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ANNEX II

to the Commission Implementing Decision on the financing of the annual action plan in favour of Sri Lanka for 2024

Action Document for AgriGreen Initiative - Green Economic Growth through Sustainable Agricultural Practices

ANNUAL PLAN

This document constitutes the annual work programme within the meaning of Article 110(2) of the Financial Regulation, within the meaning of Article 23 of the NDICI-Global Europe Regulation.

1 SYNOPSIS

1.1 Action Summary Table

1. Title CRIS/OPSYS business reference Basic Act	AgriGreen Initiative - Green Economic Growth through Sustainable Agricultural Practices OPSYS number: ACT-62600 Financed under the Neighbourhood, Development and International Cooperation Instrument (NDICI-Global Europe)
2. Team Europe Initiative	No
3. Zone benefiting from the action	The action shall be carried out in Sri Lanka
4. Programme document	Multi-annual indicative programme (MIP) for Sri Lanka 2021-2027
5. Link with relevant MIP(s) objectives / expected results	MIP Priority Area 1: Green recovery Specific Objective 1: The specific objective is to catalyse a shift to more sustainable and environmentally responsible agricultural practices , in selected value chains and with special attention to youth (school children) and women.
PRIORITY AREAS AND SECTOR INFORMATION	
6. Priority Area(s), sectors	Priority area 1 : Green recovery DAC codes: 410 General environment protection, 250 Business and other services
7. Sustainable Development Goals (SDGs)	Main SDG (1 only): SDG 2 Zero Hunger Other significant SDGs (up to 9) and where appropriate, targets: SDG 1 End Poverty SDG 4 Quality Education SDG 5 Gender Equality SDG 6 Clean Water and Sanitation SDG 8 Decent Work and Economic Growth (Target 8.3) SDG 12 Responsible Consumption and Production SDG 13 Climate Action SDG 15 Life on Land
8 a) DAC code(s)	31120 - Agricultural development
8 b) Main Delivery Channel	40000 – Multilateral organisations

9. Targets	<Please, indicate (if relevant) to which target(s) (including NDICI-Global Europe Regulation, INTPA and EU targets) this action is contributing to (indicatively)> <input type="checkbox"/> Migration <input checked="" type="checkbox"/> Climate <input checked="" type="checkbox"/> Social inclusion and Human Development <input checked="" type="checkbox"/> Gender <input checked="" type="checkbox"/> Biodiversity <input checked="" type="checkbox"/> Education <input type="checkbox"/> Human Rights, Democracy and Governance			
10. Markers (from DAC form)	General policy objective @	Not targeted	Significant objective	Principal objective
	Participation development/good governance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Aid to environment @	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	Gender equality and women's and girl's empowerment	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Reproductive, maternal, new-born and child health	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	Disaster Risk Reduction @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Inclusion of persons with Disabilities @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Nutrition @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	RIO Convention markers	Not targeted	Significant objective	Principal objective
	Biological diversity @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Combat desertification @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Climate change adaptation @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
11. Internal markers and Tags:	Policy objectives	Not targeted	Significant objective	Principal objective
	Digitalisation @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	digital connectivity digital governance digital entrepreneurship digital skills/literacy digital services	YES <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	NO <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	
	Connectivity @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	digital connectivity energy transport health education and research	YES <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	NO <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	
	Migration @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Reduction of Inequalities @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Covid-19	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
BUDGET INFORMATION				
12. Amounts concerned	Budget line(s) (article, item): 14.020131 Total estimated cost: EUR 8 000 000			

	Total amount of EU budget contribution: EUR 8 000 000
MANAGEMENT AND IMPLEMENTATION	
13. Type of financing	Direct Management through Grants Indirect management with the entity(ies) to be selected in accordance with the criteria set out in section 4.4.

1.2 Summary of the Action

The Action takes place in Sri Lanka country-wide and it is part of the EU's response to the continuing economic crisis. It provides support against the backdrop of Sri Lanka's recovery from recent economic turmoil, marked by challenges stemming from a recent debt default and reduced access to vital imports, notably fuel and fertilizers, crucial for the agricultural sector. Despite these hurdles, agriculture remains pivotal to Sri Lanka's economy, providing livelihoods and sustenance, particularly in rural areas.

Building upon the successes and lessons learnt of prior EU initiatives in agricultural policy and investments, this project aligns with the Multiannual Indicatives Programme's (MIP 2021-2027) green recovery priority, aiming to address immediate needs arising from the ongoing crisis. Central to this endeavour is to enhance agricultural sustainability and diversification that can increase resilience for future shocks and crises, while at the same time fostering environmental protection and economic empowerment. More specifically, the action aims to support sustainable practices along the maize value chain, supplementing existing support for rice cultivation, and emphasizing the involvement of youth and women in adopting eco-friendly agricultural techniques.

At its core, the project seeks to advance a sustainable, gender-responsive, and resource-efficient agri-food system, promoting a collaborative framework that interconnects education with local sustainable practices. Through a multi-pronged approach, it endeavours to achieve the **overall objective** to support the **transition to green economic growth** where sustainable and gender-responsive consumption and production practices and food security are ensured. The **specific objective** is to catalyse a **shift to more sustainable and environmentally responsible agricultural practices**, in selected value chains and with special attention to youth (school children) and women. At the heart of this integrated approach lies a commitment to environmental stewardship, women's and community empowerment, and sustainability across selected value chains, i.e. the maize and home-gardens as well as including the youth in activities, in particular through school programmes.

The **Outputs** to be delivered by this action to contribute to the specific objective are therefore:

Output 1: Increased application of sustainable agricultural production practices capacity by small-scale maize producers: supporting service delivery to small holder women and men farmers to adopt sustainable, agro-ecological and eco-friendly practices, including appropriate cropping pattern system, integrated plant nutrient management with reduced chemical input usage, integrated pest management, improved water management, and conservation farming, resulting in improved productivity, improved soil health and reduced environmental impact by the end of the programme. The capacity of small holder maize farmers, both male and female, will be strengthened with environment friendly technologies, increased equal access to inputs and machinery as well as land management options enabling sustainable, gender-responsive and productive farming. Additionally, post-harvest losses will be reduced with improved capacity for processing and value addition with increased market access.

Output 2: Increased number of sustainable agricultural production school programmes established: supporting the education system to providing hands-on education for students on sustainable agriculture, nutrition sensitive healthy diets, and environmental stewardship, thereby fostering a culture of nature based sustainable food production and consumption with and within the coming generation. The transfer of knowledge from the field to the classroom ensures a seamless connection between practical experiences and theoretical learning. Appropriate training modules and demonstrations will be created.

Output 3: Improved capacity of women for practicing sustainable home-based production, processing and marketing: improve services to empower women-headed households practising agriculture with the knowledge, skill and resources necessary to establish and maintain home production in particular home-gardens, ensuring year-round access to nutritious, locally grown produce, while simultaneously promoting women's economic independence through entrepreneurial capacity building and market linkages.

Maize and other value-added products are an integral part of the programme, once again drawing extensively from the knowledge and experience gained under Output 1. Knowledge products of green and sustainable farming practices and on nutrition produced under Output 2 would be extensively used to train household in sustainable farming practices. Women will be trained on nature-based home production and additional income generating activities and the access to relevant inputs will be addressed. Lessons learnt and synergies from previous EU interventions in the area will be applied.

The project's interconnected outputs foster a dynamic ecosystem of learning, innovation, and collaboration around sustainable agriculture. This ecosystem brings together diverse stakeholders to collectively work towards common goals of promoting sustainable food production and consumption practices. By strengthening public services in these areas, the project aims to embed and amplify these sustainable practices within local communities.

Implementation is envisaged by indirect management with an international organisation (Outputs 1 and 2) as well as grants (Output 3) - with EU Delegation– Sri Lanka government policy dialogue and implementation steering and oversight.

2 RATIONALE

2.1 Context

In early 2022, Sri Lanka plunged into a multifaceted crisis spanning politics, economics, and finance, primarily ignited by an unsustainable debt burden and a shortfall in foreign currency reserves, culminating in an external debt default in May 2022. The crisis was compounded by inadequate imports of critical commodities such as fuel, fertilizers, and medicines. Moreover, global factors including the escalation of international commodity prices, fuelled by Russia's aggression against Ukraine, and severe disruptions in the supply chain exacerbated the situation. These events collectively exacerbated challenges within the country's agriculture sector, significantly impacting the nation's food and nutrition security.

Agriculture serves as the cornerstone of Sri Lanka's economy, playing a pivotal role in providing livelihoods and sustenance for its populace. With approximately 82% of the total population residing in rural areas, agriculture acts as a crucial buffer for the rural poor against economic uncertainties, environmental challenges, and climate-related shocks. Small-scale farmers, constituting nearly half of the impoverished rural population, heavily rely on agriculture for their livelihoods. Their resilience in the face of adverse conditions underscores the significance of agriculture as a lifeline for vulnerable communities. Sri Lanka's vulnerability to extreme weather events is a pressing concern, consistently ranking among the top ten countries at risk according to the Global Climate Risk Index. In this context, the resilience and adaptability of the agricultural sector are paramount, as it not only sustains livelihoods but also contributes to the country's overall food security and economic stability amidst environmental and climate uncertainties.

Prior to the crisis, the EU's approach to support Sri Lanka's agriculture development was based on supporting policy development as well as investments in agriculture modernisation. Due to the various crisis (decades long civil war, Tsunami in 2004, Easter bombing in 2019, corona virus 2020-21, and debt default in 2022) which culminated in the 2022 economic and political crisis, the EU had to shift the focus of support to address very basic needs. In agriculture, that included access and management of agriculture inputs. Now, the emphasis is slowly returning to support Sri Lanka's agricultural sector transition through sustained, policy-oriented development cooperation. Direct support, complementing government services, is however still required. Additional effective and systematic interventions are imperative to address the ongoing food security challenges and facilitate the shift towards low-carbon and environmentally sustainable food systems.

Aligned with the Multi-annual Indicative Program (MIP) for Sri Lanka 2021-2027 and the principles of the EU's Green Deal, the Action encompasses promotion of sustainable farming, safeguarding biodiversity and ensure sustainable resource utilization, including the advancement of circular economy practices. Furthermore, the Action aligns seamlessly with the EU Strategy for Cooperation in the Indo-Pacific, EU Gender Action Plan III, and CLIP Sri Lanka, contributing significantly to the objectives of the Global Gateway partnership.

The Action's approach is harmonized with the Paris Agreement and the 2030 Agenda for Sustainable Development, reinforcing the government of Sri Lanka's commitment to meeting international obligations, including those established at COP. However, it's crucial to acknowledge the prevailing financial challenges in Sri Lanka, which

have resulted in reduced public and private spending and investment. The sustainability of the recent recovery remains uncertain and warrants close monitoring. The current Action has to be seen in this context of transition.

2.2 Problem Analysis

Sri Lanka's agricultural sector, supporting nearly a quarter of its population, faces significant challenges despite its pivotal role in the economy. Despite being a middle-income country, the agricultural sector's growth has not kept pace, evidenced by its declining contribution to GDP, which stood at 7.5% in 2022.

The recent economic and political crisis has further exacerbated existing issues, leading to acute shortages and price spikes in essential goods, particularly food and agricultural inputs. This crisis has severely disrupted agricultural production, with staple crops such as rice, maize, and vegetables experiencing significant declines. Over 60% of families report reduced food consumption amid the crisis.

While Sri Lanka boasts fertile land suitable for a variety of crops, including rice and maize, some potential remains untapped. Earlier initiatives like the EU-funded "RiceUP" project have provided support to rice farming. By creating dynamic learning environments and fostering peer-to-peer learning, the RiceUP project could catalyse widespread adoption of sustainable Integrated Plant Nutrition Management (IPNM) practices, unlocking the opportunities for further expanding the full agricultural potential. Some support has previously been provided for maize seed production through the Agriculture Sector Modernisation Project (ASMP).

Farming of maize, in particular, which is the second most important staple crop farming, continues to suffer from unsustainable practices. Inefficient resource management and reliance on traditional chemical-intensive management practices contribute to soil degradation and biodiversity loss, threatening long-term agricultural viability. There is a general lack of understanding amongst producers how to use and apply farming inputs in a sustainable and economically sensible way. Especially **young** people are increasingly losing interest in pursuing agricultural activities. Lack of entrepreneurial training and awareness of modern, climate-smart agricultural practices have further deterred youth engagement in agriculture. Youth disengagement from agriculture hinders climate adaptation efforts by limiting the adoption of climate-smart practices, such as agro-ecology¹ and sustainable land management techniques. The lack of young farmers also reduces the sector's capacity to innovate and adapt to climate change impacts, such as changing precipitation patterns and increased frequency of extreme weather events.

Women, particularly in rural areas, face significant barriers to participation in agriculture and entrepreneurship. Gender disparities in access to resources, education, and employment opportunities hinder women's empowerment and perpetuate economic vulnerability among women-headed households. Empowering women in food production, nutrition and value addition enhances climate resilience by promoting gender-sensitive approaches to climate adaptation and fostering equitable access to resources and decision-making processes. To address this, it is important to promote gender-sensitive extension services and capacity-building programmes for women farmers to ensure their participation in decision making process. To that end, the recently adopted CFS² voluntary guidelines on gender equality and women empowerment might be considered for guidance. Equally important would be to establish producer groups focused on home production (e.g. home-gardening).

Identification of main stakeholders and corresponding institutional and/or organisational issues (mandates, potential roles, and capacities) to be covered by the action:

The private sector, notably small-scale agricultural producers, will be at the core of activities related to a transition towards a green, inclusive and environmentally sustainable maize farming ecosystem through the adoption of sustainable and gender-responsive practices and technologies. More specifically, small-scale producers, Farmer Producer Organisations (FPO), processors, traders, wholesalers and retailers engaged in maize value chains will be covered by the proposed interventions. Women-led FPOs and processing units will be specifically targeted during implementation. In order to facilitate this transition, Business Development Service

¹ [Overview | Agroecology Knowledge Hub | Food and Agriculture Organization of the United Nations \(fao.org\)](#)

² Committee on World Food security : [Voluntary Guidelines on Gender Equality and Women's and Girls' Empowerment in the Context of Food Security and Nutrition \(fao.org\)](#)

(BDS) providers, Business Membership Organisations (BMOs), and research institutes will be targeted. These will provide technical services and advice to businesses willing to invest in more sustainable and gender-responsive practices and technologies.

Sri Lankan government authorities (duty-bearers): The Ministry of Agriculture is the lead ministry for the implementation of activities, including its various departments. Other Ministries will be included for certain activities, e.g. the Ministry of Education for the school activities; the Ministry of Public Administration, Home Affairs, Provincial Councils, and Local Government for the cooperation with local Government actors.

Schools – teachers and students (as rights-holders), will be at the core of activities related to promoting nature based and sustainable agriculture practices. For improving the capacity of school children on sustainable agriculture and fostering entrepreneurial skills, school students, principals, teachers, and parents, among others, will be covered by this action. Technical Development Service providers will provide technical support in developing digital tools and enhancing the capacity of stakeholders in maintaining the digital tools. Effective use of social media platform will be made for wide diffusion of knowledge and experience and accessibility will be taken into account to attend the specific needs of students with disabilities, if relevant.

Civil Society Organisations (CSOs) will play a key role in the intervention, particularly in coordinating the logistics of the intervention along with creating awareness about accessible and gender-responsive nature-based school programmes.

Women headed households (as rights-holders), practicing agriculture, will be at the core of activities related to establishing and maintaining productive home production (e.g. gardens). Capacity building, provision of inputs, improving market linkages and promoting meaningful participation in additional income-generating activities will be covered by this action.

3 DESCRIPTION OF THE ACTION

3.1 Objectives and Expected Outputs

The **Overall Objective** (OO) is to support the transition to green economic growth, ensuring inclusive sustainable consumption and production practices, poverty alleviation, food security and nutrition, especially for youth and women.

The **Specific Objective(s)** (SOs) is to catalyse a shift to more sustainable and environmentally responsible agricultural practices in selected value chains and with special attention to youth (school children) and women.

The **Outputs** to be delivered by this action include:

Output 1: Increased application of sustainable agricultural production practices capacity by small-scale maize producers;

Output 2: Increased number of sustainable agricultural production school programmes established;

Output 3: Improved capacity of women for practicing sustainable home-based production, processing and marketing.

The Action will indicatively target:

regarding Output 1, farmers in the maize growing areas in the dry and intermediate zones of Sri Lanka ³;

regarding output 2, schools in the locations covered by Output 1 as well as locations in the central highlands which are targeted by the parallel AAP 2024 Action “Fostering Sustainable Economic Recovery through Improved Biodiversity and Sustainable Waste Management”;

and Output 3 will target the vulnerable population in the same priority areas as for Outputs 1 and 2, which may be complemented by others depending on needs, e.g. women headed households in ex-conflict areas.

³ Including indicatively Anuradhapura, Ampara, Badulla, Moneragala, Matale and Batticaloa districts

3.2 Indicative Activities

The following indicative activities will be carried out in close cooperation with and in support of the services delivered the respective Ministries:

Indicative activities relating to Output 1:

- Strengthen service delivery to build capacity for farmers for Climate Smart Good Agriculture Practices (CSGAP) as well as on efficient land management through adoption of climate resilient and sustainable and circular production practices including conservation agriculture, through farmer field schools, online training and through demonstration and adaptive research trial plots.
- Facilitate equal access to technologies to reduce post-harvest losses and promote primary processing and local value addition.
- Strengthen the capacity of maize farmers and processors on best practices in the value addition and marketing and facilitate equal access to processing inputs/technologies through pilots.
- Strengthen coordination among value chain actors (including women farmer organisations) for improved market linkages and develop market information systems for maize.
- Improve equal access to sustainable green inputs and modern technologies (including climate resilient maize hybrids, bio-fertilizers and bio-pesticides, technologically interventions through appropriate machinery and tools) that can ultimately increase productivity of maize and intercropped cereal/legume and the circularity of materials (for example for energy and biofertilizer).
- Conduct soil testing and provide recommendations for conservation and nutrient management and strengthen extension services to provide ongoing support to women and men farmers, including through farmer field schools for experimental learning and knowledge exchange.
- Build capacity for business consideration for input use, including awareness of economic profitability

Indicative activities relating to Output 2:

- Support the capacities of the Ministry of Education for establishing accessible nature-based programmes including school gardens through developing a curriculum and provision of inputs, tools and technical assistance.
- Train teachers and students on sustainable and food production and support development of transformative and accessible educational material for students on the sustainable farming, nutrition, composting, environmental stewardship, and imparting entrepreneurial knowledge and skills.
- Enhance the capacity of the interactive digital platform and government entities to coordinate and monitor the school programme activities.
- Build capacity for students for business consideration for input use, including awareness of economic profitability.

Indicative activities relating to Output 3:

- Strengthen the capacities of the Ministry of Agriculture to train women on nutrition-sensitive, home-based production practices through learning and technology demonstrations and improved access to quality inputs and tools.
- Strengthen the attention to nutritional status of the household members in food production decision making.
- Strengthen entrepreneurial skills including financial / business criteria for decision making.
- Improve women's value addition and marketing skills for home-made processing.
- Improve capacity of women in production of value-added products to optimise use of market networks for improved market linkages and the promotion of agribusiness ventures.

3.3 Mainstreaming

Environmental Protection and Climate Change

The Action will directly contribute to environmental protection by promoting sustainable agriculture, biodiversity management at the local level, and in the context of greening the economy. It will indirectly contribute to climate

change adaptation through the use of resilient production practices, sustainable Natural Resource Management (NRM) and reducing food losses, which would also reduce the climate impact of food waste on the environment. Also, specifically for financial support, the local sustainable finance taxonomy might be used as a screening tool when selecting beneficiaries.

Gender equality and empowerment of women and girls:

As per the OECD Gender DAC codes identified in section 1.1, this action is labelled as G1 - gender equality is an important objective in this programme. This implies that a gender analysis of the activities will be conducted during the inception phase in alignment with the III EU Gender Action Plan (Thematic areas “Promoting economic and social rights and empowering girls and women” and “The challenges and harnessing the opportunities offered by the green transition and the digital transformation”) and CLIP Sri Lanka. Findings from this analysis will allow to develop more specific indicators to analyse women’s participation and the potential impact of the activities on promoting women’s empowerment. The Action has a specific focus on gender equality and women’s empowerment, especially the SO3 that will target and support women to increase their food security, resilience, and improve their economic livelihood through home production, entrepreneurial skills and additional income-generating activities. To overcome patriarchal socio-cultural norms and promote a more transformative impact of the Action reflexion about the structural causes of gender inequality and discriminatory gender stereotypes and roles in the agriculture sector will be foster through the activities, paying particular attention to engage men and boys in this discussion.

Human Rights

Human (and more specifically labour and environmental) rights will be mainstreamed in supported value chains (maize under Strengthening Sustainable Maize Agrifood System, and fruits and vegetables under the nature-based School Programme) and benefitting entities. The Action adopts to the extent possible, a human rights-based approach and its working principles of applying all human rights for all, meaningful and inclusive participation and access to decision-making, non-discrimination and equality, accountability and rule of law for all and transparency and access to information supported by disaggregated data.

Disability

As per OECD Disability DAC codes identified in section 1.1, this action is labelled as D1. This implies that the Action, in alignment with the 2021-2030 EU Disability Strategy, will ensure, through its beneficiary selection process and the accessibility criteria to all activities, coverage of those suffering with any form of disability ensuring appropriate intervention activities for them.

Reduction of inequalities

Through the action, small holder, farmers living in poor and vulnerable situations will see an increase in their returns to investment and also benefit from higher resilience. School children (including those with disabilities, if relevant) and women in rural communities will learn lessons on entrepreneurship, readying them for fruitful economic endeavours ahead.

Democracy

The Action will promote multi-stakeholders dialogue and therefore contribute to the democratic approaches in the sector.

Conflict sensitivity, peace and resilience

The Action will have a strong emphasis on promoting through activities the adoption of environmental, social and governance practices. The Action will also directly contribute to building the economic resilience in the sectors and geographical areas identified which are poor and fragile, as well as improving sustainable practices in farming and food security, etc. A Do-No-Harm and conflict sensitive approach should be applied at all times, especially if political instability and unrest continues and in relation to the broader impacts of the economic crisis on vulnerable and marginalised groups, including rural populations, women and children.

Disaster Risk Reduction

The Action will contribute to the reduction of human-made disasters risks, such as pollution/waste of natural resources (food crisis induced by low production and waste).

Other considerations if relevant

N/A

3.4 Risks and Lessons Learnt

Category	Risks	Likelihood (High/ Medium/ Low)	Impact (High/ Medium/ Low)	Mitigating measures
External environment	Political instability	Medium	High	Political risks will be mitigated by continuous dialogue with all stakeholders to ensure that the project will be seen as an opportunity for ameliorating the condition of the farming community, school children and women.
External environment	Climate risks and frequent climate related disasters	Medium	High	Risks will be mitigated through climate smart agricultural and natural resource management practices and inputs.
External environment	Market challenges: value chain fragmentation, unfair competition (monopolies), etc might prevent emerging technologies, adoption of innovative products and solutions.	Low	High	Working closely with all stakeholders (especially representatives of the public and private sector) throughout the value chain to promote fair opportunities.
External environment	Resistance to address structural causes of inequalities , in particular discriminatory and patriarchal norms and attitudes.	Medium	High	A robust gender analysis (including an intersectional approach and addressing the structural causes of discrimination) will be carried out during the inception phase in order to inform the implementation of the different activities. Engagement with the Ministry of Women, Child Affairs and Social Empowerment and relevant focal points in the rest of institutions will be promoted.
External environment	Lack of access to green financing including forex and high interest rates to support investment.	Medium	High	The possible incapacity to import equipment, products or services due to forex limitations could be offset by the action supporting locally developed products and solutions.

Lessons Learnt:

The Action draws from insights gained in previous EU-funded initiatives in cooperation with the Ministry of Agriculture, including the ongoing Agriculture Sector Modernisation Project (ASMP) and RiceUp. These experiences underscore the importance of promoting and building capacity on nature-based agricultural practices for long-term sustainability. Such capacity shall be strengthened among different segments of local communities in order to be sustainable (particularly farmers, youth and women). These interventions proven that provision of agri-inputs or technologies has to be accompanied by capacity building of local agricultural actors, to have a chance to be sustainable and transformative.

The programme's school component builds upon lessons learned from earlier school garden pilot projects supported by the government with assistance from other donors. These pilots have been successful, with active student and school engagement in local communities and also on social media, ensuing interest and promoting ownership. The success of it has been acknowledged by the Ministry of Education who is keen to extend such activities nation-wide. Lessons learnt from these projects however also show the need to plan well in advance when working with schools, especially regarding school holidays etc. where agriculture projects will still need to be attended to.

Additionally, the home production component will leverage knowledge from past and ongoing EU-funded interventions delivered by various NGO specifically focusing on home and school gardens, such as Assisting Communities in Creating Environmental and Nutritional Development (ACCEND), Reaching the Unreached Estates and Surrounding Communities on Equitable Water, Sanitation, Hygiene for improved health and nutrition (WASH-RTU), Developing Resources and Empowering Communities for Improved Food Security and Enhanced Nature & Community-focused Tourism (DeREC), Addressing the Immediate and Medium-term Needs of the Rural & Estate Communities in Creating Environmental and Nutritional Development (AIM-RECCEND) and CSOs Improving Nutrition in Tea Estate and Rural Communities through Enhanced Service Delivery and Empowerment (CSO-INTERCEDE) projects. These interventions have consistently shown effectiveness, notably in transforming lives of women and children in estate and rural villages. They ensure improved quality nutrition for households, leading to better health and livelihoods, and empowering individuals within their local communities. However, to sustain these positive impacts and extend them to wider geographical areas, it is crucial to provide continuous and ample support for capacity building and skill development. Overall, it must be recognised that addressing basic needs during the economic crisis somewhat limits the ability to apply lessons learned from pre-crisis periods, where more ambitious options existed for cooperation between Ministries, policy development, dialogue on sector performance, budget allocation and other.

3.5 The Intervention Logic

The underlying intervention logic for this action is that by promoting environmentally sustainable agriculture practices, the EU will contribute to Sri Lanka's transition to green and inclusive economic growth where sustainable consumption and production practices, circular economy, and poverty alleviation are ensured, and the food security and nutrition improved in a period of continuing financial and economic crisis.

Furthermore, IF the capacity of both male and female maize farmers improves in climate-smart and good agricultural practices, AND their equal access to sustainable inputs and technologies increases, THEN it will foster an environmentally sustainable, inclusive, and productive maize-based farming system in Sri Lanka.

IF schools receive support and incentives, AND teachers and students undergo training, AND a suitable curriculum is developed for nature-based school programmes, THEN a generation of environmentally conscious and empowered individuals will emerge. These individuals will actively promote sustainable and gender-responsive practices, advocate for nature conservation, and apply critical thinking skills acquired through the nature-based school programme to address environmental challenges.

IF women are empowered through nutrition sensitive, nature-based home production practices, AND alternate livelihood interventions focus on capacity building and training, THEN it will improve income and nutrition status of participating households and create a community at large where women champion sustainable living practices, benefiting the environment and society.

3.6 Logical Framework Matrix

This indicative logframe constitutes the basis for the monitoring, reporting and evaluation of the intervention.

On the basis of this logframe matrix, a more detailed logframe (or several) may be developed at contracting stage. In case baselines and targets are not available for the action, they should be informed for each indicator at signature of the contract(s) linked to this AD, or in the first progress report at the latest. New columns may be added to set intermediary targets (milestones) for the Output and Outcome indicators whenever it is relevant.

- At inception, the first progress report should include the complete logframe (e.g. including baselines/targets).
- Progress reports should provide an updated logframe with current values for each indicator.
- The final report should enclose the logframe with baseline and final values for each indicator.

The indicative logical framework matrix may evolve during the lifetime of the action depending on the different implementation modalities of this action.

The activities, the expected Outputs and related indicators, targets and baselines included in the logframe matrix may be updated during the implementation of the action, no amendment being required to the Financing Decision.

• PROJECT MODALITY

Results	Results chain (@): Main expected results (maximum 10)	Indicators (@): (at least one indicator per expected result)	Baselines (values and years)	Targets (values and years)	Sources of data	Assumptions
Impact	Transition to green economic growth, ensuring inclusive sustainable consumption and production practices, poverty alleviation, food security and nutrition, especially for youth and women	<ol style="list-style-type: none"> 1. Average income of small-scale food producers, by sex and indigenous status (SDG 2.3.2) 2. Prevalence of moderate or severe food insecurity in the population (SDG 2.1.2) 	TBD (at inception)	TBD (at inception)	Baseline and endline surveys conducted and budgeted by the EU funded intervention. Progress reports of the EU-funded intervention Database of beneficiaries (disaggregated by sex, age and disability, if possible)	

Results	Results chain (@): Main expected results (maximum 10)	Indicators (@): (at least one indicator per expected result)	Baselines (values and years)	Targets (values and years)	Sources of data	Assumptions
Outcome	To catalyse a shift to more sustainable agricultural practices in selected value chains and focusing specifically on youth (school children) and women.	<ol style="list-style-type: none"> 1. Number of smallholders reached with EU supported interventions aimed to increase their sustainable production, access to markets and/or security of land (GERF 2.1) 2. Areas of agricultural and pastoral ecosystems where sustainable management practices have been introduced with EU support (ha) [SP][EFSD]† GERF 2.2 3. Number of women benefiting from incentives used to encourage women's entry into the green economy and the circular economy (GAP III indicator) 4. Number of practices aimed at removing barriers preventing women from market access, investment and business development (GAP III) 	TBD (at inception)	TBD (at inception)	<p>For all indicators:</p> <p>Baseline and endline surveys conducted and budgeted by the EU funded intervention.</p> <p>Progress reports of the EU-funded intervention</p> <p>Database of beneficiaries (disaggregated by sex, age and disability, if possible)</p>	x
Output 1	Increased application of sustainable agricultural production practices by small-scale maize producers.	<ol style="list-style-type: none"> 1. Number of maize farmers trained by the EU-funded intervention with increased knowledge and/or skills on Good Agriculture Practices (GAP) and other climate resilient, sustainable and circular production practices, disaggregated by sex (disaggregated by sex and age, as well as disability if possible); 	TBD (at inception)	TBD (at inception)	<p>For all indicators:</p> <p>Baseline and endline surveys conducted and budgeted by the EU funded intervention.</p> <p>Progress reports of the EU-funded intervention</p> <p>Database of beneficiaries (disaggregated by sex, age and disability, if possible)</p>	

Results	Results chain (@): Main expected results (maximum 10)	Indicators (@): (at least one indicator per expected result)	Baselines (values and years)	Targets (values and years)	Sources of data	Assumptions
		2. Number of maize value chain actors trained by the EU-funded intervention with increased knowledge and/or skills on post-harvest practices disaggregated by sex and age.			For indicator 1 and 2 (in addition to the above): Pre and post-training test reports Curriculum/training material	
Output 2	Increased number of sustainable agricultural production school programmes established.	1. Number of schools participating in the nature-based school programme, and adapting the developed curriculum; 2. Number of students participating in the nature-based school programme disaggregated by sex and age, as well as disability if possible.	TBD (at inception)	TBD (at inception)	For all indicators: Baseline and endline surveys conducted and budgeted by the EU funded intervention. Progress reports of the EU-funded intervention Database of beneficiaries (disaggregated by sex, age and disability, if possible) For indicator 1 and 4 (in addition to the above): Pre and post-training test reports Curriculum/training material	
Output 3	Improved capacity of women for practicing sustainable home-based production, processing and marketing.	1. Number of women practicing nature-based home production with support of the EU-funded intervention (disaggregated by age, as well as disability if relevant); 2. Number of women practicing additional income generating activities with support of the EU-funded intervention (disaggregated	TBD (at inception)	TBD (at inception)	For all indicators: Baseline and endline surveys. Progress reports of the EU-funded intervention	

Results	Results chain (@): Main expected results (maximum 10)	Indicators (@): (at least one indicator per expected result)	Baselines (values and years)	Targets (values and years)	Sources of data	Assumptions
		by age, as well as disability if relevant); 3. Nutrition status of participating households				

4 IMPLEMENTATION ARRANGEMENTS

4.1 Financing Agreement

In order to implement this action, it is envisaged to conclude a financing agreement with the Democratic Socialist Republic of Sri Lanka.

4.2 Indicative Implementation Period

The indicative operational implementation period of this action, during which the activities described in section 3 will be carried out and the corresponding contracts and agreements implemented, is 60 months from the date of entry into force of the financing agreement.

Extensions of the implementation period may be agreed by the Commission's responsible authorising officer by amending this Financing Decision and the relevant contracts and agreements.

4.3 Implementation of the Budget Support Component [For Budget Support only] N/A

4.4 Implementation Modalities

The Commission will ensure that the EU rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the action with EU restrictive measures.

4.4.1 Direct management (grants)

A part of this action may be implemented in direct management through grant(s).

(a) Purpose of the grant(s)

Implementation through grants entails implementation of Output 3.

(b) Type of applicants targeted

The potential applicants targeted for funding includes NGOs, which will be selected by the Commission's services using the following criteria:

- Experience in providing technical support to agricultural development in Sri Lanka;
- Proven track record of successful project implementation and delivery of tangible outcomes in the Sri Lankan agricultural sector;
- Capacity of the in-country office of the organisation to manage the programme;
- Capacity for providing technical backstopping from the organisation's headquarter and/or in-country office
- Understanding and commitment to promoting the European Union's identity and branding throughout the programme.

4.4.2 Indirect Management with an Entrusted Entity

A part of this action may be implemented in indirect management with an entity, which will be selected by the Commission's services using the following criteria:

- Experience in providing technical support to agricultural development in Sri Lanka;
- Proven track record of successful project implementation and delivery of tangible outcomes in the Sri Lankan agricultural sector;
- Capacity of the in-country office of the organisation to manage the programme;
- Capacity for providing technical backstopping from the organisation's headquarter and/or in-country office;
- Understanding and commitment to promoting the European Union's identity and branding throughout the programme.

The implementation by this entity entails the achievements of all the objectives and results as described under section 3 with reference to Output 1 and 2.

4.4.3 Changes from Indirect to Direct Management Mode (And Vice Versa) Due to Exceptional Circumstances (One Alternative Second Option)

In case of exceptional circumstances outside of the Commission's control, if negotiations with the envisaged entity under Indirect Management mode fails (see 4.4.2 above), the respective part of the Action may be implemented in Direct Management through grants applying the section 4.4.1 above. In case of exceptional circumstances outside of the Commission's control, if negotiations with the envisaged entity under Direct Management mode fails (see 4.4.1 above), the respective part of the Action may be implemented in Indirect Management with an entrusted entity (see 4.4.2 above).

4.5 Scope of geographical eligibility for procurement and grants

The geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of origin of supplies purchased as established in the basic act and set out in the relevant contractual documents shall apply.

The Commission's authorising officer responsible may extend the geographical eligibility on the basis of urgency or of unavailability of services in the markets of the countries or territories concerned, or in other duly substantiated cases where application of the eligibility rules would make the realisation of this action impossible or exceedingly difficult (Article 28(10) NDICI-Global Europe Regulation).

4.6 Indicative Budget

Indicative Budget components	EU contribution (amount in EUR)
Implementation modalities – cf. section 4.4	
Outputs 1 and 2 composed of	
Indirect management with an entrusted entity – cf. Section 4.4.2	6 000 000
Output 3 composed of	
Grants (direct management) - cf. Section 4.4.1	2 000 000
Evaluation – cf. section 5.2 Audit – cf. section 5.3	Covered by another Decision
Totals	8 000 000

4.7 Organisational Set-up and Responsibilities

A Project Steering Committee (PSC) will meet every 6 months and will be co-chaired by the EU and the Government of Sri Lanka.. Implementing partners will report to the PSC. The implementing partner selected for indirect management (Output 1 and 2) is in charge of the PSC's Secretariat. The NGOs selected for direct management (Output 3) will participate as well as other members who are the key stakeholders to the project. The Steering Committee will review and endorse annual project workplans and progress reports in an advisory function to the contracting authority.

5 PERFORMANCE MEASUREMENT

5.1 Monitoring and Reporting

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process, and part of the implementing partner's responsibilities. To this aim, the implementing partner shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final reports. Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results (Outputs and direct Outcomes) as measured by corresponding indicators, using as reference the logframe matrix (for project modality) and the partner's strategy, policy or reform action plan list (for budget support).

Monitoring will assess gender equality results and the implementation of the rights-based approach working principles (applying all human rights for all; meaningful and inclusive participation and access to decision-making; non-discrimination and equality; accountability and rule of law for all; and transparency and access to information supported by disaggregated data). Monitoring will be based on indicators that are disaggregated by sex, age, and disability when applicable.

The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

Roles and responsibilities for data collection, analysis and monitoring:

The implementing partner will track the progress of the Action implementation through a monitoring and reporting framework. The implementing partner will also conduct baseline and endline surveys. The Action can be subject to the Results-Oriented Monitoring (ROM), if needed.

5.2 Evaluation

Having regard to the nature of the Action, a mid-term and/or a final evaluation will be carried out for this action or its components via independent consultants contracted by the Commission or joint missions via an implementing partner.

In case a final evaluation is envisaged, it will be carried out for accountability and learning purposes at various levels (including for policy revision), taking into account in particular the fact that public-private partnerships are to be enhanced; women and vulnerable populations given economic opportunities; and innovative models for biodiversity protection and waste management could be adapted elsewhere if successful in this Action.

Evaluation shall also assess to what extent the action is taking into account the human rights-based approach as well as how it contributes to gender equality and women's empowerment and disability inclusion. Expertise on human rights, disability and gender equality will be ensured in the evaluation teams.

The Commission shall inform the implementing partner at least 3 months in advance of the dates envisaged for the evaluation missions. The implementing partner shall collaborate efficiently and effectively with the evaluation experts, and inter alia provide them with all necessary information and documentation, as well as access to the project premises and activities.

The evaluation reports may be shared with the partners and other key stakeholders following the best practice of evaluation dissemination. The implementing partner and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, apply the necessary adjustments.

The financing of the evaluation may be covered by another measure constituting a Financing Decision.

5.3 Audit and Verifications

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audit or verification assignments for one or several contracts or agreements.

6 STRATEGIC COMMUNICATION AND PUBLIC DIPLOMACY

The 2021-2027 programming cycle adopted a new approach to pooling, programming and deploying strategic communication and public diplomacy resources.

In line with the 2022 “[Communicating and Raising EU Visibility: Guidance for External Actions](#)”, it will remain a contractual obligation for all entities implementing EU-funded external actions to inform the relevant audiences of the Union’s support for their work by displaying the EU emblem and a short funding statement as appropriate on all communication materials related to the actions concerned. This obligation will continue to apply equally, regardless of whether the actions concerned are implemented by the Commission, partner countries, service providers, grant beneficiaries or entrusted or delegated entities such as UN agencies, international financial institutions and agencies of EU member states.

However, action documents for specific sector programmes are in principle no longer required to include a provision for communication and visibility actions promoting the programmes concerned. These resources will instead be consolidated in Cooperation Facilities established by support measure action documents, allowing Delegations to plan and execute multiannual strategic communication and public diplomacy actions with sufficient critical mass to be effective on a national scale.