<table>
<thead>
<tr>
<th>Date of Issue</th>
<th>30 September 2022</th>
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</thead>
<tbody>
<tr>
<td>Project Code</td>
<td>20-AG-33-SP-DON-C-LK01</td>
</tr>
<tr>
<td>Title</td>
<td>Special Program for Capacity Building of Sustainable Food Value Chains for Enhanced Food Safety and Quality in Gampaha District</td>
</tr>
<tr>
<td>Timing and Duration</td>
<td>October 2022–August 2023 (eleven months)</td>
</tr>
<tr>
<td>Hosting Country(ies)</td>
<td>Sri Lanka</td>
</tr>
<tr>
<td>Modality</td>
<td>Virtual and/or face-to-face</td>
</tr>
<tr>
<td>Implementing Organization(s)</td>
<td>National Productivity Secretariat, Sri Lanka</td>
</tr>
<tr>
<td>Participating Country(ies)</td>
<td>Sri Lanka</td>
</tr>
<tr>
<td>Overseas Participants</td>
<td>Not Applicable</td>
</tr>
<tr>
<td>Local Participants</td>
<td>100</td>
</tr>
<tr>
<td>Qualifications of Participants</td>
<td>Senior management or representatives of SMEs in the Gampaha district and professional staff of the National Productivity Secretariat responsible for promoting food safety, quality, and innovation for enhancing productivity</td>
</tr>
<tr>
<td>Nomination of Participants</td>
<td>Not Applicable</td>
</tr>
<tr>
<td>Closing Date for Nominations</td>
<td>Not Applicable</td>
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Notes: This PIP supersedes the PIP issued on 26 April 2022 due to a change in timing and duration. The new schedule is from October 2022 to August 2023.
1. Objectives

a. Assist SMEs in food-related activities in the Gampaha district to develop food safety, quality, and innovation (FSQI) frameworks to modernize food value chains (FVCs) and enhance productivity.

b. Establish demonstration SMEs to showcase modern FSQI processes and results of improvements in a tangible, practical manner.

c. Enhance the consultancy and training capabilities of the National Productivity Secretariat (NPS), Sri Lanka, through its involvement in the project.

2. Background

Enhancing FVCs is a crucial global strategy to achieve food security by ensuring FSQI. FVCs also increase competitive advantage through collaboration in ventures that link all value chain stakeholders. In advanced FVCs, strategic partnerships are developed among interdependent businesses that collaborate in a sequence of value-adding stages, resulting in a collective competitive advantage. FVCs enable different business enterprises to work together to produce and market products and services effectively and efficiently. They also allow agrifood businesses to respond to the marketplace by linking production, processing, transportation, storage, and marketing activities to consumer demand.

Advanced technologies play a crucial role in building reliable, safe, sustainable FVCs. For example, digital technologies such as the cloud, IoT, big data, and AI can help in developing efficient, effective FVCs. Applications of blockchain technology to FVCs can create fool-proof, reliable food traceability systems.

In Sri Lanka, FVCs are receiving increasing attention as the focus of food production shifted from the eradication of hunger and poverty to better, safer food to respond to the increasing demand of the expanding middle class for higher quality. Local consumers are more concerned about whether their food is produced and handled along the value chain in environmentally friendly and socially acceptable ways.

This project will be implemented in Gampaha, a district that has a main fishery harbor as well as the only national fish market catering to the three most populated districts in the country. Many export-related fruit and vegetable processors are also situated in this district as it has the main airport, is close to the main shipping harbor, and has a highly skilled labor force. This district has the highest per capita pork and other meat production and consumption rates but lacks modern consumer- and supplier-related processes. Consumer awareness of the quality of meat products is minimal, however, and product packaging and quality control are in primary stages. This project will assist in improving conditions to achieve higher levels of food safety and quality management.

3. Scope and Methodology

The activities under this project will be conducted either virtually or face-to-face depending on the COVID-19 pandemic situation and comprise the following steps:

Step 1.
Virtual site visits to 10 SMEs selected by the NPS to present their business situations to resource persons. The resource persons will analyze the SMEs’ problems and points for improvement.

Step 2.
The resource persons will virtually present key points for FVC and food safety management to the selected SMEs.

Step 3.
The selected SMEs will virtually consult with resource persons on their problems and receive advice on their FVC and food safety management.
Step 4.
The selected SMEs will virtually visit enterprises with best practices of managing FVCs and food safety management guided by the resource persons to improve their management methods.

Step 5.
The resource persons will evaluate the progress of the selected SMEs through virtual site visits.

Step 6.
The selected SMEs will share their experience in improving their management at a conference for stakeholders in Sri Lanka to disseminate the outcomes.

4. Role and Responsibilities

The roles and responsibilities of the NPS and the APO Secretariat are:

**NPS**

a. Select the target SMEs.
b. Coordinate and facilitate all activities under this project.
c. Invite and assign local resource persons.
d. Make arrangements for the venues and logistics.
e. Invite local participants to and arrange mass media coverage of the dissemination conference.
f. Meet the balance of project implementation costs if the total amount exceeds USD50,000.00.
g. Submit a project completion report to the APO Secretariat, including the financial report and expenditure receipts for the project.

**APO Secretariat**

a. Provide financial support as detailed in section 5.
b. Assign international resource persons for the project.
c. Coordinate with the international resource persons and NPS.

5. Financial Arrangements

5.1 The APO Secretariat will meet all costs related to the honoraria for an international resource person(s).

5.2 The APO Secretariat will also provide financial support to meet the following local implementation costs up to USD50,000.00:

a. Honorarium for local resource persons.
b. Meeting package including meeting rooms with adequate facilities and necessary stationery, materials, and documentation based on the agreed details of the project.
c. Video production fee for dissemination of the project results.
d. Manual production fee.
e. The total amount of financial assistance from the APO Secretariat for this national project should not exceed USD50,000.00. Please see Attachment for a detailed breakdown of the approved project cost.

Upon request by the NPS and after review, the APO Secretariat will transfer 50% of the estimated implementation cost not exceeding USD25,000.00 prior to the implementation of the project.
The NPS will make the agreed expenditures and settle the entire account by providing all necessary proof of payment to the APO Secretariat after completion of the project. The proof of payment, e.g., bills, payment records, and receipts must be issued by third parties, submitted together at one time, and written in clear English, with English translations for all documents not originally written in English. In general, internal evidence, i.e., expenditure evidence issued by the implementing organization, is not accepted as proof of payment and will not be reimbursed. The final payment will be made based on the actual expenditure within 30 days after submission of the financial report and expenditure receipts for the project.

Dr. Indra Pradana Singawinata
Secretary-General