topsoil, and killed livestock which affected Component 2 indicators.

Table 2. Locations of Beneficiaries

Location	Beneficiaries
Eastern Province	12,134
North Central Province	2,137
Uva Province	1,353

Table 3. Ethnicity of Beneficiaries

Ethnicity	Beneficiaries
Sinhalese	8,626
Tamil	7,790

Table 4. Gender of Beneficiaries

Gender	Beneficiaries
Male	10,292
Female	6,115

Table 5: Program Indicators

Name of Activity	Program Indicators	Targets	Achieved
Component 1: Enhance household food and economic security through a diversity of livelihood support strategies	Number of people benefiting from USG assisted livelihood support strategies.	2,500	2,548
Component 2: Improve the competitiveness of agriculturally-based and other value chains, which benefit large numbers of traditionally underserved populations in target areas which link them to growth opportunities, including domestic and/or export markets.*	Increase in beneficiary incomes*	2010 8% 2011 10%	See Table 3
	Increase in value of sales*	2010 15% 2011 15%	
	Increase in volume of sales*	2010 15% 2011 15%	
	Increase in productivity/yield*	2010 12% 2011 12%	
Component 3: Improve the delivery of value chain services to ensure that groups located in target regions participate in selected value chains in a sustainable manner.	Number of farmers, processors, and others who have adopted new technologies or management practices as a result of USG assistance	3,500	10,228
	Number of linkages made from the region to new markets	40	22
	Value of new investments made	USD 450,000	USD 2,882,084
	Cumulative number of new jobs created	70	73
Component 4: Implement a workforce development program that improves employability of target groups and enhances the technical know-how of value chain participants.	Number of persons trained **	7,500	13,335
Component 5: Foster an enabling environment that facilitates economic growth in the target regions.	Number of policy/regulatory issues addressed	6	8

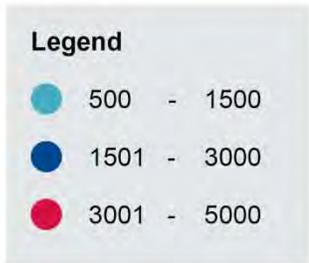
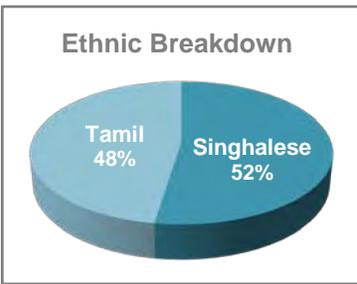
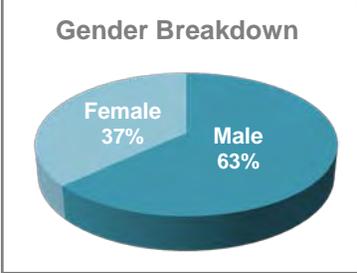
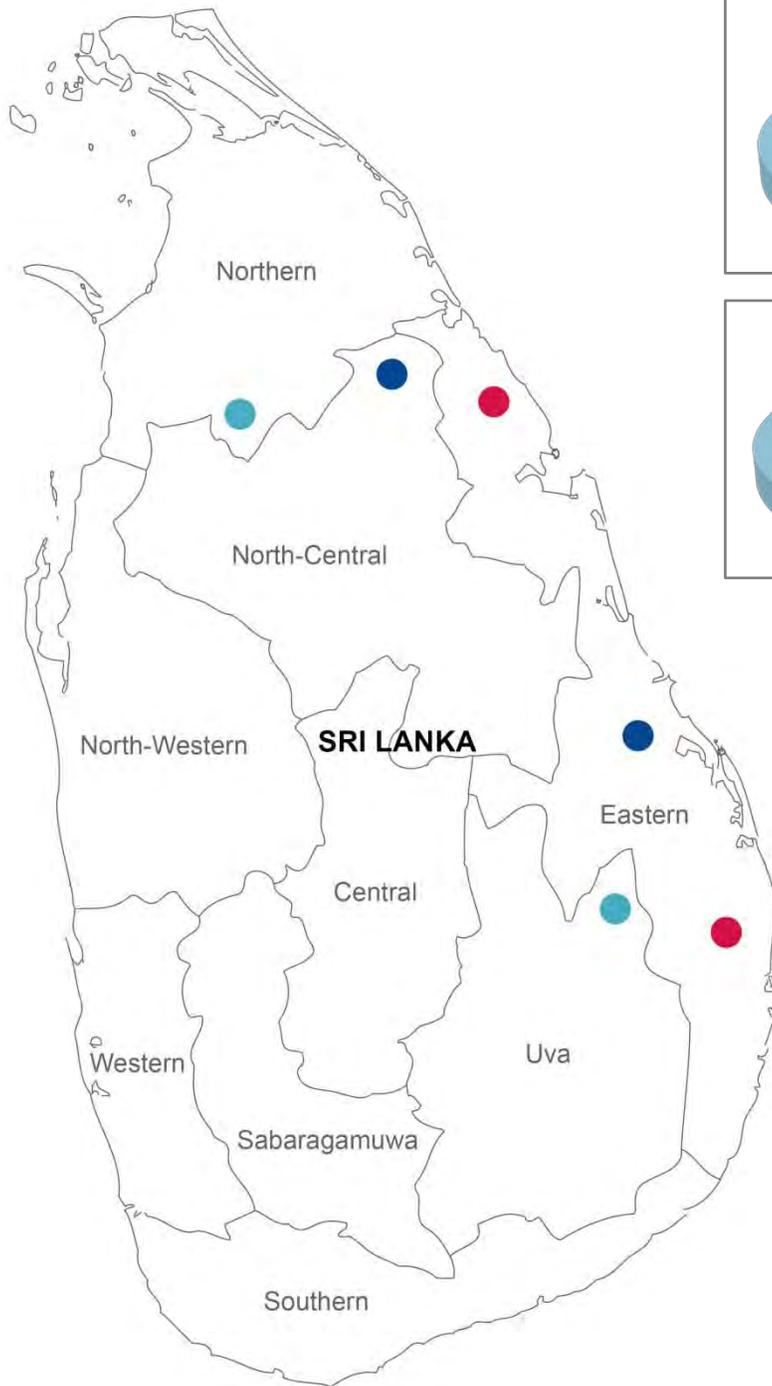
*The unanticipated flooding in year three wiped out a large majority crops, damaged topsoil, and killed livestock which affected Component 2 indicators.

** Technical training that is NOT Workforce Development training.

Table 6: Income, Sales and Productivity

Project	Income increase	Value of sales increase	Volume of sales increase	Productivity yield increase	Remarks
Dairy with PDIL	42%	2%	-5%	-5%	2010: Baseline data from October 2009 during rainy season, follow up data collected in dry season, July-August 2010 for the annual report. During the dry season milk yields are low, and yield data is not comparable.
Papaya with Anoma Agrobased Products	9%	10%	n/a	20%	2010
Sesame with Adamjee	9%	11%	9%	9%	2010
Black gram with Alli Company	+100%	+100%	51%	38%	2010
Maize with Adamjee	21%	13%	n/a	44%	2010
Fruit and Vegetable with JayKay Marketing	17%	n/a	n/a	n/a	2010: Many of these farmers chose to specialize in b'onion. Onwards, their data is listed under that value chain.
Turmeric with Lanka Spices	+100%	+100%	n/a	20%	2010
Seeds with AgStar Ltd.	100%	n/a	n/a	n/a	2010: First time cultivating seeds.
B'onion with JayKay Marketing	35%	-2%		20%	2011
Dehydrated limes with Adamjee	77%	65%		21%	2011
Fisheries with Deshan	27%			16%	2011
Dairy with Eluwan	44%	33		-44%	2011: Floods severely affected production levels. Death of cattle, lack of green fodder and spread of diseases contributed to low milk production.
Cashew with NEEDS, Mushrooms with Pramuditha					Floods spoiled mushroom spores and damaged mushroom huts which resulted in reduction of production and income. Cashew season begins in April, however due to the unusually long rainy season, 2011 harvest was significantly lower than normal.
Healthy Snacks Manufacturing with Cargills, Maize with Sun Agro Foods Ltd. (Lankem), Passion Fruit with SR Bio Foods, Seed Cultivation Village, Red Onion Seed Production with CIC, Seaweed Cultivation with CBL, Medicinal crop cultivation with Link Natural Ltd					The projects were started in years two and beginning of year three expecting that data on would be collected during option years. Floods in year 2 caused some crops to lose a season. Since the option years were not exercised the data was not collected.

Map of CORE Beneficiaries Demographics





II. CORE's Path

"CORE was designed to promote economic growth in former conflict-affected districts, as well as areas bordering these districts, by providing support directly to the private sector. Today the project has assisted over 14,000 families. By introducing new technologies, improving existing technologies and linking producers to new markets, the project has helped these families increase their incomes. At the same time, CORE has leveraged funds from the private sector, resulting in over 514 million rupees committed for investments in the project's target areas."

- James Bednar
USAID Mission Director
CORE Close-out Meeting

This section describes the path CORE took to implement its five interrelated components:

1. Livelihoods – Improve the livelihoods and food security of vulnerable populations
2. Value Chain Competitiveness – Promote competitiveness of agriculture and other value chains.
3. Value Chain Services – Improve delivery of value chain services such as financial, ICT, agricultural extension and other services.
4. Workforce – strengthen the workforce to make them more employable and improve technical capacity of grassroots value chain participants.
5. Enabling Environment – Promote dialogue between the public and private sector to foster an enabling environment to facilitate economic growth.

The activities in the five components were implemented with at least one partner by applying a flexible public-private alliance (PPA) approach to promote sustainability, leverage resources and maximize impact. These efforts were strengthened by tailored technical assistance, training, and material provided to partners from the private and public sectors as well as farmers and vulnerable populations at the grassroots level. Grants were also a key instrument, constituting primarily a cost-sharing mechanism with the private sector that was used to provide incentives to businesses to invest in the East. The results of these partnerships ranged from capacity building for the management of small businesses and farmer organizations to linkages between farmers and local financial institutions to technical support from government agencies and private companies that assisted farmers adopt technologies and better farming practices.

The public-private alliance approach used by USAID in the CORE project has been replicated by other donors, including the Japan International Cooperation Agency (JICA) and the International Fund for Agriculture Development (IFAD). This approach has produced significant results and is required to commercialize relationships among producers and buyers in that it both leverages donor funds and it promotes investment by private sector actors.

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I. Livelihoods

The conflict destroyed or seriously weakened the basis for livelihoods for a large proportion of the population in the Eastern Province. Rural areas were particularly hard-hit as farming was largely impossible while the conflict continued. Infrastructure was severely damaged or totally destroyed, and people lost savings and other resources required to restore their capacity to earn a living. To enhance household food security and the economic security of conflict affected and vulnerable populations, initiatives targeted livelihood development through:

- Home Gardening – In 2008, during the conflict, the focus of efforts was to introduce home gardening to improve household food security and generate a source of income from the sales of excess produce at local markets.
- Small Infrastructure Rehabilitation – With the end of the conflict, the strategy shifted to repairing small scale community-based infrastructure that works to significantly improve the profitability of economic activities in rural communities.
- Flood Relief (2011-2012) – A third livelihood development initiative supported more than 1,100 farmer households affected by the floods during the 2010/2011 Maha season to reinitiate their farming activities.

Home Gardening Assistance

Based on the assessments of beneficiaries, home gardening was the best intervention, given the limited land, water and other resources. During the first one and a half years farming inputs were provided to allow people to resume regular agricultural activities to secure food and livelihoods. And, where applicable, CORE partnered with the private sector to establish market linkages to assist farmers to sell their surplus produce.

Improved food security and livelihoods. Through the introduction of high quality seeds and better cultivation practices, the home gardening initiative significantly boosted the farmers' yields resulting in both better dietary intake as well as additional income. Collective marketing activities contributed to community building among newly resettled people.

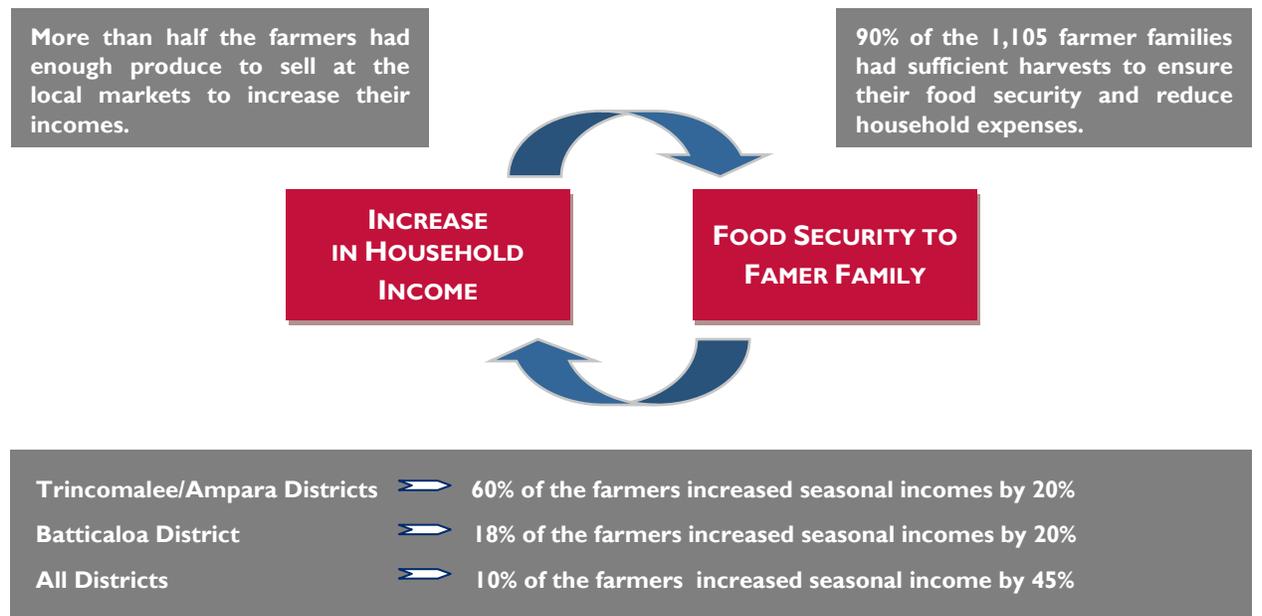
While the farmers gained much from CORE assistance to grow various crops, significant increases in farm family incomes was in some locations hard to achieve due to a lack of basic irrigation infrastructure and reliable water sources due to long years of neglect and damage. Farmers struggled for decades without functioning irrigation pumps and wells, while others needed assistance to repair minor channeling that provided water. As



the conflict in the region came to an end, CORE expanded its support to the newly resettled families in the region to include community base infrastructure.

A total of 1,105 farmer families in the Ampara, Trincomalee and Batticaloa Districts were provided a range of vegetable seeds or plants such as pumpkin, snake gourd, bitter gourd, brinjal (eggplant), chili, okra, capsicum, beans and tomato. Selected farmer groups were also given basic agro-equipment such as watering cans, sprayers and fork sets.

The farmers were provided with training on best practices in land preparation, compost making, crop maintenance, water management and indigenous pest control methods. In addition, post harvest methods, basic bookkeeping and money management and collective marketing were introduced.



Community Based Infrastructure Development

CORE, with the respective farming communities, rehabilitated three community-based infrastructures. The first rehabilitated structure restored irrigation capacity through the reconstruction of a broken anicut serving two communities West of Batticaloa. The second repaired a village irrigation tank near Seruvila, Trincomalee. A third encompassed the reconstruction of a water control structure in Nilaveli, Trincomalee allowing the operation of a large saltern.

The communities targeted for these initiatives were composed primarily of recently resettled farmers who could not cultivate due to damaged infrastructure and lack of irrigation capacity needed for them to revive farming cultivation and generate incomes. Construction was started once the buy-in from the community and the government was established. Long-term sustainability was ensured through a joint-effort between local governments and each community to maintain the structures. By improving better access to water resources there has been an increase in yields through additional harvest cycles and expanded acreage. Construction work was also carried out by local contractors from Trincomalee and Batticaloa to promote and strengthen local capacity.

Parutheichchenai Anicut. The Parutheichchenai Anicut in Iluppachchenai, Batticaloa was a structure built circa 1998 that had been abandoned and fell into disrepair for decades. The surrounding farmers did not have access to flowing water for cultivation during the Yala season. The surrounding villages could not cross over the broad anicut for 6 months of the year and had to take an alternate, 15km-long, route that was in very bad condition.

The rehabilitation of this structure included complete reconstruction of the anicut and the newly added causeway and access roads on either side of the anicut. CORE worked with the Department of Provincial Irrigation in Kaluwanchikudy to develop the design and supervise construction. The grantees were

Paruththichenai residents use the new roadway and anicut causeway instead of the much longer route between villages.





On November 18, 2011, the Government Agent and District Secretary of Trincomalee Major General T.T.R De Silva inaugurated the Kovilkulam tank.

members of two farmer organizations, the Sinnagalapoddamadu Farmer Organization and the Iluppadichchenai Farmer Organization, who were provided basic capacity building training and instruction on infrastructure maintenance. The rehabilitated anicut improved the access to water for the Yala season cultivation. The causeway and access roads that were built created a significantly shorter travel route between villages, reducing travel time and transport costs. This structure was handed over to the stakeholders in the last quarter of the project.

Kovilkulam Minor Irrigation Tank. The Kovilkulam minor irrigation tank in Lingapuram, Seruvila, in Trincomalee is part of a three-tank system located deep in the region where the ethnic conflict was prominent. The mixed communities from this area underwent years of hardship and loss of income. The tank was neglected for decades, and repairing it was instrumental to promote integration and harmony between the communities and increased the access to water for an additional season and extended acreage of cultivation. In the beginning of 2011, just after the design for repairs was completed, severe flooding caused a major breach to the bund of the tank, adding to the complexity and costs of the rehabilitation works to be done on the Kovilkulam tank.

The rehabilitation of the structure included the reconstruction of the tank bund, the flood damaged breached section, the excavation of the tank-bed, construction of the tail canal with enhancement to the spill cushion, and construction of waterways and channels. The tank benefits over 70 farmer families in the area through improved irrigation facilities. These families will now have access to significantly increased quantities of water during the Yala and Maha seasons so that they can increase their production and improve their incomes. If the tank bund was not reconstructed, the overflow would have completely inundated the surrounding cultivatable fields making it impossible to use the land for either season.

CORE completed the rehabilitation of the tank with the maintenance undertaken through a partnership between the Department of Agrarian Development in Trincomalee and the Ammanveley Farmer Society in Seruvila. The farmer organizations, community and local government were proud of this effort that resulted in the tank being opened by the Government Agent and District Secretary of Trincomalee, Maj. General T. T. R. De Silva on November 18, 2011.

Nilaveli saltern. CORE assisted in the rehabilitation of the Nilaveli saltern in the Kuchchaveli Divisional Secretariat in Trincomalee, which affects the livelihood of over 75 saltpan owners. The construction work included the saltern water control structure, piers and broad access bunds that were severely damaged due to nearly three decades of neglect. As a result, the saltpan owners were unable to use the saltern to its maximum potential. CORE intervention paved the way for the owners to resume work on developing other key infrastructure necessary to commence harvesting operations as a sustainable income earning source.

CORE facilitated an exposure visit, provided technical expertise and improved capacity of the Nilaveli Saltern community group. Importantly, CORE also supported the formation of a company called Nilaveli Salt Producers (Pvt) Ltd. that would bring the saltpan owners together to function as a commercial entity. CORE provided legal advice to draft revised Articles of Association for the company to reflect an asset based business structure that is bankable and is viable as a long term business model. The business has continuing business and institutional issues related to saltpan ownership and land titles which have been partially resolved after CORE provided expert legal advice which included individual title reports for each owner to help each establish a clear title. CORE's technical assistance further strengthened the commitment of the owners to focus on a long term and sustainable strategy in developing the saltern as a profitable business venture.

After 25 years of no production, the saltpan owners now have the physical and organization foundation to work towards establishing a commercially viable saltern. Technical training and expert advice were provided on production process required to produce better quality salt. In addition, the operation of the saltern will create approximately 300 job opportunities during the salt making season. It will also provide long-term potential for many SMEs involved in value added services, and yield sustainable revenue streams to the saltpan owners. The saltern operation at Nilaveli will provide a tremendous boost to the regional economy. The construction of the saltern piers and access bunds and technical expertise provided prompted the saltpan owners to take a greater interest in operating a viable business venture as an association. Moving forward, CORE recommended that the newly formed company continue to work on the next steps: surveying the saltpans, designing the saltern and developing the key infrastructure such as the peripheral bund and pan bunds.

Flood Relief

Starting on 26 December 2010, Sri Lanka was struck by the heaviest rains in almost one hundred years, causing devastating floods and landslides. Prior to the floods, recent returnees in the North and East had started to resume sustainable livelihood activities, including planting their own crops, following the end of more than two decades of civil conflict. A second and more devastating phase of flooding began in late January and lasted well into February 2011. At its peak, the floods claimed dozens of lives, displaced over 360,000 people and affected more than 1.2 million people, throughout the Eastern, Northern, and North-Central provinces.

The damages caused by the floods to agricultural production and livelihood assets impacted farmers' ability to produce sufficient food and income. It is estimated that at least 25 percent (750 tons) of the national harvest from the Maha planting season (September–January) was lost. In addition to the damages to agricultural land, the floods also destroyed much of the irrigation systems, including tanks and channels.

To respond to the flooding, the project used a special fund entitled the "crisis modifier" that was a part of the original design of the CORE project and approved by U.S. Ambassador Patricia A. Butenis. Using USD 165,909 and LKR 8 809,403, CORE provide assistance to the victims through additional rehabilitation of the existing infrastructure projects, additional input support to existing farmer beneficiaries, seed and farming inputs to vulnerable populations, and training on farming practices that would mitigate weather effects, namely regenerative agriculture.

Seed Distribution in Trincomalee. This support aimed to revive the livelihoods of farmer families affected in the Trincomalee District by the severe flooding of early 2011. The provision of seed was provided in the following harvest season to mitigate the income loss and help farmers restart their farming activities, and improve nutrition levels through improved food security. Farming hoes (mammothies) and 20-30g of vegetable seeds (capicum, okra, gourd, luffa and brinjal) for each quarter acre of land, were distributed to 1,200 farmers from ten DS Divisions. Farmer leaders of 15 farmer societies were also trained on better cultivation practices to then train their respective farmer groups. In total, CORE supported more than 1,100 farmer households affected by the floods during the 2010/2011 Maha reinstate their farming activities.

"We were recovering from the conflict and resuming our livelihood and farming activities when we were hit by the flood. I had over two acres of cultivation and lost everything due to the flood. We requested help from many organizations to no avail. We are thankful to the District Secretary and USAID for this support. It gave us the helping hand we needed."

Mr.T. Chandrapala
Farmer leader from Sarehapura, Trincomalee.

Challenges and Lessons Learned

Community-based infrastructure. Implementation delays between the phasing out of home gardening activities and USAID approval to start construction efforts resulted in the completion of structures in the last two quarters of the project. All three infrastructure activities involved close coordination with various government agencies in the approval, design and implementation stages, which also slowed implementation, but were key to ensure sustainability. Uncharacteristic flooding and rain also disrupted construction schedules. The impacts of the infrastructure and flood activities are not easily measured because those activities were completed late in the last 6 months of CORE.

Home gardening. Home gardening assistance impacted the well-being of families and allowed the generation of additional income, much of which benefitted women. Families are reinvesting some income in new seeds so production seems to be very much sustained.

Table 7. Home gardening demographic breakdown

Beneficiaries Total	Gender		Ethnicity		
	Male	Female	Sinhala	Tamil	Muslim
2,548	65%	35%	39%	42%	19%

Complimentary technical assistance. Home gardening is similar to more commercial growing initiatives in the sense that they require support through several harvest cycles. This ongoing support was limited once the home gardening initiatives were phased out in year 2 and staff reduced. Infrastructure construction rehabilitation started in year 3 following the flooding, which significantly delayed activities so that the completion of the structures occurred in the last quarter of the project. Thus, the impact was difficult to measure, and will not be seen before the end of the project. This also put significant stress on the local contractors who were not as sophisticated accessing resources as larger contractors. Although these initiatives were successfully implemented, they would have benefited more by having an extension agent and an engineer that could have provided complimentary technical assistance.

Community-based infrastructure. Repair and enhancement of community based infrastructure, especially when linked to the improved use of irrigation systems has a very significant income impact and can integrate families into irrigation user associations. This type of investment should have a high priority for USAID in the Eastern Region.

Flexible response. The crisis modifier was funding incorporated into this project to respond to events the Mission determined appropriate. This made the Mission very flexible to respond to the severe flooding in the region, as CORE demonstrated. When dealing with primarily agriculture value chains, a flexible response is critical to farmers who want to mitigate the catastrophic effects that factors such as weather can have on their livelihoods. Agriculture is the main source of income for families in the eastern and northern Sri Lanka, and this type of flexible response can be critical to the agriculture sector.

2. Value Chain Competitiveness

Globalization is changing the environment in which poverty reduction strategies are being implemented. In this new context, two things are clear: poverty alleviation cannot be sustained without economic growth, and economic growth cannot be sustained with non-competitive industries. CORE thus applied a strategy to improve the competitiveness of select value chains³ that benefit large numbers of traditionally underserved populations in post-conflict areas and that have potential to become and remain competitive in domestic and export markets.

Participants in value chains need to increase efficiency, as growing competition in markets force firms to become more productive and lower costs. One way of achieving that goal is to source better quality inputs directly from producers thus reducing transport and other costs. Others want to enter new emerging markets, but despite the benefits, they must also face new costs and risks. Support to mitigate the risks involved is essential to driving investments and growth in the region. With an understanding of this context, a variety of market driven strategies was tailored to meet the demand of select value chains. These include:

- Expand and strengthen market Linkages
- Productivity Improvements
- Introduction of High-Value and inter-Seasonal Crops
- Moving production facilities closer to producers
- Bridging value chain gaps
- Women

"[CORE] produced substantial results in establishing linkages between companies and farmers serving existing markets, both domestic and exports, and in increasing incomes for farmers through the development of new crops with higher profit margins. It has involved extensive technical assistance and training to achieve these results, as well as patience in establishing relationships between the farmers and the companies and improving crop production and post harvesting methods. "

-External evaluation of CORE, USAID, March 2012

Please Refer to Appendix A. CORE Experience for more details on the specific initiatives implemented.

Market Linkages

CORE's demand driven approach, required that all value chain initiatives incorporate market linkages to improve response to market requirements, and promote business growth and sustainable income increases. Market linkage partnerships encompassed firms ranging from indigenous MSMEs to large internationally recognized firms (see Table 4).

The premise of this approach is that enterprise development can create wealth in poor communities and promote economic growth by sustainably linking large numbers of micro- and small enterprises (MSEs) into international, national and/or local value chains. To achieve this goal, the approach calls for linking small firms, including farmers, to economic growth opportunities, using both incentives and capacity building to compete in and benefit from market participation. Linkages to the larger firms enable local producers to sell larger quantities of products, be exposed to national and international quality standards, and access larger markets. The table below summarizes some of the market linkages established with CORE assistance

Farmers traditionally sell to middle men who collect the crops and then sell to companies to make them into retail products. There is a variety of challenges in this system which includes middlemen that do not pay the farmers until they sell the products. Profits are often minimal for the farmers, but more importantly the products are not always of adequate quality and/or quantity to meet demand and quality requirements. CORE helped businesses understand that if they need a product that meets certain requirements, they would need to invest time and resources to improve their supplier base and make it reliable. To achieve this CORE established partnerships that included building outgrower networks and strengthening private sector extension services.

³ "Value chain" refers to all the activities and services that bring a product (or a service) from conception to end use. It is the process where raw materials are supplied, processors add value to the raw materials, goods are sold at wholesale, and finally the finished products are sold by retailers. Using value chains for economic development means addressing the major constraints and opportunities faced by businesses at multiple levels of the value chain.

CASE STUDY: Black Gram Market Linkage with Alli

Linking Rural Farmers to Large Commercial Buyers

Objective	Creating a successful and sustainable market linkage.
Partners	Alli Company
Initiative	With the increasing demand for its products, the Alli Company partnered with CORE to increase its supplier base. CORE linked the company with farmers living in the Anuradhapura District and bordering areas. The farmers received technical training on land preparation, planting and cultivation methods.
Partner Contributions	Private Sector - Provided seeds and a market for black gram. CORE - Linked farmers from to the company and provide technical training.
Impact	<p>As a result of this intervention, 504 farmers, during two seasons, were able to sell a total of 301,672 kilograms of black gram directly to the Alli Company. In Year 2, an additional 149 farmers in the Chettikulam DS Division sold black gram to Alli during the Yala season. Alli purchased 50 metric tons of black gram from the Chettikulam area.</p> <p>Even though these farmers had signed a forward contract of LKR 75/kg, Alli paid the prevailing market price ranging from LKR 100 to 148/kg, significantly increasing the average net income of farmers by over 100%.</p> <p>A survey conducted on a random sample of the 504 Year 1 beneficiaries indicated that as a direct result of the CORE intervention, the farmers earned an average income increase of LKR 54,451 in 2010 over 2009 incomes. The market linkage generated an estimated net additional income of LKR 27, 443,112 for black gram farmers in Anuradhapura within a short period of 4 months mainly due to a price increase in the region of about 100% and yields increasing by about 38% over the previous year.</p>
Lessons Learned	<p>The immense success of this market linkage is due to the successful cohesion of committed private sector partner and technical support provided to farmers. An additional external factor that contributed to good yields was the favorable weather patterns of those seasons.</p> <p>Improved Market: Buying directly from the farmers reduced the number of intermediaries resulting in better prices and product quality for farmers and the Alli Company. Alli was able to maintain quality of the product as they had direct control throughout the purchasing process. Before this market linkage, farmers had to sell their harvest to middlemen, and it would take about 2-3 months for them to receive payment. Farmers received immediate payment upon delivery of the crops to Alli. This allowed famers to prepare for the next crop, meet their family's needs with a lower reliance on loans.</p> <p>Improve Farmer Capacity for Long-term Development: The significant increase in income has made a collateral impact for some of the farmers. Many of them are debt-free for the first time in their lives. Many of them want to buy equipment to help improve the efficiency of their cultivating process. Some farmers have made improvements to their houses and bought better school supplies for their children.</p> <p>CORE will continue to support these farmers by building their capacity to become entrepreneurial farmers by providing Business Basics Training (BBT), improve their capacity to manage their production and engender the concepts of long-term development of their farms.</p>

Table 8. Market Linkages – Sample from CORE supported value chains

Market Linkages		
Producer	Anchor Firm	End Market Products
Black gram	Alli Company (Pvt) Ltd	Black gram for cooking
B'onion	JayKay Marketing Services Pvt Limited	Produce for retail sale at supermarkets
Cashew	New Eastern Economy Development System (NEEDS)	Processed cashews for retail
Dairy	Eluwan Private Limited	Curd, ice cream, cheese, yogurt, flavored milk
Dairy	Pelwatte Dairy Industries (Pvt) Ltd. (PDIL)	
Dairy	CIC Mahaweli Livestock & Dairies (Pvt) Ltd.	
Fisheries	Deshan International Imports and Exports (Pvt) Ltd.	Fresh fish
Fisheries	G.P. Saman & Sons	
Fruits and Vegetables	JayKay Marketing	Produce for retail sale at supermarkets
Fruits and Vegetables	Kebithigollewa Integrated Rural Development Organization (KIRDO)	
Green gram, finger millet, cow pea	Cargills (Ceylon) Ltd.	Healthy snacks, cereal bars
Information Communication, Technology	Advanced Information Consulting (Pvt) Ltd.	Software development services
Lime	Adamjee Lukmanjee & Sons Ltd.	Dehydrated limes for export to the middle east.
Maize	Adamjee Lukmanjee & Sons Ltd.	Produce for trade market
Maize	Sun Agro Foods Ltd. (Lankem)	Breakfast Cereals
Medicinal herbs: Katuvalbatu, Elabatu, Vishnukranthi, Ginger and Turmeric	Link Natural Products (Pvt) Ltd.	Samahan tea and other Ayurvedic products
Mushroom	Pramuditha Mushroom Company	Mushroom base for vegetarian burgers and other vegetarian products
Mushroom	Ravini Mushroom Production Company	
Papaya	Anoma Agro Based Products (Pvt) Ltd.	Dehydrated fruit products
Passion Fruit	SR Bio Foods	Produce for fruit products and retail
Red Onion Seeds	CIC Mahaweli Livestock & Dairies (Pvt) Ltd.	Commercial production of red onion true seeds
Seaweed	CBL Foods International (Pvt) Ltd.	Biscuits, gelatin
Seed production	AgStar Ltd.	Commercial production of true seeds
Sesame	Adamjee Lukmanjee & Sons Ltd.	Sesame seeds for retail sale at supermarkets
Soybean	Plenty Foods (Pvt) Ltd.	For soybean based food products
Tourism	Chaaya Hotels and Resorts	Shell and palmyrah souvenirs, tourist services such as yoga.
Turmeric	Lanka Spices Ltd.	Retail sale of cooking spices
Vetiver	EOAS Organics (Pvt) Ltd.	For retail sale in organic markets

Companies identified the benefits of sourcing products directly from the farmers and their role in ensuring the produce was adequate. The Alli Company, for example, returned to the region following the initial support in year 1 to purchase black gram the following two years, and plans to continue purchasing from the outgrower network that CORE established. See Case Study: Black Gram Market Linkage with Alli.

Productivity Improvements

Typical farmers in the east region manage very small plots of land (.25 to 3ha), and production is mainly rain fed. Such farmers succumb to various challenges posed by nature including: poor soils, destructive crop pests and diseases, and recurring droughts. Yields are therefore generally very low compared to known potentials. Together with natural calamities, additional reasons that lead to low yields include limited investments in irrigation and lack of affordable technologies that otherwise would have improved soil fertility, lack of pest and diseases control, poor weed management, and no introduction of drought tolerant crop varieties. Limited technology advancement is partly due to limited research and technology transfer. To address this, CORE used the attractiveness of market linkages, i.e., alliances, as an incentive to adopt production technologies and improve quality and yields to increase sales at better prices and reduce losses.

Technology Adoption Snapshot

	Technology Adoption	Yield/ Productivity Increase
Papaya	100%	20%
Maize (Adamjee)	100%	44%
Black gram	43%	79%
B'onion	47%	20%
Lime	62%	21%
Mushroom (Prמודitha)	100%	100%
Fisheries (Deshan)	80%	16%

Moving Out of Low-Productivity Agriculture. A portfolio of assistance was developed to improve production which centered on disseminating appropriate technologies and also included:

- Extension⁴ training - on farming practices and technologies relevant to their crops. (see Table 11 for a list of publications)
- Inputs - land preparation, seeds, milking cans, and others
- Piloting and introducing agriculture technologies and farming methods – Mustard for the east, cleaning and drying maize, cold storage with fishermen in Trincomalee, regenerative agriculture, among others
- Business Basics Training (BBT) – to train farmers how to treat their farm as a business.
- Advanced Business Basics Training – for farmers with higher level of entrepreneurship and who are seeking to build their business with services such as transportation and harvest collections for neighboring farmers.
- Agriculture Cyber Centers – improving access to extension services

The combination of linking farmers to markets and supporting improvements in farming methods resulted in a variety of improvements as producers learned to increase their yields, raise the quality of their produce, implement proper post-harvest handling which reduced losses, and obtained better more stable prices while the companies were able to establish reliable sources of produce for their products that met the quantity and quality they required.

Introduction of High-Value and Inter-Seasonal Crops

Traditional smallholder farming does not always provide for decent livelihoods as the unpredictable quantity of surplus sold at local markets can result in income levels that barely bring farms out of subsistence farming. In these cases, CORE introduced high value and inter-seasonal crops that can meet the pre-identified market demand and increase farmer income.

“[CORE] has produced substantial results in establishing linkages between companies and farmers serving existing markets, both domestic and exports, and in increasing incomes for farmers through the development of new crops with higher profit margins.”

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⁴ Extension is a service which assists farmers through education to improving farming methods and techniques.

High-value crops. An increasingly important element in strategies to reduce rural poverty is supporting poor smallholder farmers who are moving from subsistence farming to market-oriented, high-value commercial agriculture. Staple crop production is important for the food security of smallholders. However, nowadays farmers increasingly need cash as well as food, and high value crops⁵ are an efficient way to generate cash, even on a small plot of land.

These farmers can complement their regular income with specialized crops that yield a high return and thereby, get the maximum out of whatever land they have. Their only chance to make a decent living out of a few acres is to begin farming high value crops that meet market demands established through CORE. High value crops include cashew, passion fruit, and seaweed, among others (see Table 5).

Inter-seasonal crops. Sri Lanka has two planting seasons, the Maha season from September to January, and the Yala season from April to August. Farming is generally focused on those two seasons, but the lack of storage facilities and good roads, the need for immediate income for their families and to pay off debts, are among some of the factors that have the farmers selling their produce at the same time when there is a glut in the market. Introducing inter-seasonal crops that will complement their income source is a good option when based on the market demand and the farmers' land capacity. Crops introduced include cow pea, finger millet, medicinal crops, and papaya, among others (see Table 5).

Bridging Value Chain Gaps

Each value chain initiative was based on prioritized sector assessments which evaluated factors such as the market demand, the potential growth of the sector, and challenges that needed to be addressed. CORE was not able to address all the challenges such as land policy reform or large infrastructure projects to reduce transport costs, because they required resources and time frames that went beyond CORE. Thus, strategies to identify and target value chain gaps were used, and technical assistance was then brought in to develop the solutions.

Table 9. Samples of Value Chains Gaps Addressed

Value Chain	Gap	Solution
Tourism	Hotels services needed improved workforce and complimentary services such as tours were needed.	Marketing for the EP, BDS in tourism for micro entrepreneurs, product and service development and marketing.
Dairy	Producers need to improve production and buyers needed better quality and quantity milk Poor management cow management, poor feeding crops. Transport and storage: weak cold chain and poor collection,	Collection Centers and proper handling for commercial scale. Cattle shed models, improved feeding with CO3 fodder, introduced the cultivation of CO3 as fodder, stall feeding, improved genetics through AI and better breeding practices.
B'onion seed	Producers need to improve production and buyers needed better quality and quantity onions Lack of seeds, good quality produce, collecting and sorting facility.	Post-harvest training, better farming methods, sorting facility. Seeds and technical training to cultivate certified seeds

⁵ High value crops refer to non-traditional food crops such as vegetables, fruits, flowers, houseplants and foliage, condiments and spices that generally earn higher market values than traditional cereal grains and other staple crops.

Case Study: Technology Transfer in Horticulture

Upgrading Production, Increasing Income

Objective	Technology transfer must increase value chain sales through improving productivity and quality as well as reducing post harvest losses, thereby contributing towards increase in net incomes of groups at the value chain's grassroots level.
Initiative	<p>CORE partnered with the private sector companies to strengthen new and existing outgrower networks. For the outgrower model to operate successfully and increase beneficiary incomes, extension and technical assistance is crucial. In partnership with the private sector companies, CORE implemented initiatives to provide services such as:</p> <ul style="list-style-type: none"> • Papaya: a) proper spacing, earthing up, mulching and other planting techniques, b) propping plants up, c) protective covers for fruits. • Black Gram: a) Land preparation, b) nursery management, c) pests and disease control methods, c) methods of harvesting, e) storage facility and management. • Soybean: a) Seed inoculums for nitrogen fixing (instead of urea application), b) row seeding techniques. • Dairy: a) dairy management including twice a day milking, b) animal nutrition management, c) proper housing conditions, d) disease control, e) cleaner milk production. • Sesame: a) Land preparation, nursery management, b) pests and disease control methods, c) methods of harvesting, d) storage facility and management. <p>In order to promote the dissemination of technology and best practices, CORE also reached out to the public sector and in conjunction with the GoSL, developed and disseminated training material, set up cow stall models for training, established cyber centers, and trained extension officers.</p> <p>This public-private sector approach to improving extension and technology transfer was driven by market demand and promoted sustainability as well as multiplier effect at a national level with the government disseminating the material throughout the country.</p>
Impact	In three and half years of implementing these activities, over 10,000 farmers adopted technologies acquired through technical training. This resulted in improved quality of produce, increased production and reduction in wastage which has led to an increase in incomes as evidenced in Table 3.
Lessons Learned	<p>All surveys and interactions with farmers indicated that they value the knowledge gained through the technical training. Farmers are eager to adopt new technologies taught as they continue to see positive results.</p> <p>Improved production needs to be tailored to market demand, otherwise the farmers efforts will be met with a glut in the market and reduced prices.</p> <p>Extension services must also be strengthened as one training program is not sufficient, agricultural extension services must be available throughout the year. While the public sector's resources are strained it is also important for the private sector to understand that they need to participate with the grassroots producers to ensure they get the quality and quantities they require. Therefore extension ideally should come from both the private and public sectors.</p> <p>The power of ICT must also be kept in mind. Cyber centers allow farmers to access the Krushilanka website that is filled with extension material, the 1920 agriculture Skype helpline, while TradeNet provides market information. ICT is a critical tool to empower producers and buyers to understand their markets.</p>



Women farmers learning about mushroom cultivation.

Promoting women's role in the economy.

Table 10. Initiatives with high female participation

Gender Highlights					
Producer	Anchor Firm	Total	Male	Female	Ratio
Black gram	Alli Company	945	502	443	47%
Cashew	NEEDS	228	101	127	56%
Dairy	Eluwan	669	353	316	47%
Green gram, finger millet	Cargills	1,147	562	585	51%
Lime	Adamjee	295	175	120	41%
Mushroom	Pramuditha	54	13	41	76%
Mushroom	Ravini	41	16	25	61%
Papaya	Anoma Agrobased Products	1,752	838	914	52%
Seaweed	CBL	25	7	18	72%
Seed production	AgStar Ltd.	73	35	38	52%
Sesame	Adamjee	426	187	239	56%
Soybean	Plenty Food	40	10	30	75%
Turmeric	Lanka Spices	220	99	121	55%
Vetiver	EOAS	95	28	67	71%

In Sri Lanka, women contribute considerably to household income through farm and non-farm activities—their responsibilities for home maintenance and household crop production are high due to the men's involvement in cash crop production. In fact, women account for 56% of the contribution to farm and income-generating activities (UNDP, 1997). Rural women's participation in postharvest operations is very high. They constitute more than 50% of the total work force involved in postharvest operations. They perform various tasks, for example harvesting, cleaning, drying, grain storage, etc⁶.

⁶ <http://www.fao.org/sd/WPdirect/WPre0112.htm>

With an understanding of this context, CORE technical trainings targeted both men and women with almost 40% of persons trained being women. CORE also identified economic activities in which women were or could be involved, such as cottage industries and handicrafts for tourists. These activities were then prioritized for identifying potential market linkages and/or piloting.

Challenges and Lessons Learned

Agriculture Value Chains. It takes a long time to establish linkages and long-term relationships between farmers and companies, it also involves considerable technical assistance, training and financial incentives. These relationships can be developed and are viable, but the sustainability of results will require a number of growing seasons to cement those relationships and ensure that farmers adopted the technologies and skills for commercial cultivation of crops.

Floods. Activities suffered greatly from exceptionally heavy rainfall throughout the project area during December 2010 to February 2011. Along the eastern coast hundreds of thousands of people were temporarily displaced, thousands of homes were destroyed, bridges and other infrastructure were damaged, large numbers of cattle were drowned, and crops were almost completely destroyed. Further inland, the flooding was more localized, but the impact on the crops and crop yields was still devastating. Many farmers lost their entire crop, and those who did get some harvest had very low yields and poor quality products. Although CORE worked on mitigating the devastating impact of heavy rains and, severe damage to crops and livestock were reported in the Eastern Province and in the North Central Province affecting two dairy and eight horticulture projects with 7,209 beneficiaries. About 30% loss in income was reported in one fishery and two horticulture grants covering 1,257 beneficiaries. Although mushroom needs moist conditions, excessive rain spoiled mushroom spores which resulted in reduction of production and income. Cashew season begins in April, however due to the unusually long rainy season, 2011 harvest was significantly lower than normal. Eluwan and PDIL milk collection was badly affected--death of cattle, lack of green fodder and spread of diseases contributed to low milk production. The yield and quality of papaya suffered badly. The follow-on harvest of the entire black gram crop in the North Central Province was ruined, farmers working with the Alli Company estimated a loss of income of LKR 60 million. CORE used Crisis Modifier funding to support the recovery of these farmers, but the effects disrupted the 2011 and 2012 planting seasons which resulted in negative variations in CORE program indicators.

Seeds. Lack of quality seeds has plagued the agriculture throughout Sri Lanka, this was exacerbated with the floods which further reduced the quality and quantity of good quality seeds for farmers. Although specific measures have been planned to make emergency distribution of required materials, the issue of poor quality seeds and other inputs is a long-term one. To help overcome this CORE continued its support of seed villages to develop the capacity to provide better quality seeds.

Forward contracts. There was limited progress in establishing effective forward contracts that guarantee farmers a steady income from an established buyer. Farmers are accustomed to selling crops in the open market in local towns or in regional buying centers such as Dambulla. They are therefore subject to decisions made by wholesalers without any guarantee of a minimum price. Partner companies are reluctant to enter into forward contracts because they are willing to buy at market price when the prices are low. Even where forward contracts are made, neither side takes the contract seriously. Forward contracts have been more effective for the specialty crops where there are very few buyers (mushrooms, seaweed, dehydrated limes, spices, medicinal plants). In addition to identifying alternative types of forward contracts that provide more price stability, product quality, and product quantity, a long-term effort to change people's mindset is required.

3. Value Chain Services

To improve the access of businesses to more lucrative and rapidly growing markets, an array of supporting services that enable business growth were strengthened. The contribution of supporting services in this context is to improve businesses' capacity to respond to market conditions and to create and take advantage of market opportunities. The value chain services were strengthened to meet the demands from indigenous MSMEs and/or larger firms, these included:

- Business Development Services
- Financial Services
- Extension Strengthening
- ICT Services

Strengthening Indigenous MSMEs. Coming out of a thirty-year conflict and the post-tsunami donor dependency, MSMEs were deficient in their business efficiency and growth stagnated. During the project implementation while evaluating potential partnerships with the private sector, it was evident that greater resource and time investment was needed to prepare regional MSMEs to be more market driven and contribute to the regional economy. As the engine of growth for the East is small businesses, CORE adopted market driven strategies to build the capacity of MSMEs to better understand and participate in their markets.

Over 150 indigenous MSMEs in the horticulture, dairy and tourism sectors participated in various capacity building programs conducted by CORE. Sixty-six (66) of the most committed enterprises received further Business Development Support (BDS) assistance to: develop business plans, develop their respective supply chains, improve management skills, increase access to financial services, facilitate the introduction of standards compliance and quality improvements, improved customer service, product development and marketing.

A great deal of time and effort was invested in the regional partners to bring about a change in mind set, and strengthen management practices to be able to receive grants and implement projects. MSMEs received support to provide extension services, develop collection networks, improving product and market development, increasing the access to finance, facilitating the process of obtaining land, introducing standards and quality improvements, and improving their overall management capacities. In obtaining services to implement activities, CORE always attempted to promote local business through procurements made with indigenous businesses. For example, the bidding process made sure to inform indigenous vendors of opportunities and, as appropriate, these businesses were awarded the contracts. For instance, the small infrastructure development projects were issued to local contractors.

Business plans and management assistance to SME partners. Seven business plans for CORE partners in fisheries, dairy, horticulture were developed and assistance was provided to establish farmer-owned and managed cyber extension centers. In doing so, we had to work with the producers over a long period of time to get them to understand basic business concepts, gather information and help develop growth strategies. This was the first time that these SMEs had developed business plans. CORE linked them to banks in support of implementation and provided cost shared grants and technical assistance to implement these projects.

Transforming farmers into entrepreneurs. Farming communities traditionally do not look at their agricultural activities as a business. Through experience they generally know if the operation is profitable or not, but are not fully aware of all costs and the magnitude of profit or loss. They do not maintain records, calculate profits and are poor at cash management. In consequence, a CORE priority was to build entrepreneurial skills among the farming community.

CORE developed and introduced Business Basics Training (BBT) programs to develop business mentalities to encourage the farmers to move out of subsistence farming and create enterprises. By the latter part of Year 2, CORE identified 38 farmers with potential and interest in moving up the value chain. These farmers received Advanced Business Training, after which some of them became collectors, input suppliers and primary processors.



Farmer entrepreneurs building their lime kilns for dehydrated lime targeting export markets..

Applying Business Basics

Anoma Agro Based Products in Ampara district, required Redlady papaya for fresh and dehydrated products for local and export markets. The partnership was launched in May of to develop an out-grower network followed by setting up the dehydration plant. CORE introduced Redlady hybrid papaya, that has higher yields and better shelf life, to 2,700 resettled farmers in the Monaragala and Ampara districts. CORE conducted farmer training programs on best cultivation practices and post harvest technologies, and provided technical assistance in extension to lead farmers. AABP set up demonstration plots and nucleus nursery for papaya seedlings. But unprecedented rains at the end of 2009 early 2010 destroyed 58% of all plants distributed, yet some farmers still indicated an increase in income of over 15%. The processing plant was also delayed, and although Anoma set up collection points to purchase fruits, it did not absorb the entire production. Various enterprising farmers, such as C. M. Sunil, moved up on the value chain to become papaya suppliers to key markets in the Southern and Western Provinces, and the Ratnapura District. CORE supported them further with Advanced Business Basics training. Sunil now has invested in a vehicle valued at LKR 1.1 million and became a collector/supplier of fruits such as banana, mangos, and woodapple.

Thousands in the East access technologies and agri-businesses. In order to fill a void of agri-businesses in the East, CORE facilitated a national scale agriculture exhibition, “Ag Biz,” linking input and service providers with farmers. This event was held in partnership with the National Agribusiness Council (NAC) and the Provincial Ministry of Agriculture. “Ag-Biz East,” was held in Trincomalee for the first time, attracting over 4,500 visitors, and housed over 50 stalls covering a broad scope of horticulture, dairy and fisheries sector related product and service providers, technology and information suppliers, marketers and exporters and financial service providers. Based on the success of this exhibition, Ag-Biz East 2011 was held in Ampara, attracting over 8,000 visitors and 42 exhibitors. Based on the successes of these events, NAC hopes to make this an annual event in the regions. At these road shows, the farmers accessed technologies such as fish finding through GPS, solar powered drip irrigation systems, harvesting machinery, mobile milking machines and farming systems such as regenerative agriculture.

Driving tourism growth through stronger MSMEs. As tourism was identified as a key growth sector in the East, CORE designed BDS interventions to assist MSMEs to take advantage of the new business opportunities. In partnership with the Start and Improve Your Business (SIYB) association of Sri Lanka, CORE

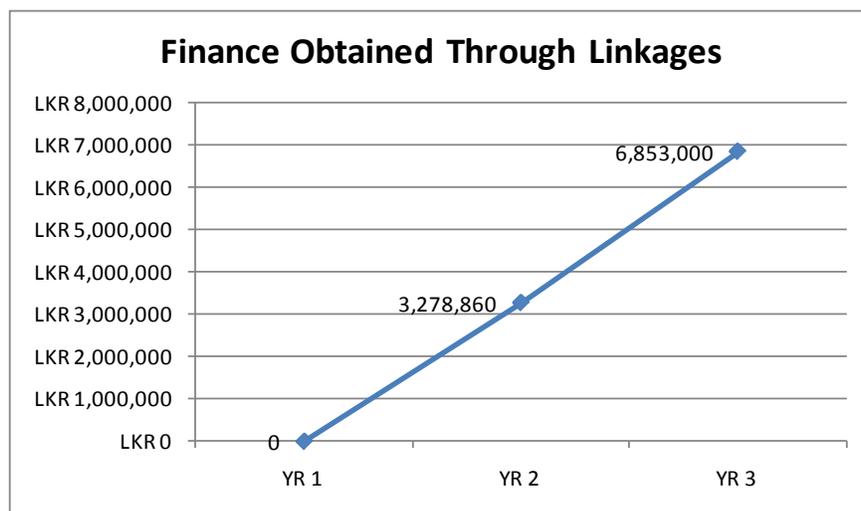
developed Sri Lanka’s first tourism specific business development program for SMEs entitled “Start Your Tourism Business”. This program is differentiated from other SIYB programs because it trains entrepreneurs to understand the tourism market. It was piloted in Trincomalee and Batticaloa in collaboration with SIYB, with 53 existing and aspiring micro and small entrepreneurs interested in starting a new tourism or tourism related enterprise or expanding existing enterprises. Seventeen (17) of them developed business plans and six secured financing. CORE also supported MSMEs in this sector through training in product development and marketing. SIYB Association of Sri Lanka will continue to deliver BDS through certified institutions beyond CORE.

The project also offered a three-day training in “Improvement of Hospitality Operations” for employees of 34 MSME hotels in the Eastern Province. This training introduced better management systems through improved record keeping, inventory management, cost control and customer service. For the first time all the MSME hotels in the region came together to share their experience and best practices.

Building capacity of Chambers to better serve their members. Regional Chambers have a vital role to play in supporting SMEs to be competitive, but most chambers do not have the BDS capacity to meet this challenge. CORE worked with the Trincomalee Chamber of Commerce to introduce new management approaches to its members, to shift from traditional practices, become more competitive and grow their business. CORE explored the long-term sustainability of improved BDS through a partnership between the chamber and the Department of Business and Management Studies of the Eastern University, Trincomalee. The Ministry of Higher Education endorsed the concept of a Small Business Unit within their local university and potential partnership with the chamber.

Breaking the debt cycle. Farmers are continuously trapped in a vicious debt cycle due to difficulties in obtaining finance from the formal lending institutions. In order to finance inputs the farmers become indebted to intermediaries at high interest rates. During harvest the farmers become price takers as they have to settle their debts to the intermediaries. This situation is exacerbated when there is a glut in the market at the time and farmers are forced to sell at very low prices. In most cases, they end up borrowing again during the next planting season. This creates a cycle of debt that the farmers find difficult to break. This is a common problem in the agricultural sector in Sri Lanka - and elsewhere. CORE adopted a two pronged approach to solve this problem: a) linking beneficiaries to sources of finance to address immediate financial needs; and b) working with banks to introduce new or modified financial products better suited to meet farmer needs.

Farmers obtained LKR 10 million in loans. During the last three years, CORE facilitated financing of over LKR 10 million in eight projects through pre-financing arrangements with partner companies or by linking with banks and microfinance institutions in the region. Banks are generally reluctant to lend to farmers because of the lack of collateral. CORE has been successful in getting some loan programs established, particularly where there is an existing market, and where farmers have the know-how to successfully cultivate the selected crop.



With money in hand and equipped with technical know-how, farmers are able to do bigger and better things: access better quality seeds and inputs, and cultivate larger areas that lead to better yields, higher production and increases in incomes. CORE's approach in introducing loan programs was to work initially with committed farmers, link the private sector partner with the bank and take the bank to the field to make them an integral part of the project. Seeing the commitment of the farmers and the successful market linkages that have been developed, banks are willing to increase their exposure to farmers as may be seen in the trend graph above.

Based on experience of working with over 14,000 farmers, CORE worked with financial institutions to support the introduction of selected new/modified financial products to better meet farmer needs.

- Warehouse Receipt Financing - Warehouse Receipts Financing is the use of a receipt related to securely stored agricultural produce in a warehouse as loan collateral. WRF system facilitates the dual purpose of providing much needed value chain services to producers through warehousing, and access to credit simultaneously against stored produce.
- Modifications to Group Loans - incorporating latest developments and global best practices in group-based microcredit facilities while taking into account regional, cultural and behavioral aspects of the rural poor in Sri Lanka.
- Flexible Leasing - matching the cash flow of the farmer (lessee), this instrument has a flexible repayment structure with either a balloon (single) payment to coincide with harvest time or low payments (installments) during off-season.
- Bills of Exchange – modifications that facilitate the use of bills of exchange in agriculture to accommodate farmers, entrepreneurs and buyers need for finance for working capital.

A consultative process was initiated with the private and public sector that prioritized Warehouse Receipt Financing. This concept was introduced for the first time in Sri Lanka, as having the highest potential benefits in the region.

CORE conducted stakeholder meetings and facilitated buy-in from public and private sectors including financial institutions. The technical assistance that was provided reviewed warehousing and quality standards for grain, legal, and financial framework necessary for implementation, and developed a pragmatic way forward.

CORE partnered with the World Bank, leveraging USD 6.5 million to pilot this concept. This initiative is being driven by the Government of Sri Lanka in collaboration with CORE and World Bank in three pilot locations: Anuradhapura, Ampara and Mannar districts. The crops being considered for storage in the pilot areas are grains such as paddy and maize. Farmers in CORE target regions and border areas will benefit by having access to world class warehouses and access to finance. With the end of the CORE project, the World Bank will push it forward through the implementation stage in partnership with public and private stakeholders.

A case in point is the b'onion project with JayKay Marketing in Galenbindunuwewa. B'onion farmers habitually grow Indian seed variety because it is more affordable. Local b'onion has a higher demand due to minimal post-harvest losses, longer shelf life and consistent size which fetches a premium price in the market. However, price of local seed material are three times higher than the Indian variety because it yields 50% higher than the Indian varieties. Despite the advantages the farmers were not cultivating local seed varieties due to lack of financing. CORE linked farmers with banks to facilitate the higher initial investment when planting better quality seed, which netted additional revenues of LKR 33,000 from an average 0.3 acre plot of land, more than a 50% increase in revenue per farmer.

During the first season CORE established a relationship between the bank and farmers and facilitated finance of LKR 400,000. Due to the success in the first season, lending increased to LKR 3.65 million during the second season. Banks were comfortable lending to the farmers because of the strong market linkages created and supported through technical assistance provided and extension services facilitated by CORE.

Empowerment through Bargaining Power!

Empowerment, bargaining power, choice! These have always been distant desires for most farmers in Sri Lanka, trapped in a system that binds them to a ceaseless cycle of debt, low return for their produce and a sense of helplessness. This is about to change through the combined efforts of CORE, the World Bank, and the GOSL.

In the harvest months, the traditional flood of agricultural produce results in a downward spiralling oCORE Approach a result it is a period of much anguish and uncertainty for most farmers who must repay informal lenders and suppliers. Farmers are thus compelled to accept whatever price is offered to them by middlemen, often resulting in them facing an endless entrapment of a vicious cycle of debt.

CORE considered various finaCORE Approach to help farmers avoid this vicious debt cycle. One model CORE has promoted uses crop "deposited" in regulated facilities as "bankable" collateral enabling farmers to obtain loans utilizing their crop as collateral. CORE lay the groundwork to introduce this solution with a base document encapsulating the concept of "Warehouse Receipt Financing" tailored to the Sri Lankan public and private sector context and ensured ownership and sustainability of the initiative so that the private sector, the Government of Sri Lanka and the World Bank take it forward.

The objective of the system is to foster and encourage cooperation between the producers (farmers), traders (wholesale and retail dealers), insurance and banking systems and the salient features presented in this proposal can be summarized as:

- Farmers will store their produce at designated warehouses, which will operate as commercial ventures.
- Farmers will be issued a "Receipt" encapsulating the details of their crop which would be stored under certified conditions.
- This "Receipt" will be acceptable collateral for banks in providing loans to these farmers.
- The "Receipt" will also be acceptable for trading on a wider platform through the web.
- An electronic registry will be maintained and circulated to relevant parties, broadcasting information on all details of crop availability and volume.
- The farmer can assess the state of the market for their crop and draw the stored stock for sale when the market is favorable, profiting sufficiently to pay off loans in addition to settling the storage fees.
- The stored crop will be insured indemnifying the farmer against warehouse mismanagement and loss.

Thus the WRF concept provides the farmers credit for stored produce. The WRF system however can only operate successfully if the income derived from the sale of stored produce compensates for storage costs in addition to the interest on loans taken against the crop and in this context calculations have shown that all crops considered for the scheme are sufficiently profitable.

Farmers can choose their price. A storage facility linked to finance empowers the farmers to make the decision of when to sell. Farmers can realize more profits by taking advantage of price fluctuations during the off season, leading to increases in income, reinvestment in technology and higher productivity. The establishment and maintenance of high standard, certified warehouse storage facilities reduces post-harvest losses and improves food security. Introduction of an electronic registry as the next stage will provide a platform for E-trade, including commodity exchange trades thereby allowing access to international markets.

"CORE has been the catalyst in this venture which emancipates the farmers from the endless debt cycle that binds them. I have seen this work with resounding success in many countries! Empowerment! Bargaining power! Choice! These are what the farmers have not had and now will have with the implementation of [WRF]."

Henry Bagazonzya, Senior Financial Sector Specialist South Asia, World Bank.

Pricing information empowers farmers. Farmers lack access to real-time market information to obtain competitive prices resulting in the middleman making the most out of the situation. CORE supported an ICT initiative that provides farmers with market prices and links buyers to sellers (farmers) to obtain higher prices for their produce. CORE, in partnership with GoviGnanaSeva (GGS meaning farmer knowledge service) and Dialog (a leading mobile service provider), worked to bring real-time prices to farmers via the internet and mobile phones. Dialog's information dissemination platform, TradeNet, is tri-lingual and transmits the prices of fruits and vegetables from the three main wholesale markets. Pricing and market linkage are also available via SMS where farmers/consumers can subscribe for price updates and also make production data available for purchase. The system matches the needs of the buyer and seller and sends out an SMS linking the two parties. CORE conducted outreach activities to inform farmers of the system with many of them using it. The pricing information does not yet cover all crops and has much room to grow.

Extension strengthening to transfer agriculture technology. At the time CORE began its interventions, it was evident that most agricultural practices in the region were traditional and farmers lacked access to extension services and information on new farming techniques. Agricultural land in the regions was not fully utilized. Damage to agriculture infrastructure, outward migration of experienced farmers and the dysfunction of extension support systems, particularly in the East, were contributory factors. Farmers in the region therefore were behind in adopting latest technologies and needed exposure and education in new farming techniques.

CORE bridged the technical knowledge and skills gap of farmers through technical training, and strengthening agriculture extension was crucial to facilitating the adoption of these new technologies and practices. An estimated 10,228 farmers in 20 value chains are adopting new technologies acquired through the technical training, leading to an increase in productivity, production and income⁷.

Tailored mechanisms to improve access to extension services. Numerous methods were used to strengthen extension service delivery to farmers and to ensure sustainability. The Project worked with over 14,000 farmers directly. In addition, through partnerships established to disseminate the information and capacity building, farmers throughout Sri Lanka will have better access to extension information. The methodologies used to bridge extension gaps:

- Worked with government extension services.
- Built capacity of private sector partners and farmer organizations.
- Developed lead farmer training programs.
- Tailored field extension programs through crop experts.
- Produced extension training material such as brochures, booklets and CDs.
- Conducted training programs for lead farmers at specialized government institutions.
- Organized the first mobile veterinary support program for dairy farmers in the East after the floods of 2010. Built capacity of extension officers through training in extension methodologies and outreach.
- Strengthened embedded services through private sector input suppliers and CORE partners.
- Used ICT to disseminate extension information.
- Piloted a new concept of farmer owned and managed cyber extension centers.

⁷ Refer to Table 4. Program Indicators, for results on these productivity, production and income.

Improving access to extension services through private sector. Extension services are provided largely through a government led network. However, farmers are not able to access timely and effective extension services from the government network alone due to inadequate personnel. In response, CORE established direct extension links between partner companies and outgrowers. A good example is the maize cultivation project with Sun Agro Ltd., where the company extension staff works closely with government officers and lead farmers. Together they ensure proper cultivation practices and that post-harvest handling is sufficient to guarantee that produce meets processing specifications. Through this partnership farmers' have access to timely and appropriately communicated extension information. It also allows government extension agents to be conversant with expectations of the private sector quality requirements. The government officers take these lessons learned to farmers outside the Sun Agro project, creating a multiplier effect to improve the overall quality of maize.

Use of ICT to improve extension services. Farmers have limited access to real time information on crops and livestock extension and market information. In the absence of agriculture instructors that are available when needed, individual farmers are unable to readily resolve problems on crop diseases, apply the latest technologies, and adopt best practices on cultivation and breeding. Access to market information to obtain competitive prices is also lacking. With the wide spread use of internet for information sharing, and expanding communication links, CORE implemented ICT solutions for improving access to information such as TradeNet and those listed below.

Agriculture experts and markets at the click of a button. The Krushilanka web portal (www.krushilanka.lk) was established to bring agriculture extension information under one umbrella through a web portal linking the Department of Agriculture (DoA) and the Department of Animal Production & Health to the farmer in a simple pictorial format that does not require advanced IT skills. The website also provides links to market information sites such as TradeNet. The information is available in English, Sinhala and Tamil, and updated periodically by the Audio Visual Center of the DoA. The website also promotes the use of the DoA's hotline number 1920 via Skype. This service provides online real time solutions to crop diseases where samples of diseased crops can be shown through a webcam to experts from the DoA for appropriate solutions.

Learning through interactive agriculture CDs. The DoA created interactive CDs that are presented at group sessions to farmers as a learning tool on different aspects of the crop management such as soil preparation methods, disease control and post-harvest practices. To promote access to this information, CORE supported the translation to Tamil of the CDs for microirrigation and crops such as chili, maize, citrus and mushrooms.

Taking the village to the world. In order to facilitate the use of internet as a support for agriculture extension, the DoA set up cyber centers to enable extension workers, farmers and other stakeholder to access agriculture publications, instructional videos, technical information, price data, market linkages, and other related information and obtain support through real-time "question and answer" services. CORE partnered with DoA and DAPH as well as farmer societies to pilot farmer owned and operated cyber centers - an innovative management structure - to broaden the scope of services and explore sustainable, replicable options. The sustainability of the model is promoted through the mutually beneficially link created between the farmers organizations and the two government departments. Four such cyber centers were set up where farmer societies take an active role in running the centers.

CORE support included: providing IT equipment, training famers in basic IT skills, onsite capacity building on cyber center services, training of trainers to conduct IT courses for youth and developing a business plan for sustainability. The centers will operate as self-sustaining units that will function as local communication centers, IT training centers for school children and youth, and facilitators for input suppliers among other services.

Strengthened ICT services sector.

For the first time, fully farmer owned and managed cyber center model are operating in Sri Lanka, bringing technology to the farmers doorstep. The two farmer managed models introduced include business plans focused on financial sustainability. The next

"I want to sell my produce beyond my village so I'm very excited with the opportunities we will have with these cyber centers. I am very thankful for USAID support."

D. M. Gunadasa, President of the Maharada MahaAragama Farmer Cooperative Society

generation of farmers now has the opportunity to become a more IT savvy generation through computer training programs provided at the cyber center. As a result, farmers are solving crop issues on-line in real time via the Ministry of Agriculture's Skype 1920 Hotline. Through Skype, experts provided advice/solutions to farmers via audio video interaction, even samples of diseased plants can be displayed on webcam. In one quarter over 75 farmers accessed the hotline from the MahaAragama cyber center. Farmer also use the krushilanka.lk website for solutions to crops diseases and other agriculture issues—in MahaAragama alone the system has been accessed 317 times from April to September 2011.

Challenges and Lessons Learned

Extension Services. Overall extension resources are insufficient, the government's resources are spread thin and the private sector has not been able to fill in the gaps. The extension material also needed to be more accessible to farmers. CORE provided extension support to 14,000 farmers through proven solutions that can be scaled up to sustainably improve access of extension service. CORE's ICT solutions enable farmers to access on-line real-time pricing, up-to-date technology information, cultivation methods, input costs, and disease/pest control methods. Solutions such as farmer leader training, private sector extension officers and farmer run cyber centers need to be scaled-up. This requires capacity building and updating and/or translating extension material.

Wherever possible, CORE favored the establishment of direct extension links between partner companies and outgrowers. Sun Agro and Alli are two examples where their extension staff supported 2,440 farmers to ensure proper cultivation practices and post-harvest handling to meet produce requirements.

Business Development Services. MSME capacity in the East was very low and required intense support and resources, while at the same time Business Development Services (BDS) was not being used much by MSMEs. Much of the support CORE provided to MSMEs was targeted technical assistance provided by independent consultants but this is not a sustainable model. It was used as a means to quickly raise the capacity of MSMEs because BDS were not being accessed. BDS needs to be further developed and promoted as entrepreneurs are now beginning to understand the value of BDS as they start growing their businesses in the East. This can be done with additional training modules that specifically target economic sectors and can improve the understanding of regional and international markets. This can be done through initiatives such as the SIYB program initiated by the ILO and other programs in the chambers of commerce.

Bank Lending. Private banks remain reluctant to lend to farmers because of the lack of collateral. CORE was successful in getting some loan programs established, particularly where there are high value crops involved, an established market, and where farmers have the know-how to successfully cultivate the selected crop. Further support needs to be provided so that private banks improve their lending to farmers. This can be done with the introduction of new financial products and outreach to farmers to link them with banks. CORE worked with the Government of Sri Lanka and the World Bank to pilot a warehouse receipt system in the Eastern Province., This effort needs continued support so that it is integrated into Sri Lanka's financial system, that warehouses are established throughout the country, and that outreach to farmers and banks is increased.

Connectivity for Cyber Centers: The associativity among farmer groups and the business planning training they received led to the sharing of ideas to identify and resolve problems. Lack of rural cyber centers that allow farmers direct access to internet services such as pricing, markets, and extension information remains a significant constraint. More needs to be done so that government and private telecommunication companies can identify and implement connectivity options that will allow more cyber centers to be established.

4. Workforce

Efforts to improve the workforce were guided by a comprehensive approach that improved the employability of target groups and increased their incomes. It was complemented by coordinated efforts to improve value chains services through capacity building of value chain intermediaries as described in the section Value Chain Services.

- **Demand driven workforce development (WFD) initiatives.** CORE's WFD training programs addressed the skills gap in selected value chains and that improved the employability of target groups. A comprehensive skills gap analysis of the job market was carried out prior to implementing demand-driven workforce development interventions in the high-growth sectors of the economy. The WFD training was offered through on-the-job training, internships and job oriented training followed by facilitation of gainful employment in the private sector. This training was conducted by the private sector partners with financial and technical assistance from the CORE Project.
- **Improved capacity of value chain participants at the grassroots level.** Building the capacity of value chain participants was accomplished through targeted technical training, advanced technical training, business basics training and advanced business training, aimed at improving productivity, competitiveness, household income and sustainability of value chain beneficiaries at the grass root level. Specific capacity building training was also offered to MSMEs interested in either start-up of new enterprises or expansion of existing micro enterprises.
- **Strengthened the capacity of value chain intermediaries.** Value chain intermediaries such as extension officers, micro finance providers, members of Chambers of Commerce, and BDS providers, were given tailor-made capacity building training with the objective of improving value chain services, including extension, marketing and access to micro finance in prioritized economic sectors.

The largest proportions among employed women (41.5%) as well as employed men (35.4%) are engaged in agriculture and allied sectors.

Extract from ILO on the Labor Force Survey of Sri Lanka.

Workforce development training. At the onset of the project it was determined that employment and income generation opportunities were primarily in the agricultural sector. As the conflict ended and opportunities opened up, activities broadened to integrate the workforce into jobs in a variety of sectors (see Table 8). To promote sustainability, partnerships with the private sector were established as a key component of the various phases including recruitment, training, career counseling, and employment. The workforce development training had the dual objective of meeting the skills gaps or skills development needs of the business sector and facilitating employment opportunities for unemployed youth who had comparatively low opportunities for gainful employment. CORE first developed a Workforce Development Strategy based on information gathered from stakeholders in the private sector (demand side) and the training providers (supply side). The modality for implementation was designed through close consultation with private sector companies, chambers of commerce, sector associations and professional institutes. Through the consultations, CORE was able to assess available job opportunities and determine the most appropriate methods for providing skills development. Based on the findings of these assessments, CORE decided to work with the hospitality, ICT, boat building, manufacturing and light engineering sectors, where there was a higher demand for skilled workers. The delivery of workforce development training was given in the form of internships, on-the-job training and job oriented theoretical and practical training with duration of three weeks to six months.

81% of the trainees completed the training programs

45% of the successful trainees gained employment with CORE partners.

CORE organized the following events to select suitable candidates to participate in workforce development programs:

- One mega career day in Trincomalee with over 2,500 participants
- Twenty (20) mini career days with over 2,000 participants
- Three career guidance seminars with 70 participants



Aitken Spence trainees that preparing for job placement.

“The transformation of the youth within the short four-month period was clearly visible through their performance. With the assistance of CORE Aitken Spence Hotels plans to continue training the unemployed youth from the east for hotel sector jobs in the future.”

Amal Nanayakkara,
General Manager, Training
Aitken Spence Hotels
Aitken Spence held several and
placement rounds over three
years with CORE

In spite of claims of comparatively high unemployment among youth and overwhelming participation in career day events, the main challenge for successful implementation of workforce development has been low enrolment of selected candidates in WFD programs and abandonment of chosen careers after training. While, it is very difficult to find a clear explanation for the limited participation of youth in workforce development programs, based on our experience contributing factors included:

1. Expectation of well paid “white” collar jobs with minimal qualifications
2. Expectation of handouts/big allowances based on tsunami relief experience
3. Lack of proper understanding of the nature and career development prospects in the private sector, hence unwillingness to work hard and long hours with low compensation
4. Reluctance to relocate to work places outside their home towns
5. High cost of living especially cost of accommodation in Colombo and suburban areas
6. Reluctance of the parents to send their children away from home
7. Lack of adequate support/mentoring during training by some private sector organizations

To address these issues we implemented more rigorous selection of candidates, provided career guidance seminars and offered more theoretical training prior to placement in on-job- training. At the same time we required more active involvement of partner companies and had trainees cover a portion of the costs. The results were 81% of the trainees completed the program and of those, 45% were employed by our partners.

Table 11. Workforce Development Highlights

Job Category	Partner Organization	Training Programs	Trainees enrolled	Trainees completed	Trainees in new jobs
Aluminum Fabricators/Welders	CINEC Skills Center	2	24	22	18
Cable Machine Operators	Sierra Cables	1	61	44	39
Heavy Machine Operators	Senok Training Institute	1	62	62	62
Construction Workers	Jobenvoy.com Ltd	1	55	47	47
Fiberglass Molder/Laminator	Boat Building Institute	2	59	36	27
ICT Assistants	CIMS Campus	1	70	64	62
	Skills for Success	2	61	32	32
Waiters/Hotel housekeeping	Aitken Spence Hotels	4	101	97	93
Total		14	493	404	380

Technical and Business Training for Value Chain Beneficiaries. Technical training on best practices in horticulture, dairy management and fisheries was provided to improve productivity and competitiveness of value chain operations in order to increase household incomes. CORE organized a wide range of technical training programs for beneficiaries of more than 20 value chains. The duration of training varied from half a day to 2-3 days depending on the nature of the project and the importance of the subject matter. The training was conducted jointly by private sector partners and experts from relevant government departments. Types of technical training and additional technical training offered included:

Dairy sector: Management of calves, heifers, milking cows, feeding, cow sheds, and diseases (Pneumonia, Mastitis, cattle epidemic)

Horticulture sector: Principles of seed production, physiology and quality, Land preparation and planting distance, Genetic purity, cross pollination crops, changing planting cycle. Nursery management, quality control, pest and disease control (pre-harvesting, storehouse, storage), Water management. Postharvest methods and systems (grading), harvesting time, cleaning and ripening processes, transportation, identification of harvesting indices, crop yield, yield preparation and cleaning, drying of harvest, condition of storage (temperature and structure), packaging and packaging material, selection/preparation and management technology of warehouse (structures/huts), value addition, introduction to new crops and benefits, cultivation steps and demonstration, compost preparation (in bags), sterilization, and spawning.

Fisheries sector: Methods of identifying quality and variety of fish, postharvest technology - cooling methods, chilling and icing of fish, boat handling, long line fishing technology, main line preparation, branch line preparation, joining the connation and insulator usage, hooking, and preparation of long line set.

Business Basics Training. In addition to technical training and agriculture or business extension services, there was a need for farmers to gain a basic understanding of business principles and a mindset change from subsistence agriculture to agriculture as an agri-business to enable them to obtain the maximum advantage of their participation in the value chains supported by CORE. To fill this knowledge gap, CORE developed an innovative and simple Business Basics Training (BBT) program and manual using pictorials and a simple business game. This is the first time a business training program was tailored specifically to grassroots level in Sri Lanka. CORE provided this training to almost 25% of the beneficiaries involved in value chains and shared the training material with a variety of public and private sector partners, and donors such as the UN. This innovative training program has been adopted by several development projects including the Ministry of Agriculture.

Table 12: Value Chain Producer Training

Type of Training	No of sessions	No of Trainees
Technical Training	358	13,335
Additional Technical Training	76	2,012
Business Basics Training	91	2,750

Farmers discussing cost effective agriculture practices following the BBT training.



CORE beneficiary proudly holding the Good Manufacturing Practices (GMP) Certification

Capacity Building Training CORE's capacity building training and assistance program for farmers and MSMEs included:

- Workshops on Business Proposal Writing/ Concepts Preparation for businessmen in the Ampara, Batticaloa and Trincomalee Districts.
- Tourism sector three-day training on Hospitality Operations for 45 managers/ owners and 100 supervisors of SME hotels in Ampara, Arugam bay, Batticaloa and Trincomalee.
- "How to start your tourism business" five-day training to 33 aspiring entrepreneurs in Trincomalee and 22 aspiring entrepreneurs in Batticaloa.
- Two-day product development workshop for 10 entrepreneurs to start up handicraft making business for tourists.
- Seminar on "Increasing market access through industry standards" to facilitate standards for 33 MSMEs in Trincomalee.
- Technical assistance for six SMES to obtain Good Manufacturing Practices (GMP) Certification
- Lead farmer five-day training program for 28 dairy farmers from Ampara and Batticaloa Districts to enable them to support agriculture extension.
- Lead farmer two-day training program for B Onion farmers from Anuradhapura District to enable to provide agriculture extension.
- Two advanced business management training programs for 18 beneficiaries working with JK Agro Marketing and Plenty Soya bean and 27 farmers working with Pelwatte Dairy and Anoma Agro.
- Business capacity building program for members of the Trincomalee Chambers of Commerce
- Two training programs for Livestock Extension Officers in Monaragala and Batticaloa Districts
- Two training programs for Agriculture Extension Officers on extension methodologies.
- One training program for agriculture extension staff on the use of multimedia for agriculture extension.



Challenges and Lessons Learned

Long-term WFD training. In spite of claims of comparatively high unemployment among youth and overwhelming participation in career day events, the main challenge for successful implementation of workforce development has been low enrolment of selected candidates in WFD programs and abandonment of chosen careers after training. To address this CORE implemented more rigorous selection of candidates, providing career guidance support, offering more theoretical training prior to placement in on-job- training, acquire increased commitment of partner companies, recovering a part of the cost from trainees and using the services of reputed private sector training providers. Following the end of the conflict, businesses are now taking on the new opportunities in the East and the demand for skilled workers has increased. Trainings now need to shift to longer term training for the more skilled positions which are often filled by persons from Colombo and other areas. However it must be kept in mind that key to employment approaches is that they need to be designed to meet an existing labor market demand and that they must be implemented in partnership with the private sector.

Institutionalize training. Technical training and capacity building for farmers needed to be institutionalized in order to ensure the sustainability of efforts. Thus, more than 95% of the training material that was published (see Table 11) was developed in partnership with either the private and/or public sector. In the future, this partnership needs to go beyond the publications to include access to these support services. Please refer to the section describing Value Chain Services.

5. Business Enabling Environment

The private sector is the engine of growth that generates economic development. In order for the private sector to function optimally it is essential to create a favorable enabling environment for doing business. This requires targeting specific policy and institutional reforms that will increase competitiveness, income generations and employment opportunities.

Given that the CORE project had a 3 year base period, and policy changes take several years to be put in place in Sri Lanka, the approach was to promote policy dialogue and present research findings that would lead to policy reform in the near future. The approach included:

- Policy awareness: Regional Policy Dialogue Workshops and policy events
- Policy Dialogue: Policy Working Group, the CORE Advisory Board, and other workshops
- Policy assessments and briefs

Based on the assessments CORE conducted and discussions with USAID it was determined that the focus of policy initiatives should be at the value chain level. Tailored support was designed to specifically meet the needs of agriculture, tourism and other prioritized value chains activities including:

- Warehouse Receipt Financing
- Making Markets Work for the Poor
- Tourism Roadside Signage
- Investment Promotion

Policy workshops engage stakeholders at all levels. Regional Policy Dialogue Workshops were conducted at two levels: 1) senior officials in the line ministries at the national level and senior officials at the provincial levels identified priority policy interventions for rapid economic development in the region; 2) working level officials at the provincial level discussed how to address implementation considerations of specific policy changes. These discussions served as platforms on which policy constraints were discussed and CORE interventions identified.

Events that raise policy awareness. CORE supported key events as venues to raise policy awareness. The topics presented were linked directly to CORE activities and priorities identified in policy workshops and meetings.

<p>Sub-Regional Conference on Local Economic Development</p> <p>Support for presentations on:</p> <ul style="list-style-type: none"> • “Key Principles of Local Economic Development,” • “Policy Issues for the Private Sector” and • “Value Chains and Markets.” 	<p>Economic Summit 2009</p> <p><i>Dawning of a New Era... Opportunities and Challenges</i></p> <p>CORE keynote speakers for:</p> <ul style="list-style-type: none"> • “Northeast Accelerated Socio and Economic Development” • “Agriculture, Fisheries and Dairy Sector Opportunities for the Private Sector” <p>Panel discussion on:</p> <ul style="list-style-type: none"> • “Economic Development in a Post-conflict Environment.” 	<p>Economic Summit 2010</p> <p><i>Facing Global and Local Challenges: The New Dynamics for Economic Development</i></p> <p>USAID keynote speakers for:</p> <ul style="list-style-type: none"> • “Issues on Food Security and Opportunities in Innovative Agriculture/Plantation” <p>Presentation and distribution of:</p> <ul style="list-style-type: none"> • “Investing in the Eastern Province” by CORE and BOI
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The Policy Working Group promotes policy dialogue. The Policy Working Group was established in consultation with the Ministry of Economic Development (formerly Ministry of Nation Building). The Policy Working Group was chaired by the Ministry of Economic Development (MoED) and consisted of officials from the national and provincial governments, Dean of the Faculty of Agriculture of Eastern University, private sector representatives from three chambers of commerce, USAID officials, and CORE staff. The main function of the policy working group was to identify policy challenges and work closely with the central government and provincial administration to implement solutions. Unfortunately, in year two of the project the Presidential and General elections were held and followed by significant shuffling of officials and government entities over the next year. This resulted in the Policy Working Group not being reconstituted and the targeted policy workshops and Advisory Board meetings became the primary venues for policy dialogue.

The Advisory Board promotes clarity and builds trust. The CORE Advisory Board was established to provide a forum to discuss the progress of the CORE project and promote discussions between the public and private sector on project activities. This meeting provided transparency and accountability of the project to both the private and public sector as well as promoted a collaborative relationship among all the parties. The elections during year 2 of the project caused an interruption in the frequency of the meetings, but as soon as the government changes were completed, the Advisory Board was reconstituted. Discussions ranged in topics such as: the relationship between the provincial governments and CORE; the selection of private sector partners; the process of monitoring and evaluation; policy issues being addressed; and others. The key result of these meetings was that the discussions provided the private and public sector with clarity on CORE activities. It also allowed the project to respond to the priorities that were identified and, most importantly, it promoted buy-in and trust in CORE's approach and activities.

Policy briefs document results of policy dialogue and serve as a foundation for project activities. USAID's guidance for policy initiatives was to focus on policy at the value chain level. CORE identified six regulatory or government procedural issues that adversely affected selected agricultural value chains: 1) inadequate allocation of veterinarians for animal population; 2) limited support by wildlife range offices in newly resettled areas in Trincomalee to resolve conflicts between humans and wildlife; 3) difficulties of gaining access to long-term leases on state land; 4) potential impact on the livestock industry of a ban on cattle slaughter; 5) lack of artificial insemination technical services provided by government; and 6) lack of transparent policy to access land for pasture cultivation. CORE produced policy briefs on these issues and presented them in meetings with private and local government officials. However, little or no discernible reform has yet been initiated by the relevant government authorities.

The challenge on policy reform was anticipated, and the briefs were used as a basis for additional policy related support. Each of the briefs was a result of the Policy Working Group, Advisory board, workshops and meetings which kicked off discussions from the grassroots level with local government officials to the senior levels of government. The Government of Sri Lanka was able to learn of the private sector's perspective on these matters and the priorities of the stakeholders for action. Key activities are described in the rest of this section.

Warehouse Receipt Financing. CORE held a series of workshops and meetings between the private and public sectors to discuss the concept of a Warehouse Receipts Financing (WRF) system. Based on these discussions, CORE designed a WRF model that could be piloted within the existing policy framework while the GoSL developed the appropriate policies for the WRF system. CORE also applied an integrated approach of promoting buy-in from public and private sectors using stakeholder meetings. Based on CORE's effort, this initiative is being driven by the Government of Sri Lanka in collaboration with the World Bank. The first three pilot locations are in Anuradhapura, Ampara and Mannar districts. The crops being considered for storage in the pilot areas are grains such as paddy and maize.

Warehouse Receipt Financing System

"There is every reason to believe that CORE's efforts in this particular domain will result in sustainable results in the near future."

CORE Final Performance Evaluation

Making markets work for the poor. Rural market economies are fuelled by the economic relationships that exist among small-scale rural producers and with other actors in private-sector markets. Most of those markets are evolving rapidly. Although in certain areas they are extremely vibrant, in others – often those of most importance for poor people – they remain weak and underdeveloped. Yet even where those markets do work, the rural poor, because of the many constraints they face (material, institutional and policy-based), are not always able to capture the opportunities available in this new environment. As a result, the general move towards economies in which market forces and the private sector play a central role does not always reflect the interests of the rural poor. With this understanding the GoSL worked with CORE to take on this challenge and explore options.

To this end the strategy of "Making Markets Work for the Poor" (MMW4P) was introduced as an innovative concept for the private and public sectors to incorporate a broader range of farmers into economic development initiatives that would also complement CORE activities. MMW4P was used in the East as a pilot where the maize and dairy value chains were prioritized and practical recommendations for implementation were made by all stakeholders. These included, for maize, design of a low-cost collective drying method, and, for dairy,

artificial insemination, feed formulation and dairy management practices. Based on the interest of stakeholders, private-public partnerships were proposed to pilot this initiative. However, due the decision not to extend CORE's option years and budget cuts, these initiatives were not pursued.

Enabling investments. Sri Lanka's battered East is now open to investors, and although there is interest in investing in the region, investors still have many risks and challenges to overcome. To help the businesses who see that the embers of despair aglow in the conflict has now become the spark of opportunity, CORE took on several initiatives to attract investors to the East versus other regions or to expand local businesses. CORE finalized an investment profile for the Eastern province in coordination with the Board of Investment of Sri Lanka. A two-page brochure of the investment profile was compiled and distributed at the Economic Summit of the Ceylon Chamber of Commerce in 2010. CORE also implemented a cost-share grants program that mitigated risk and promoted investment, provided training to entrepreneurs to grow their businesses, and coordinated a host of events, such as Ag-Biz 2010 and 2011, and produced publications to promote investment into the region.

"BOI is pleased that USAID is actively involved in increasing business opportunities in the Eastern Province with a view to boost investments, and improve employment and income of the people living in the East. In this respect this investment profile, prepared by CORE in consultation with BOI, is an excellent document for prospective investors seeking opportunities in the East."

Jayampathi Bandaranayake, Chairman
Sri Lanka Board of Investment (BOI)

Table 13: Investments

Investor Type	CORE (Cost Share Grants)	Partner (Investment)	Total
Large Companies	88,867,781	263,801,532	352,669,313
Small and Medium Enterprises (SME)	26,068,629	45,480,715	71,549,344
Community Based Organizations (CBO)	14,943,243	5,047,810	19,991,053
Other	4,001,325	18,175,202	22,176,527
Total	133,880,978	332,505,259	466,386,237

Challenges and Lessons Learned

Addressing land policy. Lack of land title is an overriding problem in both land usage and collateral for finance, particularly on land in the East that has been resettled. Activities to respond to this challenge generally required policy reform at a national level with resources dedicated to it for more than three years - i.e., beyond the life of the CORE project. Furthermore, any activities in this arena require close coordination with the Sri Lankan government from the inception and throughout all stages of the activities. This means that any elections and other governmental activities would need to be considered in estimating a time frame for these activities. Given these factors, although there were several workshops and meetings were accessibility to government land for leasing was identified as a major obstacle, and stakeholders wanted to work towards resolving this constraint, land reform was a policy that could not be addressed.

CORE \$1 : \$2.5 Partners

For every US Dollar CORE put in,
our partners put in USD 2.5

Doing business in Sri Lanka. Business registration is considered cumbersome for investment in the target areas and CORE has initiated efforts to establish a more efficient registration process in the East. Opportunities are there, but as Board of Investment was undergoing some changes in year 2 and the success of the one stop business unit of the Sri Lanka Tourism Development Authority was identified late in the life of the project, there was not enough time to implement activities to support this. The success in establishing businesses and coordinating with multiple government offices of the SLTDA's One Stop Unit has potential for replication and buy-in from the GoSL, but the processes need to be streamlined and digitized to increase transparency and make the process more user friendly for investors. Initial work was undertaken with respect to this initiative, and the SLTDA, which falls under the Ministry of Economic Development, is very keen to make this happen. Donors and stakeholders have a clear opportunity to work with a government agency to make Sri Lanka more attractive to investors and reduce the time to setup a business.

6. Cross Cutting

Grants Program

The grants program has been instrumental in supporting the competitiveness of value chains and improving the livelihoods of vulnerable populations. Grant funds were provided to eligible organizations to carry out activities that are consistent with the CORE objectives and implemented in a transparent manner that ensured full compliance with USAID's rules and regulations.

The CORE Grants Program was an important resource for partner organizations for stimulating innovation, sector growth and strengthening institutions. Each of the components contained elements that benefitted from active participation of local groups that contributed to the overall goals of the CORE program.

Three basic types of grants were made available to partner organizations which qualify for assistance under the CORE Project, namely:

- a) Mini-Grants
- b) Small Grants
- c) Fixed Obligation Grants
- d) In-Kind Grants

CORE awarded a total of 41 grants to 31 partner organizations, of which 3 grants were cancelled for a total of 38 completed grants. The total disbursements under the grants budget line was a total of LKR 114,459,956 and USD 215,701 were disbursed, some grants also had training that was not billed under grants but was tracked as part of the CORE contribution.

Strengthening value chains. The majority of the grants (34) targeted strengthening agriculture value chains. The approach of this type of assistance was two pronged. It targeted farmers to develop their technical capacity to improve their agricultural practices and strengthen the capacity of businesses in the region. The implementation was done in three phases where the farmers received training and partners received capacity building, followed by distribution of farming inputs and processing equipment, with a final phase of value addition and sales to pre-identified markets. The latter phase of the grants accounted for the bulk of disbursements and, took place once the partners and farmers adopted the best practices. Therefore the majority of the disbursements came in Year 3 of the project.

The time frame to determine the sustainability and long-term adoption of best practices is at least two agricultural cycles. Depending on the type of crop it can vary from 6 months to over 1 year.

Grants to the horticulture, dairy, fishery and ICT value chains prompted investments from private sector partners and the farmers. The investments included seedlings and planting material, processing equipment, dehydration kilns, computer hardware and software, supply of seedlings, milk processing and chilling equipment, cows, cow sheds and milk cans, cold room, ice storage unit and crushing machine.

Cereal crop value chain. Cargills Agri Foods Ltd. setting up a processing plant in Dehiattakandiya in the Ampara District and Lankem (Ceylon) PLC (through subsidiary Sun Agro Foods Ltd.) setting up a processing plant in the Industrial Estate in Trincomalee received two large grants. The grants helped them develop outgrower networks of over 2,400 farmers for cultivation of legume and cereal crops including green gram, finger millet, cow pea, and maize. Training of farmers on best agricultural practices, provision of training kits and seed/planting material were also facilitated through these grants. Both projects introduced new technology and total value addition within the region.

Dairy value chains. Over the LOP three dairy projects were awarded five grants to CIC Mahaweli Livestock & Dairies (Pvt) Ltd., Pelwatte Dairy Industries (Pvt) Ltd. and Eluwan Private Ltd. Under these grants a total of over 2,200 dairy farmers were provided with technical training on best practices in dairy management, for higher productivity. The training areas included feeding (nutrition), sheds (stall fed cattle management), milking (clean milk production), breeding & management, animal health and entrepreneurship, and milk collection and

processing equipment. Four dairy farmer organizations in the Pelwatte Dairy Project were given 183 cows of improved breeds and building materials for the construction of 23 cattle sheds. Three of the organizations were in Buttala in the Monaragala District and one was in Addalachenai in the Ampara District.

Fisheries value chain. Grant funds were used to expand the existing fishery value chain in the Trincomalee District by introducing new post-harvest technology to improve quality of fish. The grant strengthened the cold chain by providing an ice storage bank and an ice crusher. Ice boxes were also given to fishers to enable them to take crushed ice on their boats for better preservation of the fish that will fetch a better price.

Papaya value chain. CORE partnered with Anoma Agro Based Products (Pvt) Ltd to implement a papaya cultivation project in the districts of Ampara and Monaragala. Beneficiaries selected from the two districts totaling about 3,000 were trained on best cultivation practices and each farmer was provided with an average of 50 Redlady papaya seedlings of 6 weeks of age for planting per quarter acre of land.

Maize and sesame value chains. In the first two years of CORE, a maize and sesame cultivation project was implemented with Adamjee Lukmanjee & Sons Ltd. reaching over 1,000 farmers. 800 acres of maize was cultivated in the Trincomalee in 2009/10 seasons. The sesame cultivation was extended to the Anuradhapura District in the 2010 Yala season. Assistance provided included training on best agricultural practices, land preparation, provision of sesame seeds, postharvest primary processing and extension services.

Lime value chain. In Siyambalanduwa, in the Monaragala District, a smoked lime production project was implemented in Years 2 and 3. Four entrepreneur/farmers were provided with kilns to dry the excess lime during the peak season (when the price is low). Two hundred and fifty lime farmers were provided technical training on cultivation best practices and selected farmers were supplied with pruning equipment for better management of lime trees. The four entrepreneurs were assisted to conduct trials on dehydration of lime.

Mushroom value chain. Two small entrepreneurs in the Ampara District were assisted to set up outgrower networks for mushroom cultivation. One hundred beneficiaries were provided with technical training on mushroom production and medium bags to start the initial production. The grant achieved its objective of providing women with an opportunity to supplement their income through a cottage industry.

ICT value chain. CORE partnered with Advanced Information Consulting Ltd. to set up a software development facility in Akkaraipattu in the Ampara District. Trainees were recruited for a six month, hands-on training in software development. CORE supported the training, including a stipend to the trainees for the six months and procurement of equipment and software. It was proposed to employ 10 software developers, but AIC trained 15 and absorbed 13 developers to provide software solutions to national and international markets.

Improving Livelihoods. During Year 1, three grants were awarded to partner organizations to implement home gardening projects for 1,105 newly resettled households in the districts of Ampara, Batticaloa and Trincomalee. The project was successful in realizing its objective of providing food security with several farmers moving towards commercialized cultivation.

Outreach. In 2010 and 2011 CORE collaborated with National Agribusiness Council to conduct two agriculture road shows - Ag-Biz East 2010 and 2011 in Trincomalee and Ampara respectively.

Workforce. CORE partnered with Job Envoy to Setup a Training center and conduct training on skills enhancement related to electrical wiring, carpentry, and plumbing etc. for foreign jobs.

Infrastructure. In the last year of the project, in-kind grants were awarded to Ammanveli Farmers Organization, Sinnagalapoddamadu Farmer Organization and the Illuppadichenai Farmer Organization to rehabilitate infrastructures that improved the access to water for hundreds of farming families. And one grant was awarded to the Nilaveli Saltern Saltpan Community Group to restart their salt producing activities.

Challenges and Lessons Learned

Grantees need continuous support throughout the implementation to ensure the grant objectives were met and needed to have multiple agriculture cycles to determine the impact. MSME grantees needed a broad range of

capacity building support to strengthen the business while some of the larger businesses also needed targeted technical assistance to set up their production facilities and work with the farmers. Therefore, for the most part, grantees required a substantial amount of support from the project for at least 6 months to +1 year.

Despite having a Grant Beneficiary Handbook, kickoff presentations, and regular meetings, some of the grant challenges faced included:

- Lack of proposal writing skills by potential grant applicants,
- Poor understanding of CORE objectives by grantees, even after preliminary meetings,
- Lack of knowledge on grant procedures and failure to follow them, although the grantee's Chairman submits a signed memo that Grant Beneficiary Handbook was received, read and understood,
- Most proposals focused on increasing profits rather than increasing beneficiary incomes,
- Failure to meet reporting requirement by the grantee and submit claims on time,
- Poor documentation to track the grantees expenditures, verify their cost share contributions and grant claims including original receipts/invoices and endorsement/certification of documents.

Outreach and Communications

CORE held a variety of outreach events targeting farmers, businesses government officials and other stakeholders. These included events with dozens to thousands of participants including Ag-Biz East, Conference on Standards, Economic Summit, Career Day, trainings and workshops among others. Support for these events included logistics and communication products such as pamphlets, USAID scene setters and over 50 press releases submitted to USAID. CORE also ensured USAID branding and marking compliance for all reports, deliverables, over 45 publications, pamphlets, posters, website, newsletters, videos and others.

Table 14. CORE publications

Key publications	
Black gram booklet	Tourism SME Training Manual
Sesame booklet	Tourism Roadside Signage Guidelines
Home Gardening Brochure	Investment Profile for the Eastern Province
Clean milk Brochure	Factoring Finance Manual
Legumes Brochure	Trade Bill Discounting Manual
Goat milk Brochure	Flexible Leasing Manual
Dairy Management booklet	Modified Group Loan Manual
Agriculture Cyber Center Pamphlet	CORE Assessments: Tourism, Microfinance, Aquaculture, Fisheries, Dairy, Horticulture, Infrastructure, Information Communication and Technology, and Livelihoods.
Regenerative Agriculture Pamphlet	Policy Briefs: Dairy Artificial Insemination, Land Leasing, Land Use for Pasture Cultivation, Demarcations for Veterinary Allocation, Livestock Slaughter, Tourism Roadside Signage
Regenerative Agriculture Training One-Pagers	
CO3 Farmer Manual	
CO3 Extension Officers Manual	
IMM CDs: maize, chili, lime, micro irrigation, mushroom	
Business Basics Training Manual	
Tourism Map of the Eastern Province	

Monitoring and Evaluation

CORE successfully met all contractual reporting requirements, update and submitted the Project Monitoring Plan (PMP), and developed an M&E process for the staff and beneficiaries. Developed and managed the CORE M&E database which tracked almost 20,000 beneficiaries across all project components.

The biggest challenge in tracking the data was the large number of beneficiaries that needed to be tracked over a long period of time. The limited CORE M&E staffing required the beneficiaries to participate in providing their agriculture data which was at times challenging as it is difficult for farmers to understand concepts such as salaries since they are coming from an informal work sector. Often, straightforward data such as addresses and contact numbers could be complicated as rural areas did not have clearly defined streets and mobile phones tend to change often among members of the household. This made it difficult to verify data which resulted in CORE reporting lower figures as unverifiable data was not counted.



III. Way Forward

“In the future, when [donors] introduce new projects, CORE can be used as an example by the other projects. Because this approach is really good and that is what’s needed in this country.”

Alexi Gunasekera
Director of Donor
Coordination
Ministry of Economic
Development (MoED)
CORE Close-out meeting.

Overall Impact and Accomplishments

The USAID funded (CORE) project began in October 2008 as a key initiative designed to contribute to the achievement of USAID’s Assistance Objective 4 - to promote economic growth. This project assisted beneficiaries in the Eastern, North-Central, and Uva Provinces of Sri Lanka to integrate into mainstream economic activities. It applied a demand-driven approach to support market linkages, improve competitiveness, create sustainable jobs and generate business opportunities. By its end in March 2012, CORE was able to achieve its targets (see tables 1 and 2) including the following:

- improved income of 14,000 households;
- made 22 value chains more competitive;
- linked more than 850 farmers and SMEs to financing exceeding 10 million rupees;
- facilitated investments in excess of 500 million rupees;
- strengthened the workforce with more than 390 youth finding career paths; and
- promoted policy dialogue with over 350 public and private sector participants

These achievements are translated into CORE's legacy as the accomplishments of its stakeholders including:

1. Home gardening and infrastructure assistance impacted the well-being of more than 2,400 families and allowed the generation of additional income, much of which benefitted women. Families are reinvesting some income to sustain their farming.
2. In three and half years of implementing these activities, over 14,000 farmers adopted better farming practices, accessed new farming technologies resulting in improved production yields and quality, and secured buyers for their goods which has led to an increase in incomes.
3. CORE was able to support more than 1,100 farmer households affected by the floods during the 2010/2011 Maha season to reinstate their farming activities.
4. CORE facilitated financing of over LKR 10 million across eight projects through pre-financing arrangements with partner companies or by linking with banks and microfinance institutions in the region.

5. Improved access to information through ICT services including the Krushilanka website, digitizing extension information, supporting TradeNet, and introducing farmer-owned and managed cyber extension centers that aggressively seek financial sustainability.
6. Technology transfer through a variety of interdependent GOSL and private extension systems to 10,228 farmers in 20 value chains, who are now adopting new technologies acquired through the technical training, leading to an increase in productivity, production and income.
7. CORE developed over 45 publications that government and private sector officials adopted and are now disseminating. This includes an innovative and simple Business Basics Training (BBT) program and manual using pictorials and a simple business game. This is the first time a business training program was tailored specifically to grassroots level in Sri Lanka. This innovative training program has been adopted by several development projects including the Ministry of Agriculture. Additionally a Tourism business development program and manual was introduced which the Sri Lanka SIYB association is using to certify trainers through the country.
8. The warehouse receipt financing system, designed by CORE, and soon to be piloted with World Bank funding, will free hundreds, if not thousands of small scale farmers from their traditional bondage to informal lenders charging high rates of interest with payment due at harvest time.
9. CORE used a flexible public-private alliance (PPA) approach to establish dozens of partnerships between the private and public sector and promoted policy dialogues with over 350 public and private sector participants. This collaborative approach is a proven success on which others can build on.

As the Director of Donor Coordination, Ministry of Economic Development, Alexi Gunasekera, observed “In the future we will continue to see the impact of this project”. This is made possible by the project achievements to meet its objectives, and by follow on activities listed in the exit strategy.

Exit Strategy

The CORE exit strategy made a substantial effort to provide public and private sector partners sufficient time to incorporate project activities into their own agenda and provided them with briefings. The result is that the Government of Sri Lanka, donors, and other projects will continue to implement and scale up activities as described below.

Future USAID efforts can build on CORE activities as follows:

- Biz+ is placed to take on several activities, including developing BDS materials for the agriculture sector in partnership with ILO/SIYB association, work with SLTDA to potentially strengthen and replicate its one-stop-shop model, and continue to support a selected group of private sector partners to carry-on and develop lucrative export markets.
- VEGA is providing the final stage of support to Cargills for the launch of their new products which followed the 2 years of assistance provided by CORE to set up their production facilities, they may also continue to support the private sector to develop lucrative export markets.
- RISEN is considering replicating in the North the pilot the ice storage model for fisheries.

Other International Donors reinforce the following efforts:

- CORE was able to get the buy-in from the GOSL and the private sector on the Warehouse Receipt Financing system. This set the foundation for the multilateral agreement between GoSL and World Bank to implement a private sector led WRF system and (pilot) infrastructure project valued at over USD \$6 million.
- The tourism signage solution with standardized signs developed for the Eastern Province will be implemented at the national level by the GoSL through a World Bank project.

Private Public Partnerships will continue the following:

- The farmer-run cyber center model introduced by CORE as well as the website, Krushilanka.com will be scaled up. The model was introduced nationwide and the website is expanding to include more topics.
- The use of ICT for extension will continue to be supported by the GoSL through maintenance of the Krushilanka website.
- The GoSL will continue to promote partnerships and develop the policy framework for the WRF system.
- The Department of Agriculture in Ampara will build on results of the mustard seed trials and provide relevant training to introduce and promote mustard as commercial crop for the East.
- In Monaragala, Regenerative Agriculture was piloted with a small group of farmers as an innovative farming method to reduce costs, mitigate weather effects, improve land use and cultivate organic crops. Based on the success of these farmers, the number of neighboring farmers that have replicated this farming method has more than doubled the pilot and the Department of Agriculture has requested copies of the manual to disseminate as a best practice and promote under the Divinaguma program
- Tourism signage is being gazetted by the Ministry of Roads and the RDA and SLTDA will disseminate the tourism signage guidelines to complement the World Bank project.

Future efforts should focus on establishing stronger relationships with relevant public agencies at the field level as well as with partner companies to facilitate the sustainability of activities.

CORE's efforts and achievements went on to ensure long-term sustainable impact through strong partnerships and leveraging of resources that could lead into its exit strategy. It empowered each person involved, each business that changed, and each participating local and national institution to become an agent of change.

Appendix A. The CORE Experience

This is a compilation of value chain initiatives that can provide readers with an idea of the experience of over 12,000 beneficiaries:

No More Tears For B'onion Farmers
Black Gram Farmers Make it Out of the Red
No More Crying Over Spilled Milk
Milking Profits in the East
Bringing Profits Ashore
Inter-seasonal Income Boosts
Taking ICT to the Village
Lime Entrepreneurs Seek Export Markets
Paving the Way for Maize Farmers
Maize Growers make Money in Morawewa
Linking Partnerships
Bringing Women to the Fore
Farmers Gain Additional Year-Round Income
Turning Passion into Profit
Sea a Good Idea

No More Tears For B'onion Farmers

B'onion with JayKay Marketing

B'onion market linkage. Farmers in Madawachchiya DS division in Anuradhapura District faced many challenges--lack of access to crop inputs and finances, technical knowhow on new agriculture practices, and marketing facilities. In 2009 CORE established a linkage between John Keells Marketing, one of the country's largest buyers of good quality vegetables for their supermarkets, and these farmers. JayKay marketing required quality which CORE helped farmers achieve through key farming inputs and training to achieve quality and productivity levels. In the first year, participating farmers increased their household income by 35% due to the benefits of market linkage and the adoption of new technologies in post harvest handling of fruits and vegetables.



JayKay marketing officers directly work with the farmers

B'onion seed village. Out of Sri Lanka's total annual B'onion seed requirement of 45,000 kg, only 8,000 - 10,000 kg of seed is produced locally. Building on the success of 2009, in 2010 CORE tackled the unavailability of locally produced good quality seeds and improve yield. CORE piloted local seed production with four farmers in 2010 yala season and, in conjunction with the Department of Agriculture, selected and trained "Farmer Leaders" in planting methods, proper pest and disease control, special crop fertilization methods and the introduction to the superior local seed. The 'brotherhood' created by the Farmer Leaders extension model has helped broaden the reach of this initiative to encompass 240 additional farmers which is a total of 451 farmers cultivating a total of 190 acres of land with big onion

Seeing this success, more than 250 farmers belong to Kirigalwewa and Galenbidumuwawa farmer organizations came forward to establish a B'onion seed production village in Madawachchiya. CORE formed producer groups at village level and with the involvement of the Provincial Ministry of Agriculture in the North Central Province conducted trained 29 Lead Farmers and established an efficient communication system between farmers and extension officials enabling the lead farmers to work like extension agents with their farmer groups.

CORE provided 115kg of locally produced high quality seeds on cost shared basis with 240 farmers and organized several field training sessions during the season to strengthen the technology transfer. JayKay marketing was part of the process and also visited farmer's field during the growing and harvesting times to educate farmers on how to ensure right quality of harvest.

CORE Strategy:

1. Strengthen extension services and efficient transfer of new technologies
2. Help farmers produce b'onions and true seeds as an agri-business.
3. Cultivate the market linkage to sell their produce at a competitive price.
4. Build capacity to store the harvest to cater to the off season demand and fetch a higher price.

Increased yield, sales and income. At the conclusion of the 2011 yala season, farmers increased their average yield by 20%. Average extent has increased by 17% from 0.319 to 0.375 ac per family. JayKay marketing was able to purchase 82,000 kg of b'onion by the end November 2012 which is an increase of 250% from 2010. Increase of average family income from B onion production was on average 35% AND as high as 66%.

More importantly the number of farmers involved in seed production under this activity has increased up to 250 in 2011/12 with the capacity to produce 2,000 kg of true seeds in 2012 which will be 4% of the national seed requirement. Value of 2000kg of seeds will be over LKR 30 million. Speaking at the best lead farmer and farmer group award ceremony held in December 2011 at Madawachchiya, the provincial Minister of Agriculture promised to take this project initiated by CORE forward to achieve the national agricultural goals while helping the farmer to increase their incomes further.

JayKay marketing established strong links with the farmers and there a good market for B onion. With the assurance from the Department of Agriculture and JayKay marketing, farmers are convinced that they have a bright future even though CORE does not have the option years to introduce proper onion stores to the farmers who produce large volumes enabling them to sell during the off season.

Milton's Story. For Mahinda and Milton, Chamara and Chaminda, life has always been a struggle. As proprietary owners of an average of three to five acres of arable land each, they faced many challenges: three decades of insecurity due to the North East conflict often meant having to abandon their crops, sometimes overnight and sometimes for weeks, in fear of their lives. Additionally, their main crop, the big onion was not yielding the desired results as disease and improper agricultural practices often destroyed a better part of their crops leaving these young men and their families to start the next cultivation in debt. Moreover the Indian seed they used produced only 10 percent of the harvest because of its inferior quality. They also lacked the necessary scientific know-how and pest control methods.

Milton was selected as a Farmer Leader and sent for the 2-day residential training course with the Department of Agriculture. There, he learned the proper techniques of big onion cultivation that would improve the quantity and quality of his harvest.

One year after the start of this initiative, Milton's success was evident. He adds that after 18 years of farming, this year is his best harvest with the highest income received from his crops. In total, Milton harvested 6,000 kg of big onions on two acres of land which was an increase of 75% more than any previous harvest. "I have the luck to survive but never had the knowledge to thrive and get the most from my land. My hard work and commitment paid off and I will cultivate an additional 1 ½ acres in the coming season. And this will be the first time I will do so without taking any bank loans."

Samanthi shyly points to the extension to their house saying that this was possible with the income from their last crop. Elsewhere in his property, Milton has erected two large water wells which will be used for irrigating his fields.

Black Gram Farmers Make it Out of the Red

Black gram with Alli Company

Mahavilachchiya is a village in the Southern border of the Northern Province in the Anuradhapura District that traditionally cultivates black gram, sesame, vegetables and rain-fed paddy. It was one of the hardest hit areas during the conflict. Families lived in constant fear of attacks--children and women often spent the night in the jungles while the men guarded the village. Farming was done on an ad hoc basis, but after several abductions the villagers were forced to give up everywhere except in the few parcels of land close to the main road.

The Alli Company has a portfolio of over 100 products and is a leading processor of black gram. Mahavilachchiya is known for its black gram, and Alli occasionally went there to purchase black gram. Due to access restrictions and the ongoing conflict, Alli purchased through middle men but faced quality and quantity issues with them. Farmers also had issues with the timeliness of payments, collection and weighing methods of the middle men.

In June of 2009, just after the conflict ended, CORE saw an opportunity to strengthen the black gram value chain. At the request of the farmers, CORE initiated a dialog with Alli to carry out an assessment of the gaps in the black gram supply chain in the Anuradhapura district. As expected they were quick to point out the quality, quantity and timeliness of delivery. Understanding the issues, CORE worked with Alli and farmer organizations in seven villages in the Mahavilachchiya, Nochchiyagama and Nuwaragam Central DS divisions providing 500 farmers training and technical assistance on land preparation, farming methods and post harvest handling.

Farmers also received the option of signing forward sales contracts with Alli, which most of the farmers did at a negotiated price of LKR 75 per kg. With the signing of the forward sales contracts, CORE was able to bring the World Bank funded GoSL's Village Reawakening Program to provide LKR 25,000 loans for farmers to cover the cost of land preparation and agriculture inputs. To further improve the quality of seeds available in the village, CORE went further and introduced local seed production with 18 farmers who received 80 kg of certified seeds.

Between January-March 2010 Alli purchased over 312,704,000 kg of black gram from 212 farmers at a rate of LKR 100-138 per kg, which was well over the LKR 75/kg rate in the forward sales contract. Alli paid the higher prices because of the higher quality of black gram, lower transport costs associated with farmer associations collecting and delivering produce and market price increases. The balance farmers sold in the open market, and, due to logistical constraints to quickly purchase the required volumes, Alli bought 398,328kg from middlemen.

At the end of the first season in 2010:

- The average production per family increased by 51%
- The average increase in extent of land increased 9%.
- Farmers reported an increase in yields of 38% from better cultivation methods--row seeding and land preparation.
- Farmers increased their net income by an average of LKR 64,604, an increase of over 100% over the 2009 season, for an aggregate income increase that was well over LKR. 27 million.

Farmers were able to pay their debts--some were debt free for the first time in their lives. Most farmers spent the extra earnings to improve/renovate their houses and ladies opened bank accounts for their children's schooling. Some farmers used their extra funds to increase the acreage for the second season. And 290 additional famers joined the program increasing the acreage planted by 17% in 2010. Unfortunately famers lost their crops with the floods in late 2010 early 2011. Revival of this initiative was planned for Maha (September) of 2011. In partnership with Alli CORE was to provide planting material and assistance in



"Before CORE'S intervention, we had to sell our harvest to middlemen--it takes about 2-3 months for us to get our money. Alli Company gives us the money on the spot, which is much more practical for me to work on the next crop and provide for my family's needs....From the extra money that I got this season, I'm hoping to buy another tractor. This will help me to increase my harvest during the next season."

R.M Nihal, black gram farmer and President of Kiralpatiyawa Farmer Society,

land preparation--but this was cancelled when the option years were not exercised.

Debt free after 17 years

R Dharmadasa lives with his wife and one year-old grandchild. He gave his daughter in marriage and sent her to Colombo in hopes for a better future. She and her husband, work in a garment factory there. His grandson refuses to live in the city and prefers to stay with his dotting grandparents.

For 17 years, Dharmadasa has been working his fields under very basic conditions, mainly due to the lack of equipment, knowledge, assistance and entrepreneurial know-how. He owns ten acres of land which he has been farming for years, taking loans each season and getting deeper and deeper into debt. Despite these hardships, he was hardworking and persevering.

Dharmadasa was selected to undergo training with the Department of Agriculture on farming best practices. He learned about planting cycles and harvesting methods, the right kind of seeds to be used, the correct fertilizer to be applied and the most suitable pest control methods.

He explains that with the CORE support, banks were encouraged to give him better interest rates and advise on funding and loans. Today, he proudly states, he is debt free for the first time in 17 years. His wife chips in saying that they are now able to save money for their grandchild's future. This farmer family was also able to purchase a tractor to help them during the next harvest. The simple home they live in has been refurbished and have finally completed the long overdue repairs to their home.

Champika has sights on a better future

With her beaming husband sitting beside her, Champika Priyadarshini Kumari has taken center stage in this discussion. She is the force behind the family's livelihood and is adamant for a brighter future for her three children. Champika explains her story with great pride and happiness. After all, the previous harvest has reaped results far exceeding their expectations.

For the past ten years, Champika and her husband have been planting black gram in their 10 acres of land. They survived the uncertainties of the war, the ravages of weather, and the demands of unscrupulous traders. As their family grew larger, they needed more money to survive year after year as well as save for their future. Debt hung over them like a dark cloud.

In 2009, Champika insisted that they get involved with CORE. She values the technology training and advice they received. Despite the lost harvest in 2010 due to flooding in the region, this family picked up the pieces and replanted the following year.

Today, Champika beams along with her husband as she speaks of the bumper harvest. She says that for the first time in a decade of planting black gram, they harvested 600 kg of black gram per acre of land. This, she says is a significant increase from the previous years' harvests. After putting aside money for their children, they also managed to buy a tractor, a harvester, a thresher and repaired their home. She declares that this is the beginning of more profitable harvests as they apply the knowledge they have received through their cooperation with CORE, the Department of Agriculture and the Alli Company.

No More Crying Over Spilled Milk

Dairy Development Initiative with Eluwan (Pvt)Ltd.

Thirty years ago before the conflict started, the Eastern Province was known as the 'dairy belt' of Sri Lanka. Due to lack of markets, inputs and proper extension in the dairy sector in the East was marginally operating during the conflict. Dairy farmers continued their activities primarily to meet their household milk consumption and those of their neighbors in the village.

With the end of the conflict, CORE had the opportunity to assist rebuilding the fragmented dairy value chain in the Eastern Province. Productivity was as low as one to two liters per day per cow. Best practices in cattle management were not being implemented, feeding methods were free grazing in the hot sun, and Artificial Insemination (AI) was unheard of by most farmers exacerbating the lack of good quality cows.

Mr. Arulanantharajah Ramesh, along with his brothers and father, continued their dairy activities in Batticaloa like other farmers at a very small scale during the conflict. In late 2008, Ramesh took hold of opportunities following the cessation of the conflict and was one of the first local entrepreneurs to commence rebuilding his small business. To capitalize on the government incentives to attract investments to the East, he submitted a proposal to the Board of Investment (BOI). Today, he proudly boasts that his was the first post-conflict BOI approved project in Batticaloa. Since then, Ramesh and his brothers have been hard at work trying under very difficult circumstance to revive the business their family has been engaged for generations and incorporated the company Eluwan Private Ltd.

BOI encouraged Ramesh to apply for a CORE grant for which he submitted a two-phased proposal to set up a dairy processing plant with an outgrower network and establish a cattle breeding facility in Batticaloa. The grant was awarded to Eluwan with a cost shared as 62% CORE and the 38% Eluwan. It was a tri-partite initiative between Eluwan, the Ministry of Agriculture and Animal Health Development – Eastern Province (MoAAHD-EP) and CORE.

CORE conducted a quick assessment to build an outgrower network in 12 villages along the Badulla Chenkaladi road. Over 700 farmers were trained on best practices in cattle management followed by formation of small farmer groups with a lead farmer. The new small farmer groups enabled farmers to access financial loans under the loan program of the Central Bank of Sri Lanka and to develop a milk collection mechanism. Eluwan set up over 12 collection points with each one located in a village within a five kilometers radius of each group. CORE provided 200 milk cans for cleaner milk collection. The close proximity of the collection centers and improved containers ensured the quality of milk required to process Ultra-High-Temperature (UHT) milk with a four to five months shelf life.

To promote the sustainability of the outgrower network, Eluwan received technical assistance including business plan development, a marketing and supply chain strategy, product development, and improvements to production processes through better equipment, factory layout, and meeting Hazard Analysis and Critical Control Points (HACCP) requirements. This resulted in Eluwan establishing a five member board of directors responsible for the Processing Plant, Milk Collection and Extension Services, Processing, Sales and Marketing and Ramesh as the Executive Director. The MoAAHD-EP also provided guidance] in obtaining required government approvals and licenses in setting up the processing plant which was a huge strength to a small indigenous local entrepreneur.

Initially Eluwan processed 1,500 liters of milk for curd. With the new processing plant they expanded into yoghurt, ice creams in three flavors, milk popsicles, flavored and UHT milk, Lassi (yoghurt drink) and buffalo mozzarella cheese. Over the next two years, Eluwan plans to double its capacity to 3,500 – 4,000 liters per day and expand its outgrower network to over 1,200 dairy farmers. Anticipated annual revenue projections after the first year of commissioning of the processing plant will increase revenue eight fold over the current revenue from curd production.

Eluwan, in partnership with CORE and the MoAAHD-EP, was quick to assist the dairy farmers affected by the 2010/2011 January floods. For the first time in Batticaloa district, a mobile veterinary clinic was conducted providing medicine and veterinary services to farmers in areas only accessible by foot or four wheel drive. Over 300 farmers received assistance under this program jump starting the revival of Eluwan's milk collection network and strengthened the buyer-seller relationship between Eluwan and the dairy farmers.

To overcome the issue of low productivity, CORE in partnership with Eluwan introduced the cultivation of CO3 as fodder, stall feeding of milking animals, improved genetics through AI and better breeding practices. M&E survey results indicate that 48% of farmers adopted new technologies resulting in an increase in milk yields, despite a drop in milk production of 39% the previous season due to unprecedented floods. Farmers are pleased with the 137% increase in prices from year 2009 to 2011. This increase is attributed to several factors including higher fat content in milk due to improved feeding practices, the proximity of Eluwan's production facility to the dairy farmers which resulted in transport savings for Eluwan and the farmers, and the GoSL initiating a minimum suggested price per liter of milk.

Phase II, was to set up a breeding farm on 75 acres of land adjacent to the reservoir at Unnichci, in Manmunai West in the Vaunathiv Divisional Secretary division in Batticaloa. It was planned for CORE's option years but not pursued.

Batticaloa farmers

Amravati is a war widow struggling to eke out a living in dairy farming with the two cows she owns. She used to supply milk to unreliable traders who paid her according to their rates. After her linkage with CORE and Eluwan, she can now milk her cows twice daily, supplying her milk to Eluwan Dairy for a minimum rate of LKR 50 per liter which is LKR 3 higher than any other trader. Eluwan Dairy also collects her milk onsite saving her time and transport costs.

She says, "One of my cows developed a fever. I was able to diagnose her condition because of the training I received and was able to order the proper medication because I knew exactly what I needed. If not for the training I would have lost my cow."

Ramalingam Thevani lost her husband and son-in-law in the war and now lives with her young granddaughter. Thevani is the sole provider for her family, she through dairy farming and also benefits with higher prices paid by Eluwan. She is fortunate to receive her training in dairy production through the CORE training initiative. She says, "My cow is in advanced stages of pregnancy. Using this training I keep close track of her condition and seek immediate help when I detect adverse symptoms."

Saraswathi, another war widow is a forceful and dynamic personality and acts as the spokesperson and group leader amongst her community. She too, received the CORE training and handles all her dairy problems on her own. "Despite the odds I have faced, losing everything I owned, I am very determined to make something of my life. Like me, many people in my village have faced adversity. It has never been easy, but now things are a lot better because we know people care," she says.

Milking Profits in the East

Dairy Development with Pelwatte Dairies (Pvt) Ltd.

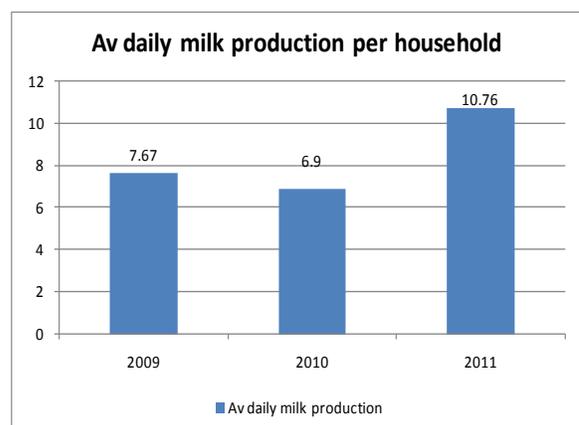
Pelwatte Dairies Industries (Pvt) Ltd. (PDIL), a subsidiary of the Pelwatte Sugar Industries Ltd which uses by-products of sugar manufacturing to produce cattle feed, was planning to invest over LKR 1.6 billion in the region. The PDIL investment was set for three stages: (1) set up the animal feed plant using raw materials from sugar manufacturing, (2) set up a state-of-the-art milk processing factory to produce fresh and flavored milk, yogurt, and ice cream and establish a dairy outgrower network, and (3) set up a milk powder processing facility. The milk requirement for the milk processing plant was 25,000 lt per day, with the milk powder processing facility the milk requirement is expected to be 100,000 lt per day. Furthermore, the Monaragala and Ampara Districts have a cattle population of 75,000 and 80,000 respectively so CORE took this opportunity to work with farmers in Monaragala to supplement their sugarcane income through a dairy outgrower network. The strategic location of the factory in Monaragala also meant the outgrower network could include Ampara farmers.

In late 2008, while the construction of the PDIL feed factory and sourcing of the milk processing equipment was underway, PDIL submitted a grant proposal to CORE. The grant took off with outgrower network training for 246 farmers from Monaragala and then expanded by 1,021 dairy farmers in Ampara for a total of 1,267. PDIL and CORE provided extension services while working closely with the government veterinary surgeons and livestock development officers. CORE introduced a new cattle shed model and on a cost-shared basis with the farmers, built 22 demonstration sheds—this is now being replicated by other farmers. In addition, 168 dairy cattle of improved breeds were given to farmers on a cost shared basis and built the capacity of six dairy farmer organizations to manage the milk collection process and provide better support to their members.

In the 4th quarter of 2011, after a considerable delay, PDIL began operations of their fresh milk processing and milk powder facilities. CORE was to support the set up three mini chilling centers in Ampara to feed into these facilities, but due to unexpected budget cuts, CORE was forced to remove the chilling center funds of LKR 7 million. Thus the milk collection process in Ampara did not start on schedule. To respond to this setback, in December 2011 PDIL set up one chilling center for milk collection in Ampara and is looking into setting up two more. In Monaragala, PDIL set up seven chilling centers that are self-sustaining units maintained and operated by farmer societies funded by a percentage of sales set aside for maintenance and management. The centers in Monaragala have enabled farmers to milk twice-a-day increasing their incomes on average by 42% and as high as 60%.

Extensive flooding during the 2010/2011 Maha season severely affected the dairy industry in the East with the death and disease to cow herds. To mitigate these losses, CORE provided three farmer societies, Jersey-Sahival mixed stud bulls to improve the breed of the remaining herd and took on an innovative approach where the society owned the bull and managed the bull through a democratically nominated lead farmer. This farmer is entitled to breeding earnings while the society retains ownership so that the bull can be given to another farmer in cases of non-performance or bad management. A random sample survey indicated a positive change in mindset of the farmers as a result of the intervention:

- 76% adopted stall feeding practices for the first time
- 82% started using some form of concentrate feed
- 74% practice cleaner milk production
- 54% purchased better cattle or improved breeding practices.



In 2009, 2.2 milking cows produced 7.67 lt per day. In 2011 2.39 cows produce 10.76 lt per day as a result of improved dairy management practices introduced by CORE

CORE also leveraged PDIL efforts to create employment opportunities for 85 youth directly and 125 indirectly as service agents and other support services.

Bringing Profits Ashore

Fisheries with Deshan International Imports and Exports (Pvt) Ltd. and G.P. Saman and Sons

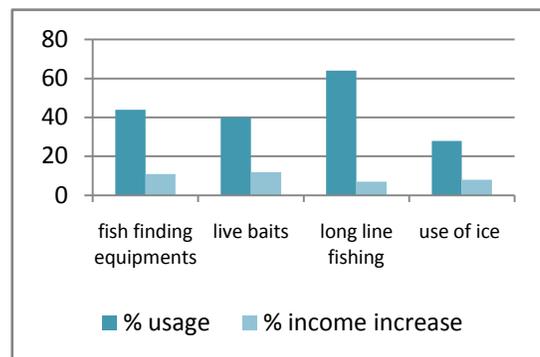
Fishery is an important economic sector for the east but decades of conflict had deteriorated the industry. Lack of knowledge on modern fishing techniques and best practices, unavailability of equipment, and improper post harvest handling were some of the major problems in the industry. CORE worked in partnership with Deshan International Imports and Exports (Pvt) Ltd. and G.P. Saman & Sons, two prominent fish trading companies in the region, to address some of the gaps in the value chain and to improve incomes of the fishers.

CORE conducted technical training sessions for fishers on long line fishing techniques, use of fish finders and GPS, live baits, use of ice in the sea and other post harvest techniques to raise the quality standard of fish for sale to Deshan and Saman. CORE went on to:

1. Change the mind set from 'catching and selling fish' to an entrepreneurial outlook on fishing.
2. Facilitate financing through banks for the purchase of modern equipments.
3. Develop infrastructure near the fishers to facilitate the use of ice storage at sea.

A survey carried out in late 2011 showed:

- 46% of the beneficiaries followed business basic training to manage fishing as a business venture:
- 45% of the fishers have established linkages with banks
- 8% of the fishers purchased new fishing equipments.
- 44% of the surveyed beneficiaries said that they use fish finding equipments and had an 11% increase of catch.
- 40% of the beneficiaries use live baits and the increase in catch was 12%
- 64% of the trained fishers use long line fishing which helped increase the catch by 7%.
- The adoption of new technologies increased income by an average of 27% and catch by 16%.



Fish traders and exporters often complain that the non-use of ice cause quality deterioration of fish resulting in high wastage and poor quality fish getting in to the markets. However due to non availability of ice near the fishers and associated ice transport costs, the use of ice in the sea is at a low level of 28%, but those who use ice saw an additional income increase of 8%.

CORE addressed this issue with innovative ice banks that don't require electric power in fishing villages. A detailed study was carried out to implement this concept. In late 2011, CORE finalized the concept and contracted the government agency, CEYNOR, to build in Kuchchaveli, Trincomalee the first ice storage unit of this model in Sri Lanka in January 2012. Ice box were also was designed and introduced for day fishing boats. This innovative concept can be replicated in any part of the country and will help the fish industry in Sri Lanka to better meet the export market standards leading to increased fisher incomes.

Fishers learning new techniques.



Inter-seasonal Income Boosts

Green Gram, Cowpea, and Finger Millet with Cargills (Ceylon) PLC

Farmers in Ampara have been producing finger millet, green gram, groundnut, and cowpea for generations using the rain water during the season. Due to the conflict in the past, these farmers did not learn of new technologies to improve productivity and quality. Totally Sri Lankan and committed to rural village development, Cargills (Ceylon) PLC, a leading supermarket chain with the largest island wide branch network, wanted to tap into the potential in the Eastern Province to source produce for their healthy snacks. However it needed the incentive and reduced risk that CORE could provide establish its first manufacturing facility in Dehiattakandiya, Ampara district. CORE partnered with Cargills to develop an out grower network of about 750 farmers from the Ampara and Batticaloa districts to produce 225 mt for their factory.

CORE trained farmers on new technologies and provided better quality seeds and helped Cargills identify, procure, and commission the machinery for the manufacturing process. This support facilitated Cargills investment to the east and set up a state of the art factory with modern machinery and food technology for processed food. CORE trained and linked a supply base of 750 Tamil and Sinhala farmers from Namaloya, Paragahakelle, Pokurugama, Badirekka, Samagipura, Tempitiya, Sadunpura, Dehiattakandiya, Periya pullumalle, Rajapuram, Mavilaru and Kolamanthlawa villagers in 5 DS divisions including Pollebadda.

In 2010 the commercial cultivation of green gram as a mid season crop was piloted in paddy fields between the maha and yala seasons. It generated an additional income of LKR40,000 per ac to the successful farmers and increased the paddy land utilization efficiency and brought several other agronomic advantages to the farmers. Mid season cropping is now considered a standard practice and the Government is promoting this system in the Ampara and Monaragala districts. CORE also introduced seedling transplanting or raw seeding for finger millet to farmers in 2010/11 maha season to potentially increase yields by 25% over the traditional system of seed sowing. Although nearly 100 farmers adopted this, in 2010/11 maha season, unexpected flood and heavy rains ruined the crops. CORE made a special issue of seeds to the flood affected farmers to restart their farming activities. However the farmers who planted late in the season were able to safeguard part of their crops and earned up to LKR 30,000 from green gram and cowpea.

The severe drought followed by heavy rains plagued the farmers throughout mid 2011. With the onset of 2011/12 maha rains, 700 farmers restarted their cultivations. Cargills now provides extension to farmers and will purchase the total production of green gram, cowpea, and finger millet. Cargills will also purchase other produces such as cashew from the farmers in Ampara for their new products.

Cargills factory conducted trial production from December 2011 to February 2012 to then move on to commercial production. A sample survey carried stated that 80% of farmers adopted new technologies. Farmers expressed their desire to become suppliers and build a long term partnership with Cargills to sell their produce.



Proud farmers show their first sale to Cargills.

Taking ICT to the Village

Information Communication Technology with Advanced Information Consulting Ltd.

TSC, a UK software developer, started operations in Sri Lanka in 1991 to provide local domain expertise to its UK office. TSC started serving local clients with the establishment of Kingslake in 1994. From its inception Kingslake's focus was to use local talent to manufacture and distribute applications. In 2004 Kingslake started software product development and R&D for European companies and its export business grew by 40% by 2010.

"It is time that I give something back that will make a true difference--create employment for conflict affected youth here" explained Dr. S. Dharmavasan, founder and Managing Director of Kingslake. Dr. Dharmavasan, a native of Batticaloa with fond memories growing up in his family estate in Akaraipththu, participated in an assessment in February of 2010 and showed CORE his destroyed ancestral home without a roof and full of bullet holes and mortar damage. This vision transformed into the formation of Advance Information Consulting (Pvt) Ltd (AIC) a subsidiary of Kingslake and a costs share grant to set up a 15 person development center in Akaraipththu.

CORE cost shared on the ICT equipment to set up a 15 staff software development center, used the Accelerated Skills Acquisition Program (ASAP) training tool, and provided career skills training. The trainees were recruited through advertisements and CORE "Career Days" at the Eastern University and other local IT training institutions. While it was an uphill task to find qualified trainees from the area, AIC hired nine out of 15 non-computer science graduates to be trained as programmers. AIC was very particular that they recruited the correct type of person with interest and commitment thus the recruitment process was gradual. After about nine months three more were recruited as trainee programmers and three as support staff.

Within just a year and a half, AIC senior management boasts two programmers developing ERP software for a client in Netherlands, five programmers working on a Sales Order Processing (SOP) system for a client in the UK and three resources persons were working on an ERP solution for a garment manufacturer in Sri Lanka. All programmers once trained were paid salaries comparable to Colombo.

CORE and the AIC team are proud of the first high-end software development center in the East and helping youth attain a career in ICT, but recruitment remains a challenge. To address this AIC and CORE planned to set up a training center in 2012 at the AIC premises to train and certify computer programmers. CORE's option years were not exercised and this issue still needs to be addressed.

What are they saying?

"The arrangement works very well for Kingslake and for us. Our staff live and work close to their homes, thus maintaining social cohesion, whilst our parent company outsources its work with minimal overheads and far less expenses." Bhavan Rudran, Manager, AIC.

"The main reason for Kingslake to get involved in the Eastern Province was to expand our operations by targeting the untapped talent in the Eastern Province who are averse to moving to Colombo for various reasons. Therefore we are giving them the opportunity to work from their home towns." Duleep Fernando, Director, Kingslake.

M. M. Mohamed Fowsis, a 27-year old IT graduate from the Eastern University working with AIC for two years. Employed on his first job as a software engineer working with international and local clients on programs such as Syteline, Styleman and Proteus ERP systems he says, "My knowledge and skills have increased dramatically and I am thankful to CORE for making it possible for me to work near my home."

"As a single woman from the Eastern Province, having to travel far away from home for employment would not have been an attractive proposition." stated 25-year old Sujeeka, a graduate of the Eastern University, has been employed since February 2010.

Lime Entrepreneurs Seek Export Markets

Lime with Adamjee Lukmanjee and Sons Pvt Ltd

North eastern parts of Monaragala district bordering Ampara and Badulla districts are the main lime growing areas in Sri Lanka. But lime farmers were badly affected by the conflict in the Eastern Province, restricted marketing opportunities, lack of support services for the development of the lime production and enormous price fluctuations during the glut and off seasons. The price fluctuation was between LKR 400 to LKR 5 in any given year. Minimal lime harvesting was done during the glut season and farmers let the fruits fall by the trees. Due to the acidity the roots of the tree get damaged leading to low yields. CORE, Adamjee Lukmanjee and Sons Pvt Ltd, and several lead farmers looked into the possibility of producing smoked and dehydrated lime for export. In doing so partnerships were established to implement the following strategy:

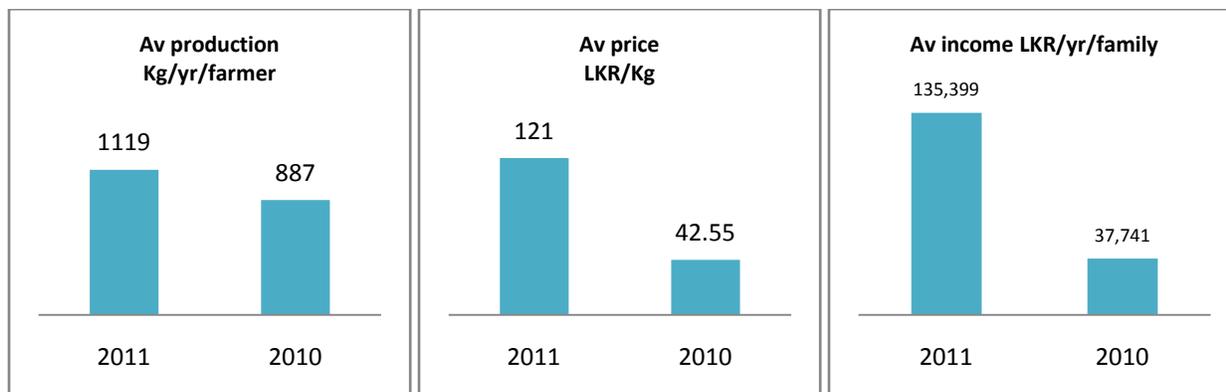
1. Improve lime productivity and increase off season harvest through better agronomic practices
2. Develop lime dehydration capability and linked with export markets
3. Build capacity of the selected farmers to become entrepreneurs

Three hundred lime farmers were trained on best practices to improve lime yield and increase off season yield with better crop management practices—for all of them this was the first lime training they had ever received. CORE encouraged the farmers to adopt the best practices by giving them tree cutting loppers and pruning saws to prune and train their lime trees.

Five farmers became entrepreneurs and set up lime kilns through cost shared grants. Lime producer groups were formed and each entrepreneur was assigned a group of 60 lime farmers to supply lime in peak seasons. Officials from the Post Harvest Technology Institute helped design the kilns and advice the entrepreneurs on lime dehydration without wastage and to meet export market needs. CORE also assisted them to try out the drying practices until they became familiar with the technology.

The farmers who adopted the new technologies, had a good harvest, especially during the off season and got a high price for their lime in the open market. Some of the farmers received an additional income of LKR 60,000-100,000 by selling the lime during the off season. Other farmers in the area saw this success and started to follow the best practices.

From the first load of dehydrated lime the entrepreneurs earned a profit of around LKR 30,000. Unfortunately, the export market for the dried lime crashed in 2011, but there a few exporters that are in constant touch with the kiln owners to purchase the dehydrated lime for the next peak season in February–May 2012. Overall the project helped increase the incomes of the farmers and make use of the lime that goes waste in the peak seasons.



Paving the Way for Maize Farmers

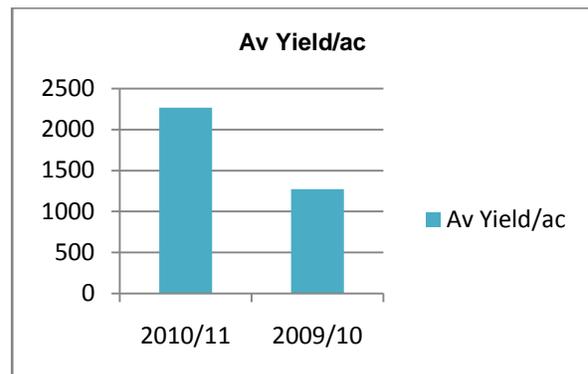
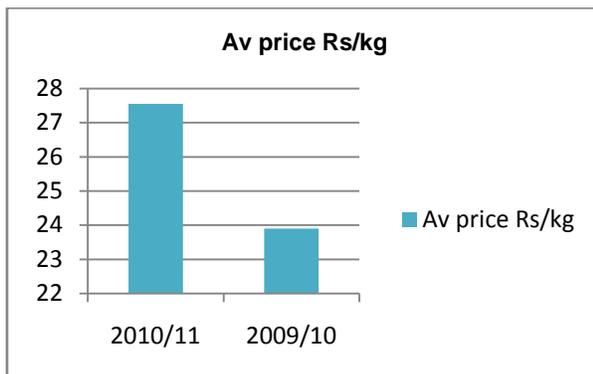
Maize with Adamjee Lukmanjee And Sons Ltd

Morawewa in Trincomalee was one of the worst affected villages during the conflict. Most families left the village due to the conflict and farms became shrub jungles and wild elephants moved freely in the area. In 2009, after the conflict ended in the East, CORE went to Morawewa with Adamjee Lukmanjee and Sons Ltd to introduce maize farming to newly resettled farmers. Adamjee, a trading company, wanted to expand its operations to other agriculture produces such as maize.

When CORE first start this initiative in 2009, movements was restricted, infrastructure facilities were damaged, and most farmers had just been resettled and had neither the experience of growing maize as a commercial crop nor the strength to start an income generating venture on their own. CORE provided technical training to farmers and assistance for land preparation.

This initiative helped introduce maize as a profitable cash crop to the farmers in the area who were looking for a new life after a lifetime of suffering. Despite crop losses in the first season, 50% of the farmers planted maize in 2010 increasing the extent per family from 1.6 ac in 2009 to 2 ac, in 2011 the farmers increased to 54% planting an average of 2 ac per family.

CORE and Adamjee introduced maize to Trincomalee, helped farmers increase their yields by 44% and income by 21%, and paved the way for other investors, such as Lankem, to move into Trincomalee for maize.



Preparing the maize grains for sale



Weighing the maize for sale to Adamjee.



Maize Growers make Money in Morawewa

Maize with Sun Agro

Lankem PLC had not thought of Trincomalee in the Eastern Province, for their state of the art food production factory until CORE introduced the option. Lankem formed a subsidiary company called SunAgro for this new venture and, with CORE's help, obtained land for the factory in the Trincomalee industrial estate and started activities in mid-2010.

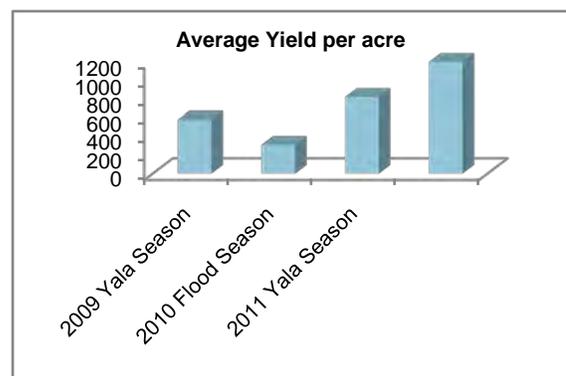
SunAgro will use 1,200 mt of maize and soy annually for the production of cereal based high nutrient, low cost food products. SunAgro's investment brought jobs and set an example for other leading companies to invest in the region. Trincomalee was not a commercial maize growing area until CORE assisted SunAgro to develop an out grower system with 700 farmers during the 2010 yala season and 500 farmers in maha 2010/11 seasons for a total of 1,200 of which 88% were commercially producing maize for the first time.

To develop the outgrower network technical training was provided to raise yields and improve the quality of grains for human consumption. Prior to the intervention--farmers had not produced commercial quantities of dry maize grains and only produced green cobs. Training covered spacing, fertilizer requirements, irrigation intervals, pest and disease management, drying and cleaning methods, etc.

As a part of the effective technology transfer process, CORE with SunAgro conducted eight field days to demonstrate the best practices in maize production to 320 farmers. This helps expedite the learning and ensured the adoption of new technologies. Additionally 89% of beneficiaries received business basic training to understand: calculation of cost benefits, basic business knowledge, and business planning skills.

Farmers were happy with the high yielding Dekell 414 Maize variety introduced by SunAgro and a survey conducted in November 2011 showed that 100% of the farmers who received technical training applied the new technologies and best practices. Other achievements include:

- With the introduction of SunAgro and commercial maize cultivation to Trincomalee by CORE, already 1,200 farmer families have commence economic active activities in these former conflict affected region. This number will increase to over 2,000 families in the coming years. The investment of SunAgro ensures the sustainability of the farmer incomes.
- Thirteen farmers became entrepreneurs by joining SunAgro as Village Agents. CORE established maize producer organizations under each agent and provided capacity building support for activities such as linking to finance, to obtain crop inputs as groups, to adopt the best practices for cultivation and post harvest handling, to organize purchasing and transport etc and make the supply chain more efficient.
- A maize farmer of CORE- SunAgro project won the best farmer award for Trincomalee district from National Agribusiness Council in 2011.



Based on the extent planted each farmer had approximately a 17% increase in their annual income. Farmers are optimistic that with continued support from SunAgro, they can continue to increase their income from maize. The outgrower system helped SunAgro secure a sustainable supply of high quality maize.

This a strategic initiative encourages large scale manufactures to invest in the post conflict region and help erase the misconceptions such as inadequate infrastructure for large scale investments, non availability of raw materials, reliability of the farmers as suppliers Due to time constraints CORE did not conduct the study and development of a cost effective maize drying system for the farmers.



Above: Sun Agro production facilities.
Right: CORE introduced mechanized threshing to Trincomalee maize farmer



Saraswathi- From poverty to prosperity

As a mother of four young children, T. Saraswathi has her hands full trying to put food on the table, save for her children's education, and make ends meet on a daily basis. She knows that hard work is the only way to meet these goals. For the past seven years, she has been tilling her fields under relentless weather conditions, and lacking infrastructure, proper information and marketing strategies, and financial training. But despite her hardships, Saraswathi is blessed with entrepreneurial skills and the desire to work hard.

In 2010, Saraswathi was selected by to attend a seminar on the benefits and methods of maize cultivation facilitated by CORE and she went on a field trip to the Kantale Model Farm. Here, she learned correct methods of cultivation, land preparation, pest and disease controls, pre and post harvest care of corn etc.

Under the guidance of these Field Officers, Saraswathi started her own maize cultivation on ½ acre of land. Seeing her success, other farmers also decided to grow maize instead of paddy, hoping to cash in on the new wave of prosperity spreading across the area.

Saraswathi beams as she speaks of the successful Yala 2011 harvest which she sold for between LKR 150 to LKR 200 per kilo to Vanni traders. She avers that the superior quality of the produce gave her the opportunity to sell this harvest for more than 75 percent of the previous year's price.

Saraswathi decided to increase her plot of maize cultivation to one acre and says "I will continue to farm maize because now I know the correct techniques, thanks to CORE. It's a profitable business now," she says. The renovations done in her house is testament to the new hope that is meant to be a better lifestyle for her young children.

Linking Partnerships

Herbal crops with Link Natural Products Ltd

Link Natural Products Ltd., one of the leading herbal health care production companies in Sri Lanka, wanted to increase production to meet the growing domestic and export demand for their products. They had not looked at the Eastern Province and Monaragala District for their supply base until they met with CORE in 2011. Although it was late in the yala season, Link and CORE selected and trained 53 farmers from Monaragala for medicinal crops, such as Katuwalbatu and Elabatu, and 280 farmers from Ampara for ginger and turmeric.

Katuwalbatu and Elabatu Naturally it was a difficult task to convince farmers to work with a new crop, yet Link successfully established 53 plots of 0.25 ac each of Katuwalbatu and Elabatu with farmers in Buttala, Monaragala. As these crops can adapt to comparatively dry soil and environmental conditions, farmers could use their marginal lands which are unsuitable for other cash crops during the dry season. Although it is a first time crop and planted a little late in the season, most farmers achieved a reasonable income in four months time. Fifty-three farmers sold over 18,300 kg of green katuwalbatu and Elabatu to Link and earned LKR 518,875—and estimated 8% increase to their annual income. This will be doubled when they plant two seasons in a year. A survey conducted after the harvest revealed that most farmers will continue with the new crop and expand the extents in the coming seasons. Link plans to set up pre-processing facilities in the area itself to improve the supply chain efficiency and create 5 new jobs for the people in the Buttala area.

Ginger and Turmeric. To meet Link's requirement for turmeric and ginger products farmers established 200 turmeric plots and 80 ginger plots of 0.25 ac each with 280 farmers in Ampara. These were new crops for them crops, so CORE and Link provided technical training and planting materials. Both are 9 months crops with the harvest and purchase scheduled around March 2012 after the CORE ended. However a lesson learned is that the soil in this area is not suitable for ginger but Turmeric has good potential. Based on the current growth of turmeric, it is estimated a minimum of 1,900 kg of fresh turmeric from a plot of 0.25 acre. Farmers will add value to the fresh turmeric harvest by boiling and drying as per the recommended pre-processing practices. The expected income is 100,000 from 0.25 acre, which is over 50% increase of their annual income. Link will set up a purchase and service center in Ampara in 2012 and continue after CORE ends.

Jayaratne. W. J. M. Jayaratne heaves a sigh of relief. For many years he has been growing tobacco with a heavy heart because of the harsh impact it has on human life. So, Jayaratne jumped at the idea of growing herbs instead and uprooted his entire tobacco field comprising ¼ acre and replanted it with 2,000 seedlings of Katuwalbatu given by CORE. Despite losing 500 plants to unfavorable weather, he is thrilled to have made LKR 20,000 from his initial harvest. He is excited at the thought of increasing this cultivation to ½ acre in the coming season and intends doubling his plants to 4,000 with the seeds given by CORE.

Obeysekera. Rain or shine, V M Obeysekera along with his wife lovingly tends their 9 acres of land. They grow paddy, tobacco and sugarcane. They were not averse to the idea of growing herbs and planted 3,000 seeds on ¼ acre. Obeysekera shows us the new irrigation pump he bought with the income he received from this first harvest. He too, is excited to replant an additional ½ acre as he says this crop is easy to grow and requires hardly any attention and most importantly, it is safe from the threat of wild peacocks and elephants.

First harvest of Katuwalbatu brings smiles to farmers faces.

Farmer estimates LKR 100,000 when this ¼ ac plot is harvested in March 2012



Bringing Women to the Fore

Mushroom with the SME, Pramoditha

Mrs. W G.Ramyalatha Ranaweera, the owner of the Pramoditha mushroom, is a small scale entrepreneur in Ampara who has been in the business of producing oyster mushroom for several years. With the end of the decades of conflict, opportunities were emerging in the east for her to expand her businesses to meet the growing demand. However she lacked the capacity to train a group of outgrowers and increase the production of mushroom growing bags.

Mushroom cultivation is a household operation led primarily by women. CORE helped develop an outgrower network of over 50 farmers, to produce mushroom and increase mushroom bags production. To raise levels of productivity and quality, CORE introduced the new technology of straw mushroom production that reduced the costs of production and increased profits.

CORE also provided a drier for Pramoditha to convert the unsold mushroom to dried mushroom. As Ms Ranaweera was gradually transforming a traditional small household activity to a more organized mid scale enterprise, CORE provided technical assistance to develop a bankable business plan and provided advance business training.

Beneficiaries spend about 3 hours a day on this activity and rest of the time is available for them to work on other tasks.

Despite losing their bags and damage to production facilities floods in early 2011, by December 2011, the 54 farmers increased their production up to an average of 25 kg per day from almost nothing a year ago. By January 2012, Pramoditha cemented the market linkage with 54 small time mushroom producers of which 46 are females and provided full time employment to 6 people from the area to produce mushroom bags. Pramoditha increased mushroom bag production from 30 packets per day to 200 packets per day by the end of 2011. Current volume of production generates an average additional income of LKR 6,000 per month for an increase of 25 - 30% of farmer household income.

Due to limitations in volumes, Pramoditha's market is still confined to Ampara but she plans to expand to other cities once the production increases.



Farmers Gain Additional Year-Round Income

Papaya with Anoma Agro Based Products

Anoma Agro Based Products in Ampara District, identified Redlady papaya as having potential for fresh and dehydrated products for local and export markets. The partnership was launched in May 2009 to develop an out-grower network followed by setting up the dehydration plant.

CORE introduced Redlady hybrid papaya that has higher yields and better shelf life to 2,700 newly resettled farmers in the Monaragala and Ampara districts. CORE conducted farmer training programs on best cultivation practices and post harvest technologies, site assessment visits, and technical assistance to lead farmers. Anoma set up demonstration plots and nucleus nursery to supply papaya seedlings.

Unprecedented rains at the end of 2009 early 2010 destroyed 58% of all plants distributed, but, successful farmers indicated an increase in income of an average of 9% and as high as over 15%. Anoma also faced delays in completing the processing plant but still set up collection points to purchase fruits. This did not absorb the entire production so various enterprising farmers, such as C. M. Sunil (pictured below), moved up the value chain to become papaya suppliers to key markets in the Southern and Western Provinces, and the Ratnapura District. CORE supported them further with Advanced Business Basics training. Sunil now has invested in a vehicle value at LKR 1.1 million and became a supplier of fruits such as banana, mangoes, and woodapple.

Based on the positive experience, over 200 farmers in Ampara expanded their cultivation by purchasing 3,000 papaya plants at LKR 50 each, without financial assistance from CORE or Anoma. The final survey indicated that some papaya beneficiaries reinvested the additional income on expanding their papaya cultivation, while others have improved their houses, purchased electronic equipment and other household items. Some have successfully redeemed their pawned jewelry using the extra income and others have set aside funds towards their children's education.

After much delay, the processing plant was commissioned in September 2011. The plant was set up with no assistance from CORE at a cost of LKR 85 million. Anoma hired 40 women as processors with another three executives to manage the plant. The first order of dehydrated papaya was shipped to Europe in December of 2011.

Anoma, as a first time investor in horticulture, found it challenging to develop an outgrower network of 3,000 beneficiaries in less than a year. As most of the beneficiaries were first time cultivators of papaya, provision of the required extension was a challenge. Despite these challenges, Anoma, with assistance from CORE, ensured that all beneficiaries were trained on best cultivation practices, pest and diseases control prior to distributing seedling. After seven months of planting, post harvest technology training was given to all participating beneficiaries, to minimize post-harvest losses. Under Phase II of this initiative, CORE planned to train the processors on clean production and work place safety practices and to provide technical assistance to Anoma to obtain HACCP certification and the assistance of a food technologist with an understanding of global market quality requirements. However, due to delays in commissioning the plant and CORE's option years not being exercised, these activities were not implemented.



Turning Passion into Profit

Passion fruit with SR Bio Foods

Sri Lanka has a wide range of fruits grown in different parts of the country. Passion Fruit which is in high demand by the fruit processing industry is in short supply. Commercial passion fruit cultivations are confined to the Western Province, but now one hundred and fifty-two farmers in remote villages in the Verugal area in Batticaloa District had the opportunity to try this high value perennial fruit crop for the first time. CORE partnered with SR Biofoods (Pvt) Ltd to introduce passion fruit cultivation to the area. SR Biofoods, a small scale fruit processing company with a base in Gampaha District, wanted to take on the challenge of introducing the new crop to farmers who were not exposed to any economic activity outside of their village during the conflict period.

As the first step, 100 potential farmers from Verugal and Kathiraweli villages received two day residential training on general agriculture and passion fruit farming at Gannoruwa in-service training institute of the Department of Agriculture. In the third quarter of 2011, 19,715 Passion Fruit plants were distributed and planted by 152 farmers establishing the first commercial passion fruit cultivations in the district.

The final survey showed that almost 90% of the plants are surviving and growing well despite unfavorable weather. CORE assisted the farmers further by supplying materials for the trellises such as GI wire and Gliricidia poles. Gliricidia is planted as live plant and has the additional benefit of adding green matter rich in Nitrogen back to soil. SR Bio Foods provide field extension and other technical assistance to the farmers and kept a close eye on the performance of the plantations. Final survey further revealed that almost 100% of the farmers appreciate the technical knowledge they received and the opportunity they got to try out a new income source.

Passion fruit has a life span of 4 – 5 years and first harvest is expected only 9 months after planting, with the first harvest expected in May – June 2012. Each passion fruit creeper is expected to yield 3,000 kg per year under normal growing conditions. This gives an annual income of 75,000 from 100 creepers.

SR Bio foods will establish a center in Verugal to purchase the harvest directly from the farmers. There is a good demand for passion fruit in the market, farmers will not have any difficulty in selling their produce to other buyers in addition to SR Bio foods. CORE did not have the opportunity to go through one complete production cycle to identify challenges and opportunities of this activity and develop further interventions such as linking to finances and capacity building of the producer groups—this need still exists and can be supported by other projects.

Sea a Good Idea

Sea Weed Pilot with Ceylon Biscuit Ltd

One of the most vulnerable groups in any conflict situation are women. Women in Batticaloa were no different and were eagerly waiting for opportunities to join the mainstream economy after ending the decades of conflict that had destroyed their lives.

Ceylon Biscuits Ltd (CBL) a leading biscuit and food manufacturer in the country was looking for opportunities of producing carrageen, an essential ingredient used in jams and jellies, with the resources available in Sri Lanka. Carrageen is extracted from seaweed that is grown in shallow seas. Carrageen is imported because there was no commercial cultivation of seaweed in Sri Lanka.

Although CBL found some good pockets of shallow seas in Batticaloa district for sea weed cultivation, they wanted assistance to identify potential farmers and to build infrastructure for the cultivation.

CORE assisted 25 beneficiaries mostly women in Mankerny and Vaharai villages in Batticaloa district through CBL to pilot the cultivation of sea weed in their nearby shallow seas. As this was a new crop, CBL provided training, technical support and initial planting materials to the farmers while the infrastructure (cultivation cages) was provided by CORE. The introduction of planting material to 10 growing cages took place in June 2011 and their initial production was used as planting materials for the other farmers. First cycle of production from the pilot was completed in November 2011.

As per the results of the first production cycle, an average of 279 kg of seaweed was sold by each beneficiary at LKR 50 per kg making an average income of Rs. 13,950.00 in 2–2.5 months proving the pilot a success.

This is a new income for these families that allows them to spend their free time productively. Beneficiaries are extremely happy with the project and they will start the next cycle of production in January through November 2012 giving them 5 harvests worth Rs. 70,000.00 at present yield and price.

CBL has plans to expand the cultivation to other shallow seas of the Sri Lanka's costal belt and establish the first carrageen extraction facility in Sri Lanka.

Images below: Seaweed cultivator shows her crops.



Appendix B. Component 2 Beneficiaries

Table B1. Component 2 Beneficiaries Status

Ongoing Projects	Project Location (District)	Value chain	Linked to value chain				Total beneficiaries	No longer active under C0 2	Total active beneficiaries
			Year 1	Year 2	Year 3	Extension			
Turmeric Cultivation and Market Linkage with Lanka Spices Ltd.	Ampara	Horticulture	220				220		220
Mushroom Cultivation with Ravini	Ampara	Horticulture		41			41	(41)	-
Mushroom Cultivation with Pramuditha	Ampara	Horticulture		31	23		54		54
Healthy Snack Processing with Cargills (Ceylon) PLC	Ampara	Horticulture		49	909	299	1,257		1,257
Dairy Development with Pelwatte Dairies Industries Ltd	Ampara/Monaragala	Dairy	574	692			1,266		1,266
Papaya Cultivation Project with Anoma Agro Based Products Ltd	Ampara/Monaragala	Horticulture	2,061	697			2,758	(309)	2,449
Medicinal Plant Cultivation with Link Natural Products Ltd.	Ampara/Monaragala	Horticulture			375		375		375
Dehydrated Lime and Outgrower Network with Adamjee	Monaragala	Horticulture		295			295		295
Dairy Development with Eluwan Pvt Company.	Batticaloa	Dairy		626	376		1,002	(333)	669
Cashew Processing Plant with NEEDS	Batticaloa	Horticulture		117	111		228		228
Passion Fruit Cultivation with S R Bio Foods Ltd.	Batticaloa	Horticulture			152		152		152
Seaweed Cultivation with CBL Foods International (Pvt)	Batticaloa	Horticulture			25		25		25
Subtotal Ampara/Monaragala/Batticaloa			2,855	2,548	1,971	299	7,673	(683)	6,990
Fish Processing with Deshan International Imports & Exports Ltd.	Trincomalee	Fisheries		605			605		605
Cereal Processing Plant and Outgrower Network with Sun Agro (Pvt) Ltd.	Trincomalee	Horticulture			1,495		1,495		1,495
Maize Cultivation with Adamjee Lukmanjee and Sons Ltd.	Trincomalee	Horticulture	679				679	(139)	540
Soybean Cultivation Pilot with Plenty Foods Ltd	Trincomalee	Horticulture		53			53	(6)	47
Mushroom cultivation with Ceylon Mushroom Co.	Trincomalee	Horticulture		422			422	(422)	-
Red onion true seed production with CIC Agribusiness	Trincomalee	Horticulture			12		12		12
Subtotal Trincomalee			679	1,080	1,507	-	3,266	(567)	2,699
Black Gram Cultivation and Market Linkage with Alli Company	Anuradhapura	Horticulture		653	292		945		945
Fruit and Vegetable Market Linkage with JayKay Marketing Services Ltd. (including b'onion)	Anuradhapura	Horticulture	100	175	162		437		437
Sesame Cultivation with Adamjee Lukmanjee & Sons Ltd.	Anuradhapura	Horticulture		253	173		426		426
Soybean Cultivation with Plenty Foods Ltd	Anuradhapura	Horticulture	40				40		40
Vegetable Seed Production with AgStar Ltd.	Anuradhapura	Horticulture	73				73		73
Vetiver Cultivation with EOAS Ltd.	Anuradhapura	Horticulture	95				95		95
Seed Village with Farmer Organizations in Padaviya	Anuradhapura	Horticulture			110		110		110
Red onion true seed production with CIC Agribusiness	Vauniya	Horticulture			11		11		11
Subtotal Anuradhapura			308	1,081	748	-	2,137	-	2,137
Subtotal - ongoing projects			3,842	4,709	4,226		13,076	(1,250)	11,826
Project Handed Over to DEEP - Beneficiaries are no longer counted towards the USAID/CORE beneficiary total.									
Dairy Development with CIC	Batticaloa/Polonnaruwa							(352)	
Project counted under Component 3									
Software Development Center with Advanced Information Consultation (AIC).	Ampara						15	(11)	
Grand Total			3,842	4,709			13,076	(363)	11,826

Appendix C. Partners List and Status Report

Table C1. Private and Public Sector Partners

Public and Private Sector Partners	
<ul style="list-style-type: none"> - Adamjee Lukmanjee & Sons Ltd. - Advanced Information Consulting (Pvt) Ltd. - Agro Micro Finance - AgStar Seeds Ltd. - Alli Black Gram Ltd. - Ammanveli Farmers Organization - Anoma Agro Based Products (Pvt) Ltd. - Audio Visual Center of the DoA - Capital Reach - Cargills Agrifoods Limited - CBL Foods International (Pvt) Ltd. - CIC Agri Businesses (Pvt) Ltd. - CIC Mahaweli Livestock & Dairies (Pvt) Ltd. - CINEC Skills Centre SR Bio Foods - College of Information and Management Sciences - Deshan International Import and Export (Pvt) Ltd - Ekamuthu Self Managed Organization - Eluwan Private Company - EOAS Organics (Pvt) Ltd. - G.P. Saman & Sons - Hatton National Bank - Hayleys Agro Products (Pvt) Ltd. - Illuppadichenai Farmer Organization JayKay - Institute Lanka (GTE) Ltd. - Jetwing Hotels Ltd. - Jobenvoy.com (Pvt) Ltd. - Kebithigollewa Integrated Rural Development Organization (KIRDO) - Keells Hotels Management Services Ltd. - Lanka Spice (Pvt) Ltd. - Link Natural Products (Pvt) Ltd. 	<ul style="list-style-type: none"> - Mahasen Village Development Organization (MVDO) - Marketing Services (Pvt) Ltd. - Marumalarchy Social Elevation Organization (MSEO)Merchant Bank of Sri Lanka - National Agribusiness Council - New Eastern Economy Development System - Nilaveli Saltern – Saltpan Community Group - Pelwatte Dairy Industries (Pvt) Ltd. - Plenty Foods (Pvt) Ltd. - Pragathiseewa Finance - Pramuditha Mushroom Company - Ravini Mushroom Production Company - Sarvodaya Economic Enterprise Development Services - Senok Heavy Machinery Training Institutions - Serendib Leisure Management Ltd. - Settler Out Grower Cane Cultivator Organization (SOCCO) - Sierra Cables PLC. - Sinnagalapoddamaru Farmer Organization - Skills for Success (Pvt) Ltd Spence Evolution Charitable Trust - Socio Economic Development Organization of Trincomalee (SEDOT) - SR BioFoods - Sri Lanka Boat Building Technology Improvement Tos Lanka (Pvt) Ltd. - Sri Sumangala Farmer Organization (SSFO) - Sun Agro Foods Ltd. (Lankem Ceylon PLC) - Voluntary Organization for Vulnerable Community Development (VOVCOD)

Grantees from the above table are listed in the following table with additional detail.

Table C2. Status Report on Local Organizations

Partnership Ref no.	Title of the partnership	Partner/s	Partner Contact Details	USAID/ CORE		Partner/s leverage (LKR)	Summary of activity	
				Budget (LKR)	Disbursement (LKR)		USAID/CORE	Partners
EOAS/001/MG/01	Vetiver cultivation project with EOAS Organics.	EOAS Organics (Pvt) Ltd.	D.A. Perera +94112722223	87,000	87,000	159,000	Mobilize farmers, supply tillers, and provide training.	Advise on cultivation, organic certification
CICL/002/SG/01	Dairy development project with CIC.	CIC Mahaweli Livestock & Dairies (Pvt) Ltd.	Keerthi Kotagama +94112688200	1,011,000	743,318	180,320	Mobilize farmers; provide training, supply milk cans, cows and cow sheds.	Resource persons, training facilities and advice.
PDIL/003/SG/01	Dairy development project with PDIL.	Pelwatte Dairy Industries (Pvt) Ltd.	M.G.Chandrasena +94555678515	1,261,500	326,470		Mobilize farmers, provide training in best practices.	Resource persons, training facilities and advice.
PDIL/014/SG/02				7,248,750	197,041			
AABP/004/SG/01	Papaya cultivation project Anoma Agro Based Products.	Anoma Agro Based Products (Pvt) Ltd.	Wijayasiri Wickramasinghe +94115649539	10,490,600	4,311,451	2,665,649	Mobilize farmers; provide seedlings and training on cultivation and management of papaya.	Resource persons, training facilities and advice on cultivation and buy back of produce.
MoU - JKMS/HORT/0/9	Fruit and vegetable market linkage project with JayKay Marketing.	JayKay Marketing Services Pvt Limited	Nihal Senarath +9411230 5391	Non grant recipient			Facilitate and fund training to selected farmer groups.	Provide technical know-how on improved planting methods and post-harvest training to selected farmers.
MoU - LSPL/HORT/0/11	Turmeric market linkage project with Lanka Spice.	Lanka Spices Ltd.	Amal Wadasinghe +9412844124	Non grant recipient			Link farmers growing turmeric to Lanka Spice for better price.	Advice on cultivation and buy back of produce.
CO1/HAPL/005/SG/01	Livelihood development through home gardening in Ampara with Hayleys.	Hayleys Agro Products Ltd.	Amjad Rajap +94112688960	634,800	326,101	712,750	Assistance for training in best agricultural practices, planting material, transport, and extension services.	Provide seed trays, mini sprayers, organize and deliver technical training, and hire extension officers.*
ALSL/006/SG/01	Maize cultivation project with Adamjee Lukmanjee.	Adamjee Lukmanjee & Sons Ltd.	Maneesha Samarajewwa	8,170,000	4,972,149	3,327,770	Facilitate training on land preparation, post harvest processing, assist extension services, and crop insurance.	Provide seeds, fertilizer, pesticides, extension services, operations and buy back of produce.
ALSL/015/SG/02	Dehydrated lime manufacturing project with Adamjee Lukmanjee			3,291,547	2,727,740	1,183,511	Assistance for training on best practices, share part of cost of construction of kilns for drying lime, and extension services.	Construct a roller dryer to improve quality of dehydrated lime and provide extension services on a part time basis.

Partnership Ref no.	Title of the partnership	Partner/s	Partner Contact Details	USAID/ CORE		Partner/s leverage (LKR)	Summary of activity	
				Budget (LKR)	Disbursement (LKR)		USAID/CORE	Partners
KIRD/007/MG/01	Fruits and vegetables collection and sales center with KIRDO.	Kebithigollewa Integrated Rural Development Organization (KIRDO)	U.B.R Basnayake +94252298510	282,576	236,091	106,050	Provide equipment to set up a fruit and vegetable purchasing centre.	Labor.
MoU - ALLI/HORT/0/12	Black gram cultivation and market linkage project with Alli Company.	Alli Company (Pvt) Ltd	Eilleen Riluan +94332285039	Non grant recipient			Linked farmers from border villages to the company and provide technical training.	Provide seeds and a market for those willing to grow black gram.
MoU - AGST/HORT/0/13	Seed production project with AgStar.	AgStar Seeds	D.B. Weeratunga +9414812424	Non grant recipient			Introduce for the first time seed production to farmers in Padaviya and linked them to AgStar. Provide training in production methods.	Provide technical support.
ESMO/008/SG/01	Dairy development project under Pelwatte dairy Development project with ESMO.	Ekamuthu Self Managed Organization (ESMO)	B.D. Gamini Perera +940555780917	707,400	496,759	134,680	Assistance to 17 members of ESMO to construct cow sheds, procure cows and set up a milk collection center.	In-kind contribution to construct cow sheds, procure cows and set up a milk collection center.
CO1/VOVC/009/S G/01	Livelihood development through home gardening in Batticaloa with VOVCOD.	Voluntary Organization for Vulnerable Community Development (VOVCOD)	Mr. Arulanantham +94602658860	1,330,000	1,250,200	740,020	Provide training on organic home garden cultivation, vegetable seeds and fruit seedlings, agriculture tools and technical evaluation, conduct impact assessments signing of institutional contracts and releasing required funds.	Provide extension services, transport, ensure quality and timely implementation of the project, maintaining all records and submit weekly/monthly progress reports.
CO1/SEDO/010/M G/01	Livelihood development through home gardening in Trincomalee with SEDOT.	Socio Economic Development Organization (SEDOT)	R. Parthipan +94262225989	1,272,000	1,268,400	140,000	Provide training on organic home garden cultivation, vegetable seeds and fruit seedlings and, agriculture tools.	Providing expertise for the preparation of assessment formats, designing activities, organizing activities, maintaining records, submitting progress reports
AICL/011/SG/01	Software Development Project in Akkaraipattu with AIC.	Advanced Information Consulting (Pvt) Ltd.	S. Dharmavasan +944720700	5,670,000	4,427,940	8,986,644	Supply of hardware and part of software, stipend for trainees and training.	Procure software, cabling, a generator and pay manager's salaries.
MVDO/012/SG/01	B'onion seed production project	Mahasen Village Development	Y. Somasinghe +94725743395	158,000	118,824	48,150	Supply of b'onion mother bulbs, and construction of storage facility.	Labor for storage facility construction,

Partnership Ref no.	Title of the partnership	Partner/s	Partner Contact Details	USAID/ CORE		Partner/s leverage (LKR)	Summary of activity	
				Budget (LKR)	Disbursement (LKR)		USAID/CORE	Partners
	with MVDO.	Organization (MVDO)						
MSEO/013/SG/01	Dairy development project under Pelwatte Dairy with MSEO.	Marumalarchy Social Elevation Organization (MSEO)	A.L. Ramees +94775023296	5,370,395	5,054,035	338,300	Assistance to 122 members of ESMO to construct cow sheds, procure cows and provide extension services to increase productivity of milk production.	In-kind contribution for construction of cow sheds and transportation of cows.
JOBE/016/FOG/01	Foreign job placement training with Jobenvoy.	Jobenvoy.com (Pvt) Ltd.	U.A.A. Fareed/ Ruwan Senanayake +940112388655	5,477,7470	374,000		Assistance to provide foreign job placements for job seekers.	Setup a Training center and conduct training on skills enhancement related to electrical wiring, carpentry, and plumbing etc. for foreign jobs.
CARG/017/SG/01	Nutritious snack manufacture with Cargills.	Cargills (Ceylon) Ltd.	Ranjit Page/Jagdish Katyal +94 0112427777	1,818,000	1,753,521	819,880	Mobilize farmers for an out grower system for cultivation of finger millet and green gram. Provide training in best practices.	Administration of the project, setup farm produce collection network and advisory centers.
CARG/017/FOG/01				22,985,546	22,422,035	18,993,574	Support setting up a production facility for the nutritious snack foods. Part fund purchase of a generator for the factory.	Cost share on setting up the food processing plant. Construct the factory building.
EPLC/018/SG/01	Dairy development project with Eluwan.	Eluwan Private Limited	S. A. Ramesh +94 0778852644	460,000	189,018	3,500,000	Training on stall fed dairy management for 600 farmers.	In-kind contribution for construction of a milk collecting and processing center, Provide extension services to support the farmer network for milk production.
EPLC/018/FOG/01				5,446,750	4,929,806		Support setting up a milk processing center and provide milk cans to the farmer societies for collection of milk.	In-kind contribution for construction of a milk collecting/ processing center and installation of three milk chilling tanks for storage of milk.
NACO/019/SG/01	Ag-Biz East 2010 Road Show with NAC.	National Agribusiness Council (NAC)	Asoka Gopallawa +94 5231090	2,124,500	1,991,075	896,477	Exhibition site expenses, pre-launch meetings, pre-arrangements, stall holder meetings. Assist DOA to participate in the Road Show. Facilitate promotion and launch of the road show.	Coordinate exhibition pre-arrangements stall holder meetings, exhibition preparation and management. Provide booth space for DOA.
NACO/019/SG/02	Ag-Biz East 2011 Road Show with NAC.			2,010,250	2,010,250	2,336,267	Exhibition site expenses, pre-launch meetings, pre-arrangements, stall holder meetings. Facilitate promotion and launch of the road show.	Coordinate exhibition pre-arrangements stall holder meetings, exhibition preparation and management.
DIIE/20/SG/01	Community based fishery project with Deshan.	Deshan International Imports and	Sydney Fernando +94322247401	13,035,000	279,480	-	In-kind support by providing machinery and equipment for long line fishing and fish processing facility. Train 400	In kind contribution for processing facility, and hiring fishing boats etc.

Partnership Ref no.	Title of the partnership	Partner/s	Partner Contact Details	USAID/ CORE		Partner/s leverage (LKR)	Summary of activity	
				Budget (LKR)	Disbursement (LKR)		USAID/CORE	Partners
		Exports (Pvt) Ltd.					fishers on best practices.	
DIIE/020/MG/02	Postharvest quality improvement of fish						Cancelled	
PFPL/021/SG/01	Soybean cultivation project and market linkage project with Plenty Foods.	Plenty Foods (Pvt) Ltd.	Mohan Ratwatte +9412815364	480,500	193,860	1,103,560	Training of farmers in best practices, land preparation for cultivation and extension services.	Supply of inputs, resource persons and extension staff to implement the project.
CMCO/022/SG/01	Mushroom cultivation and processing project with Ceylon Mushroom Company.	Ceylon Mushroom Company	Chaminda Wijesuriya +94729201099				Cancelled	
SOCC/023/SG/01	Dairy development project under Pelwatte dairy project with SOCCO.	Settler Out grower Cane Cultivator Organization (SOCCO)	C.K. Rajapaksha +945593977	4,384,323	3,770,538	312,200	Support procurement of dairy cows, veterinary services for selection of cows, and construction of cow sheds.	Insurance and transport of cows, labor and material for construction of cow sheds.
SSFO/024/SG/01	Dairy development project under Pelwatte dairy project with SSFO.	Sri Sumangala Farmer Organization (SSFO)	D.G. Sadiris	3,442,896	2,424,055	80,000	Support procurement of dairy cows, veterinary services for selection of cows, and construction of cow sheds	Insurance and transport of cows, labor and material for construction of cow sheds.
RMPC/025/SG/01	Mushroom cultivation project in Samapura, Ampara	Ravini Mushroom Production Company	K.G. Wijeratne +94633632123 07183328979	518,275	371,500	246,789	Training on mushroom cultivation, supply material to construct mushroom growing sheds and spawns & compost material for growing bags.	Resource persons for training, supply material to construct mushroom growing sheds and spawns & compost material for growing bags.
PMPC/026/SG/01	Mushroom cultivation project in Damana, Ampara	Pramuditha Mushroom Production Company	W.G. Ramyalatha Ranaweera +94633637475 0724642126	561,375	561,375	970,735	Training on mushroom cultivation, material to construct mushroom sheds. spawns & compost material for growing bags.	Resource persons for training, supply material to construct mushroom growing sheds and spawns & compost material for growing bags.
NEED/027/SG/01	Cashew cultivation and processing project in Batticaloa	New Eastern Economy Development System	J. Anantharuban 0777916040	2,197,000	2,174,571		Training on best practices of cashew cultivation and processing, procure equipment for a cashew processing facility.	Cost sharing of the processing equipment and setting up of the nursery, facility.
LCPL/028/SG/01	Cereal-legume	Sun Agro Foods	Deepal Arachchige	475,000			Extension services and training on	Resource persons for training, supply of

Partnership Ref no.	Title of the partnership	Partner/s	Partner Contact Details	USAID/ CORE		Partner/s leverage (LKR)	Summary of activity	
				Budget (LKR)	Disbursement (LKR)		USAID/CORE	Partners
LCPL/028/FOG/01	snack manufacturing	Ltd.	+94117766000, +94117766116		266,289	3,804,436	cultivation of cereals and legumes	seeds and other farming inputs.
				27,500,000	27,500,000	56,236,194	Support setting up the cereal processing facility by procuring machinery and equipment.	Investment on the land and building for the processing facility, invest on the production equipment.
SRBF/029/SG/01	Passion fruit cultivation project in Batticaloa	SR Bio Foods	Saman Dewage +94 715364320 +94 602438929	3,180,000	2,534,644	1,613,711	Training of 100 farmers, supply of passion fruit seedlings and wire.	Resource persons for training, extension services, handling and transport of seedlings and wire
CBLF/030/SG/01	Seaweed farming project in Batticaloa.	CBL Foods International (Pvt) Ltd.	Neville Ruwanpathirana +95 11 2749749 +94 0777278586	3,591,100	990,657	1,207,686	Supply of seaweed seedlings, material for setting of farming units and drying platforms.	Resource persons for training, extension services, set up a field office for operations.
LNPL/031/SG/01	Medicinal crop cultivation and processing project in Monaragala and Ampara.	Link Natural Products (Pvt) Ltd.	Dr. Ananda Jayawardane +94 112536167 +94 777 726730	8,859,000	5,835,558	4,305,613	Supply of seedlings, training and training aides, set up an information center, extension services, processing equipment, micro irrigation system for the plant nursery.	Training and exposure visits to farmers, extension services, set up processing facility and outgrower service center and process equipment.
CICA/032/FOG/01	Red onion seed production project in Vavuniya and Trincomalee	CIC Agri Businesses (Pvt) Ltd.	Prasad Senadeera +9411 2688200-2 +94 0777267816	3,000,000	2,958,000	1,842,572	Procure a cold room for vernalization of mother red onion bulbs and storing fruits and vegetables in the off season	Supply of vernalized mother red onion bulbs to farmers, farmer extension services, operation of a collection center, construction of a building for housing the cold room.
GPSS/033/MG/01	Postharvest quality improvement of fish	G.P. Saman & Sons	G.P. Saman Kumara 0715 665948	1,300,000	1,299,050	161,144	Procure and supply 10 ice boxes, an ice storage unit and an ice crusher.	Put up a building to house the ice storage unit and ice crusher
CO1/AMVL/IG/050/01	Rehabilitation of Kovilkulam minor irrigation tank.	Ammanveli Farmers Organization		USD \$58,811	USD \$48,807	-	Construction of the tank bund, tank bed excavation, improvements to the spill cushion and tail canal and construction of the L/B canal. Technical training and capacity building.	
CO1/SNPM/IG/051/01	Rehabilitation of Parithechenai anicut.	Sinnagalapoddama ru Farmer Organization Illuppadichenai Farmer Organization		USD \$129,109	USD \$112,740	-	Construction - sluice gates, slab, retaining walls, access road and ancillary works. Technical training and capacity building.	
CO1/SNCG/IG/052/01	Rehabilitation of Nilaveli saltern infrastructure & development of	Nilaveli Saltern – Saltpan Community Group		USD \$100,767	USD \$54,153	-	Construction of piers, left and right bank access roads and ancillary works. Technical training for saltpan owners and capacity building.	

Partnership Ref no.	Title of the partnership	Partner/s	Partner Contact Details	USAID/ CORE		Partner/s leverage (LKR)	Summary of activity	
				Budget (LKR)	Disbursement (LKR)		USAID/CORE	Partners
	saltern operations.							

Note:

CORE provided training to some grantees/beneficiaries that was budgeted outside of the grant but monitored as part of the CORE cost-share.

The total disbursements of cancelled grants was LKR 10,972,524 and partner contributions was LKR 2,153,850

Appendix D. Short Term Technical Assistance

Table D1. Short-Term Technical Assistance List

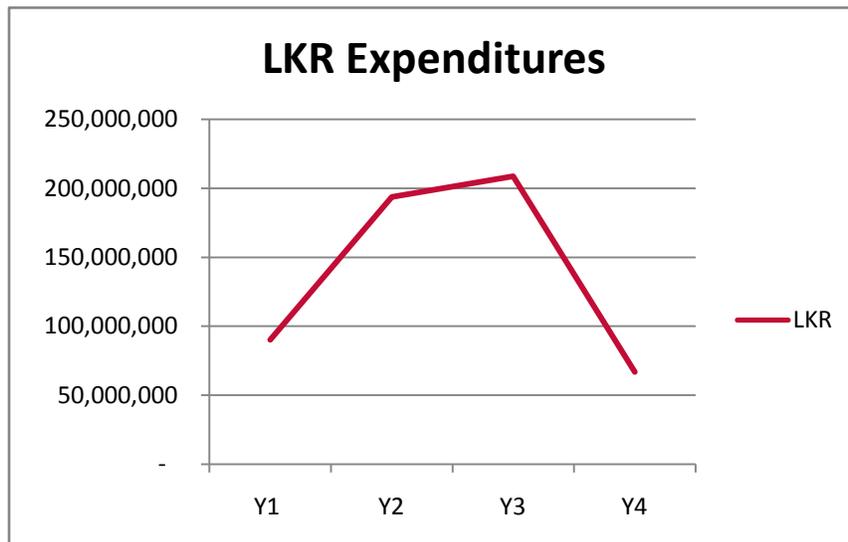
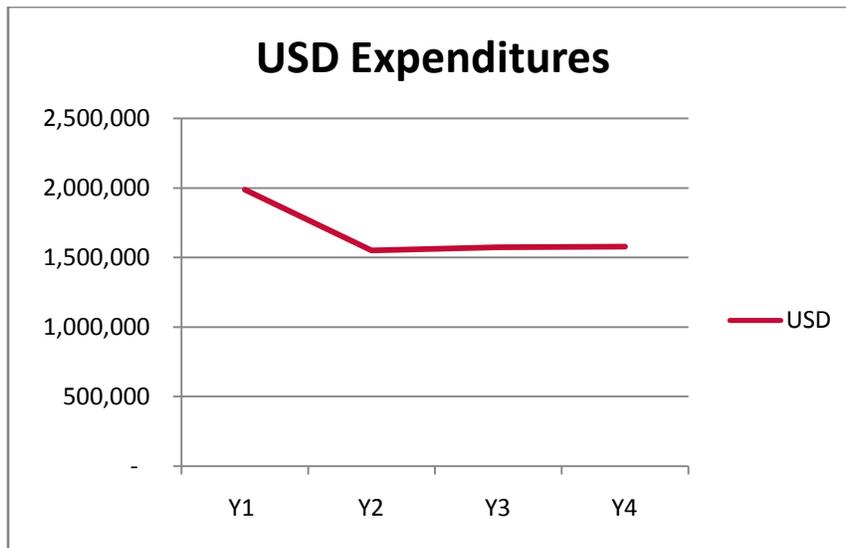
Name	Position
Merrilene Rathy Peramune	Rapid Assessment of value chains in the Eastern and North Central Province
Zahra Cader	
Janusz Szyrmer	Economic Policy Experts – Analysis to incorporate into the sector assessments
De Mel, Deshal	
Nimal Gunatilleke	Livelihoods Assessment
Nimal Godfrey Gunatilleke	Early Recovery/Livelihood Development for vulnerable populations
Arelis Gomez	Financial Sector Assessment
Ranjith Abeywardena	
Ronald Ashkin	Business/Marketing Advisor – Develop marketing/business strategies to feed into sector assessments.
Robin Rackowe	Fisheries Sector Assessment
H.P. Amandakoon	
Louis Landesman	
Donald Hawkins	Tourism Sector Assessment
Priyanka Ratnayake	
Tissa N. Jayatileka	Livestock Specialists
Terence Barker	
Sommers, Paul	Horticulture Assessment
Hemachandra Samaratinga	Business Basics Training Module Specialist
Arvind Nande	
Larry Marcheses	ICT Assessment
John Bonnier	Dairy Assessment
Tissa N. Jayatileka	
Piya Abeygunawardena	Agricultural and veterinary services assessment
Roland Dean Smith	Extension System Expert
Anil Kahaduwa Arachchi	Veterinary Service Systems Specialist
Athula Senaratne	Agricultural Service System Specialist
Stephen Lewarne	Senior Economist Advisor – Presenter at the Ceylon Chamber of Commerce Economic Summit
Richard Beilock	Logistics Assessment
Ruwan Fernando	Capacity Building for Farmer Organizations
John Varley	Development of Business/Marketing Strategies for Newly Selected Sectors/Value Chains
Jawaharlal Cumargupta Rodrigo	Logistics Assessment
Bandarage Sarath Buddhadasa	Trainer - Proposal Writing
Bodhi Wanniarachchi	Develop a youth internship program
Palitha Ranadewa	Agricultural Service System Specialist
Sharm Aboosally	Communication and outreach Assessment
Samuel E Stembo	Asst. Secretary General of the Federation of Chambers of Commerce and Industry of Sri Lanka (FCCISL) for the SEEP Network Conference
Gratian A Peiris	Infrastructure Assessment
John Varley	Market Development Specialist – Lead team conducting sector assessments
Arelis Gomez	Financial Sector Expert
Richard W Dvorin	Develop targeted Financial Products with partner banks.
Ar. Sarathchandra Candauda	
Ajith Jayawardhana	Career Guidance/Counselling Specialist
Merrilene Rathy Peramune	Value Chain Services Manager
John Bonnier	Conducting an in-depth assessment of the impact of a proposed total ban on slaughter of cattle in Sri Lanka.
Tissa N. Jayatileka	
John Bonnier	Conduct an in-depth assessment of the opportunity and potential impact of using Artificial Insemination to upgrade the genetic stock of cattle in the Eastern
Tissa N. Jayatileka	

Name	Position
	Province in Sri Lanka.
Vidana Ralage Dingiribanda	Technical assistance for the CORE linkage program with the Big Onion farmers in Galenbindunivewa to increase productivity, improve storage practices and introduction technology for Big Onion seed production.
Sanjaya K Senanayake	Trainer - Visual Communication
Odayan Arumugam	Career Guidance/Counselling Specialist
Sampath Munasinghe	Extension officer
Asoka Jayawardana	Tourism Sector training
Odayan Arumugam	Career Guidance/Counselling Specialist
Gratian A Peiris	Technical evaluation and feasibility assessment of the reconstruction of a causeway in the Trincomalee
James Miller	Aquaculture specialist
Jagdesh Mirchandani	Value Chain Analysis
Odayan Arumugam	Career Guidance/Counselling Specialist
Mahagoda Withanage Jinawarasiri Dharmawardana	Salt Production Advisor
Abdul Majeed Mohamed Riyas	Engineering Consultant
A. D. Wijesooriya	Capacity Building for Farmer Organizations
David Ariyasingham	Technical and Vocational Education and Training
Elizabeth Owen	
Rashmi Nimalka Morahela	Promotion of tourism growth in the Eastern Province
J M P K Jayasinghe	Strengthen fish productivity in the Eastern Province
Nikki Duncan	Investment profile for the Eastern Province
Merrilene Rathy Peramune	
Seresinhe R. Thakshala	Assessment of the potential economic impact of cultivating good quality pasture for cattle in the Eastern Province.
Ian Watson	Recommendations to improve fish productivity in the Eastern Province through better post-harvest handling.
Sathivel Vishvalingam	Capacity Building for Farmer Organizations
John Bonnier	Address the issues and the gaps in existing programs to improve the cattle stock to improve milk production
Tissa N. Jayatileka	
Sithamparappillai Thilaganathan	Build management capacity of small to medium size local entrepreneurs
Victor Andrievsky	
Arachchige Sarathchandra Candauda	Design a framework for the introduction of Warehouse Receipt Financing (WRF)
Sarathchandra Gemunu Ilangantileke	Warehouse standards expert to support the design of a WRF framework
Senehe Perera	Legal Consultant to support the design of a WRF framework
Jonathan Joseph	Dairy Processing Specialist
Asoka Jayawardana	Upgrade the managerial capacity and service levels of SME hotels in the Eastern Province.
N Nagappa Malleshi	Food Technologist. Highland/Grain Specialist
Jairo Torres Romero Jacqueline Boardman Gabriel Pascual Srilal De Silva Rasitha Niroshana	<ul style="list-style-type: none"> - Food Safety Expert - International Standards and Certification - Agricultural Standards Expert - International Standards and Certification - Dairy Standards Expert- International Standards and Certification - Standards and certification specialist - Standards and certification specialist Team of five Standards experts to hold workshop on standards for horticulture/OFCs, dairy, and fisheries and support selected companies to evaluate their compliance with international certification requirements and make recommendations.
Gratian A Peiris	Develop a mechanism for the continuation of the UPP program and improve the outreach of the UPP program
John Riggs	Information Technology (IT) based agriculture extension specialist - Design new models of Cyber Centers and a portal incorporating new features and content to

Name	Position
	AVC's IT-based agriculture extension program.
H M S Lakshman Wijeyewardena	Build management capacity of small to medium size local entrepreneurs.
Saman Rajapakse	Training and guidance for managers and staff of SME hotels in the Eastern Province to upgrade their managerial capacity and service levels.
Vijitha Nugegoda	
Wewelwala Hewage S Udaya	
	Capacity Building for Farmer Organizations
Merrilene Peramune	Technical assistance to ten additional entrepreneurs with the development of six bankable business proposals, financial capacity building and developing proposal writing skills.
Gabriel Pascual	Standards Expert - support companies in developing growth strategies that incorporate the relevant standards needed to break into larger national and international market.
Nimal Udugampola	Agriculture Extension Specialist - support the design and implementation of a new portal incorporating and Cyber Center pilots
Tissa Jayatileka	Dairy - Finalize the extension material for the website portal to improve production among dairy farmers in Sri Lanka
Rasitha Niroshana	Standards expert - Support Lankem (Pvt) Ltd to set up their processing plant to meet HACCP standards and facilitate the HACCP certification process for the Cereal Processing plant.
Eric Sevaton	Food Technologist - provide technical assistance to Cereal Production and Out-grower Program with Lankem (Pvt) Ltd.
Fred Levitan	Conduct an assessment for two selected horticulture and dairy value chains, identify impediments for making markets work for the poor, and develop implementation strategies.
Merrilene Peramune	
Rasitha Niroshana	Standards expert- support to partner companies, one in Ampara and the other in Batticaloa, to set up their processing plants to meet HACCP standards.
Seresinhe R. Thakshala	Develop farmer friendly handbook for the cultivation of good quality pasture (CO3) as a crop.
A.R.G. Priyangika Nilmini	Build capacity of and support the Ranamayura farmer organization in Siyambalanduwa to run their new cyber center
W. L. C. Lekamge	Develop an appropriate training module for partner company staff involved in agricultural extension, conduct training programs, and incorporate the participation of extension officials attached to the central government and provincial councils.
Elizabeth Southwell	Tourism Roadside Signage Symbols and Guidelines
Nimalka Morahela	
Elizabeth Southwell	Tourism SME Development (include the SIYB manual)
Nimalka Morahela	
A.R.G. Priyangika Nilmini	Build capacity of the MahaAragama Cooperative Society farmers running the new cyber center, support the partnerships for the Thanamalwila and Okkampitiya cyber centers, and support the Siyambalanduwa center.
Jagdesh Mirchandani	Conduct a value chain analysis to identify gaps, opportunities and recommendations in three prioritized USAID/CORE projects
Dr. Sarathchandra G Ilangantileke	Risk analysis for successful implementation Warehouse Receipt Financing system in Sri Lanka.
Keith Thomas	Operational design for warehouse receipt financing system.

Appendix E. Financial Report

	USD	LKR
Component 1	816,464	40,027,311.00
Component 2	2,594,754	174,396,423.51
Component 3	1,316,407	99,143,897.30
Component 4	1,180,502	92,721,980.16
Component 5	410,263	29,819,236.62
Crisis Modifier	165,909	8,809,403.00
Grants (pass-thru)	215,701	114,461,956.00
Total	6,700,000	559,380,207.59



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