



# HARTI



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**ஆண்டு அறிக்கை**  
**ANNUAL REPORT**  
**2023**

**Hector Kobbekaduwa Agrarian Research and Training Institute**



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# CHAPTER 01

## Institutional Profile/Executive Summary

### 1.1 Introduction

#### About us

Hector Kobbekaduwa Agrarian Research and Training Institute established under the Agrarian Research and Training Act. No. 5 of 1972 is a statutory body functioning under the Ministry of Agriculture. Promotion of policy oriented research and addressing training needs of the agricultural and rural sector are the key objectives of the institution. As a pioneer in the field of agricultural research in the country, the institution has been serving its stakeholders since its inception. It is armed with a wide range of experience gathered by conducting socio-economic research, training and providing information for formulation of development policies for the agricultural sector.

#### Vision

Be the leader for generating and disseminating knowledge for sustainable agrarian and rural development

#### Mission

To strengthen agrarian and rural sector through conducting research and training activities

#### Goals

- To make policy process more effective through knowledge generation and timely dissemination;
- To keep the public informed by providing independent assessments on national policy issues;
- To strengthen the capacity for socio-economic policy analysis by investing in the capacities of its staff and the institute's knowledge base;
- To increase the capacity of rural development stakeholders through training;

#### Objectives

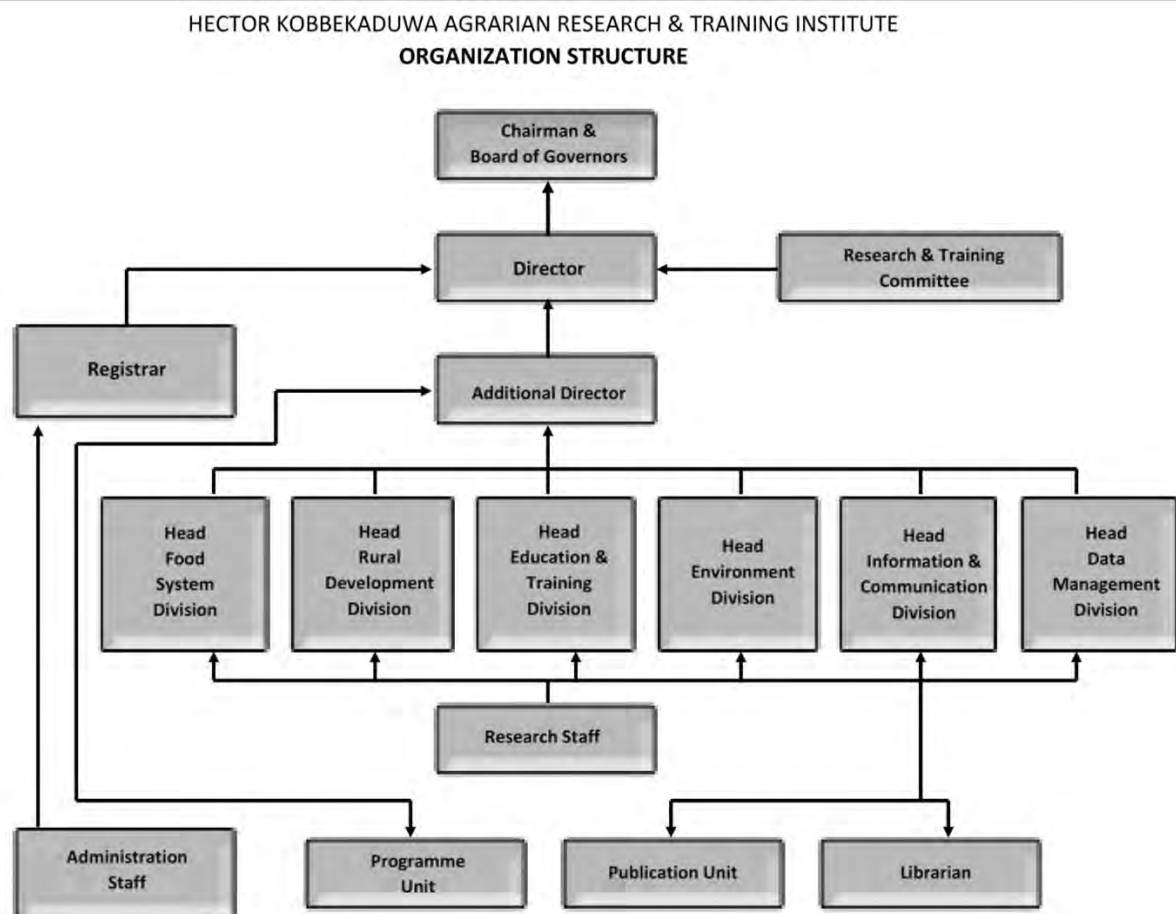
- Timely dissemination of market information to policy makers, farmers and traders;
- Identification of agrarian policy perspectives;
- Research planning-priority setting in agrarian issues;
- Building relationships with public/private sector organizations, universities and regional & international research institutes/agencies;
- Engaging a committed, competent and contented team of employees

#### Strategies

- Strengthen the Research and Training Committee (RTC);
- Agree on thematic areas;
- Ensure uniformity of different types of publications - layout, cover page, pagination, fonts and styles;
- Improve literature review in preparation of research proposal;

- Arrange external review after peer review of all research reports before publication;
- Assign responsibility for each issue of the institute journal to the respective Division;
- Obtain donor assistance to secure services of a professional editor;
- Increase research outputs in local languages;
- Recruit researchers at senior level;
- Explore possibility of engaging expatriates' researchers through the UNDP;
- Establish linkages with universities;
- Disseminate research findings at the end of the year colloquium;
- Introduce measurable performance-based evaluation system;
- Organize faculty development
- Improve quality of printing of the publications

## 1.2 Organizational Chart

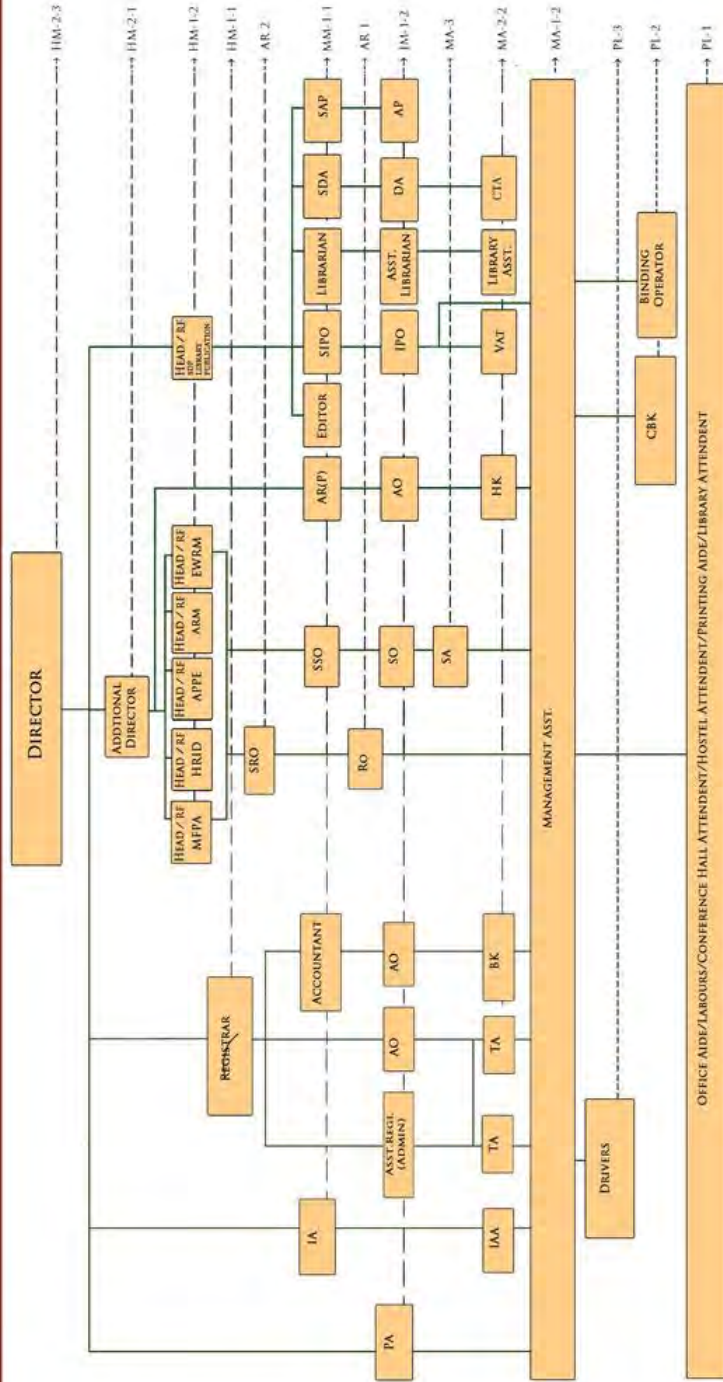






# HECTOR KOBBEKADUWA AGRARIAN RESEARCH & TRAINING INSTITUTE

## ORGANIZATION CHART 2015



1. DIRECTOR	01
2. AD-ADDITIONAL DIRECTOR	01
3. REGISTRAR	01
4. HEAD/REF (RESEARCH FELLOW) MFPA-MARKETING FOOD POLICY	01
5. HEAD/REF (RESEARCH FELLOW) HERID-RESEARCH POLICY	01
6. HEAD/REF (RESEARCH FELLOW) MFPA-AGRICULTURE	05
7. HEAD/REF (RESEARCH FELLOW) MFPA-AGRICULTURE	05
8. HEAD/REF (RESEARCH FELLOW) MFPA-AGRICULTURE	19
9. SRO- SENIOR RESEARCH OFFICER	01
10. IA- INTERNAL AUDITOR	01
11. ASST. DIR. (ADMIN)- ASSISTANT DIRECTOR (ADMINISTRATION)	01
12. ACCOUNTANT	01
13. SSO- SENIOR STATISTICAL OFFICER	01
14. ASST. DIR. (ADMIN)- ASSISTANT DIRECTOR (PROGRAMM)	01
15. ASST. DIR. (ADMIN)- ASSISTANT DIRECTOR (PROGRAMM)	01
16. SIPO- SENIOR INFORMATION & PUBLICATION OFFICER	01
17. LIBRARIAN	01
18. SDA- SENIOR DATA ANALYST	01
19. SAP- SENIOR ANALYST PROGRAMMER	01
20. RO- RESEARCH OFFICER	24
21. ASST. DIR. (ADMIN)- ASSISTANT TO THE DIRECTOR	01
22. AO- ACCOUNTS OFFICER	02
23. AO- ADMINISTRATIVE OFFICER	02
24. SO- STATISTICAL OFFICER	12
25. IFO- INFORMATION & PUBLICATION OFFICER	04
26. ASST. LIBRARIAN	01
27. DA- DATA ANALYST	02
28. AP- ANALYST PROGRAMMER	01
29. SA- STATISTICAL ASSISTANT	30
30. SA- STATISTICAL ASSISTANT	01
31. TA- TRANSPORT ASSISTANT	01
32. TA- TECHNICAL ASSISTANT	02
33. CTA- COMPUTER TECHNICAL ASSISTANT	01
34. BK- BOOK KEEPER	01
35. HK- HOUSE KEEPER	01
36. VAT- VISUAL AIDE TECHNICIAN	02
37. LIBRARY ASSISTANT	02
38. MANAGEMENT ASSISTANT	54
39. MANAGEMENT ASSISTANT	01
40. CIRCUIT BUNGLOW KEEPER	01
41. BINDING OPERATOR	01
42. OFFICE AIDE	01
LABOURS	
CONFERENCE HALL ATTENDANT	33
HOSTEL ATTENDANT	
PRINTING AIDE	
LIBRARY ATTENDANT	
TOTAL	235

### 1.3 BOARD OF GOVERNORS – 2023

Mr. Gunadasa Samarasinghe	-	Secretary, Ministry of Agriculture and Plantation Industries Chairman of the Board of Governors (From January to October 2023)	}
Mr. Janaka Dharmakeerthi	-	Secretary, Ministry of Agriculture and Plantation Industries Chairman of the Board of Governors (From November 2023)	
Dr. G.G. Bandula	-	Director / CEO, Hector Kobbekaduwa Agrarian Research and Training Institute	
Mrs. P. Malathy -Board Member	-	Director General of Agriculture Dept. of Agriculture	
Mr. K.D. Bandula Jayasinghe	do	Land Commissioner General Land Commissioner General's Dept.	
Mr. A.H.M.L. Abeyratne	do	Commissioner General of Agrarian Development Dept. of Agrarian Development	
Ms. (Eng) D.P. Thrimahavithana	do	Director General of Irrigation Department of Irrigation (From January – June 2023)	}
Mr. Ajith Gunasekara	do	Director General of Irrigation Department of Irrigation (From July 2023)	
Mr. D. Jeewanadan	do	Commissioner of Dept. of Co-operative Development and Registrar of Co-operative Societies Dept. of Co-operative Development (From January to September 2023)	}
Ms. H.A. Asha Hapuarachchi	do	Commissioner of Dept. of Co-operative Development and Registrar of Co-operative Societies Dept. of Co-operative Development (From October 2023)	
Mrs. G.D.S.N. Chandrasena	do	Addl. Secretary (Agricultural Development - Ministry of Agriculture 1)	
Mrs. Pubudika S. Bandara	do	Senior Asst. Secretary (Admin) Ministry of Lands	

Ms. D.G. Niluka Kumari	do	Director Ministry of Finance Economic Stabilization and National Policies
Mrs. Aruni S. Ranasinghe	do	Addl. Secretary (Admin) Ministry of Plantation
Mrs. H.I.D.D. Hettiarachchi	do	Director of Education (Agriculture & Environmental Studies) Ministry of Education
Mr. O.M. Jabeer	do	Addl. Secretary (Admin) Ministry of Irrigation
Ms. E.A. Ekanayake	do	Asst. Secretary Ministry of Trade, Commerce and Food Security
Mr. N.A.A. Wijesiri	do	Regional Manager Regional Office of the Central Bank
Professor K.A.S.S. Kodithuwakku	do	Dean / Faculty of Agriculture University of Peradeniya

#### 1.4 Board of Governors Meetings – 2023

Date of the Meeting	No. of Members Attended
1. 28 <sup>th</sup> February 2023	14
2. 11 <sup>th</sup> May 2023	12
3. 27 <sup>th</sup> June 2023	15
4. 29 <sup>th</sup> August 2023	15
5. 26 <sup>th</sup> September 2023	13
6. 28 <sup>th</sup> November 2023	15



## 1.5 Members of the Audit and Management Committee

- |  |   |   |
|--|---|---|
| 1) Ms. D.G. Niluka Kumari (Chairman)     | - | Director<br>Department of Development<br>Finance,<br>Ministry of Finance, Economic<br>Stabilization and National Policies |
| 2) Ms. Gilma Dahanayake (Member)         | - | Addl. Secretary,<br>Ministry of Trade<br>(February 2023)  |
| Ms. E.A. Ekanayake                       | - | Asst. Secretary<br>Ministry of Trade, Commerce<br>and Food Security<br>(From July 2023)                                   |
| 3) Ms. Aruni S. Ranasinghe (Member)      | - | Additional Secretary,<br>Ministry of Plantation   |
| 4) Mr. E.W.G.K. Priyadarshana (Observer) | - | Chief Internal Auditor,<br>Ministry of Agriculture  |
| 5) Ms. M.I. Welarathne (Observer)        | - | Audit Superintendent,<br>Auditor General's Department   |

## 1.6 Audit and Management Committee Meetings – 2023

- |                    |   |  |
|--------------------|---|--|
| Number of Meetings | - | 04   |
| Date of Meetings   | - | 27th February 2023<br>26th July 2023<br>11th August 2023<br>27th November 2023 |

## 1.7 COMPOSITION OF RESEARCH AND TRAINING COMMITTEE 2022/23

No	Name	Designation/Establishment	Research Interests
1	Wijithapura Wimalaratana Prof. (Rev.)	Senior Professor Department of Economics Faculty of Arts University of Colombo	Comparative Economic Development, Rural Development
2	Abeywickrama L. M. (Prof.)	Senior Professor Department of Agricultural Economics & Extension Faculty of Agriculture University of Ruhuna	Environmental Economics
3	Aheeyar M.M.M. (Mr.)	Researcher International Water Management Institute (IWMI)	Water Management
4	Chandrakumara D.P.S. (Prof.)	Senior Professor Department of Economics Faculty of Humanities and Social Science University of Sri Jayewardenepura	Social Sciences
5	Dayawansa N.D.K. (Prof.)	Professor Department of Agriculture Engineering Faculty of Agriculture University of Peradeniya	River Basin Management
6	Dharmasena P.B. (Dr.)	Chief Scientist International Center for Research & Development	Sustainable Water Resources Management
7	Dileepa M. Endagamage (Ms.)	Senior Lecturer Department of Decision Sciences Faculty of Management Studies & Commerce University of Sri Jayewardenepura	Applied Statistics, Operations <i>Research</i> <i>Categorical Data</i> <i>Analysis</i>
8	Fernando A.P.S. (Dr)	Senior Lecturer Department of Agricultural Systems Faculty of Agriculture Rajarata University of Sri Lanka	Land Transactions and Development, Food Security
9	Frank Niranjana (Dr.)	Consultant Former Additional Director Sri Lanka Council for Agricultural Research Policy	Evaluation and Impact Assessment

10	Fredric Abeyratne (Dr.)	Consultant, Policy Initiatives Former Agricultural Economist United Nations Development Program	Agricultural Economics, Policy Analysis
11	Gunathilaka H.M. (Prof.)	Consultant Former Director (Environment and Safeguard) Asian Development Bank	Economics
12	Gunawardena E.R.N. (Prof.)	Senior Professor Department of Agriculture Engineering Faculty of Agriculture University of Peradeniya	Hydrology, Water Policy
13	Keminda Herath (Prof.)	Professor Department of Agribusiness Management Faculty of Agriculture and Plantation Management Wayamba University of Sri Lanka	Applied Statistics, Environmental Modeling
14	Padmini, Chandra (Dr.)	Senior Scientist Sri Lanka Council for Agricultural Research Policy	Research Management
15	Manjula P. Sumith Magamage (Prof.)	Professor Department of Livestock Production Faculty of Agricultural Sciences Sabaragamuwa University of Sri Lanka	Animal Production
16	D.D. Prabhath Vitharana (Eng.)	Consultant Ex- Head of Water Management Division Department of Agrarian Development	Minor irrigation Rehabilitation and Agrarian Development
17	Prasada D.V.P. (Prof.)	Professor Department of Agricultural Economics and Business Management. Faculty of Agriculture University of Peradeniya	Agricultural Economics, International Development
18	Prasanthi Gunawardena (Prof.)	Professor Department of Forestry and Environmental Science Faculty of Applied Science University of Sri Jayewardenepura	Environmental and Resource Economics, Ecological Economics, Natural Resource Management, Environmental Policy

19	Priyanga Dunusinghe (Dr.)	Senior Lecturer Department of Economics Faculty of Arts University of Colombo	Statistics Applied Economics Labour Economics
20	Rupasena L.P. (Dr.)	Senior Lecturer Department of Agricultural Systems Faculty of Agriculture University of Rajatrata	Agricultural Marketing
21	Sooriyakumar K. (Dr.)	Senior Lecturer Department of Agricultural Economics Faculty of Agriculture University of Jaffna	Agricultural Market Analysis, Applied micro and macroeconomics, International Trade
22	Saman K. Herath H.M. (Prof.)	Professor Dean Faculty of Animal Science and Export Agriculture Uva Wellassa University	Soil science
23	Shantha Wijesinghe (Dr.)	Senior Lecturer Department of Geography Faculty of Humanities and Social Science University of Sri Jayewardenepura	Research Methodology, Statistics, Human Resource Planning, Spatial Economics and Dynamics of Industrial location
24	Thivahary Geretharan (Dr.)	Senior Lecturer Department of Agriculture Economics Faculty of Agriculture Eastern University of Sri Lanka	Agricultural Economics
25	Tudor Silva (Prof.)	Professor Emeritus Department of Sociology University of Peradeniya	Sociology
26	Wijeratne D.B.T. (Dr.)	Assistant Representative (Programme) Food and Agriculture Organization of the United Nations	Agricultural Development

## 1.8 Executive Summary

The year posed significant challenges to all agrarian communities, as prevailing socioeconomic conditions in the country were unsupportive. Recognizing this, HARTI identified the situation and devised an action plan aimed at addressing key agrarian issues. This plan included research reports, policy briefs, completed training programs, and the production of mass media communications tailored to the needs of the communities. During the year 2023, eleven research studies were carried out with funding from the Capital Budget allocations. Among these studies, several focused on addressing food security concerns prevalent in the country. Additionally, two studies were conducted to evaluate the impact of the economic crisis on the fruits and vegetable sector, as well as on poultry feed production in Sri Lanka. Furthermore, three studies targeted Climatic Smart Agriculture (CSA) in Sri Lanka. These studies aimed to understand the successes and challenges of CSA, empower climate-vulnerable farmers, and implement climate-smart solutions effectively. Two additional studies concentrated on the processing of the fruit and vegetable industry, along with a comprehensive examination of the potentials and constraints to scaling up the floriculture sector in Sri Lanka. Moreover, two studies centered on animal husbandry and production were undertaken during the year. These studies focused on factors affecting the technical efficiency of dairy production in the dry zone of Sri Lanka, as well as the cost of production of broiler chicken meat and eggs.



Furthermore, as part of the Market Intelligence projects, daily collection of market prices and compilation of weekly and monthly analyses were conducted. Food commodity bulletins were produced and disseminated on a daily, weekly, and monthly basis throughout the period, achieving 100% physical progress. The Institute consistently and promptly responded to requests for data, analysis, and reviews from government institutions and individuals. A total of 1,394 beneficiaries participated in awareness programs aimed at enhancing household food security in rural and peri-urban communities. These programs, spanning 30 sessions across 30 DS divisions in Mullaithivu, Kilinochchi, Moneragala, and Nuwaraeliya districts, saw comprehensive coverage and engagement. Additionally, thirty-three awareness programs targeting women and youth farmers to encourage entrepreneurship in agriculture were successfully completed in the districts of Hambantota, Galle, Matale, Polonnaruwa, and Kurunegala districts, with the participation of 1,386 beneficiaries.

The Institute's knowledge dissemination strategy primarily utilized mass media and publications. Six research reports were published during the period, and to mitigate print costs, all research reports were uploaded to the HARTI website. The first issues of the 'Sri Lanka Journal of Agrarian Studies' for the year 2023, along with its Sinhala counterpart "Govi Katauthu Adhyayanaya," were successfully published. Additionally, the first issue of the 'Govi Jantha' magazine and the first and second issues of newsletters for the year were released. 'Govi Mina,' the Sinhala medium national newspaper in the agricultural sector, saw publication of six monthly issues, while three issues of the 'Govi Mina' Tamil magazine were distributed among farmers, particularly in the Northern and Eastern parts of the country. Furthermore, 26 video documentaries based on the latest research conducted by the institute were produced and disseminated under the banner of "Govi Jana Kathikawatha."

In addition to Treasury Funds, collaborative research studies and consultations were conducted with international organizations such as the FAO, WFP, World Vision, Nippon Koei (JICA Expert team), and DevPro Guarantee Ltd (OXFAM/Australian Aid). These organizations collectively contributed approximately Rs 52 million LKR during the year 2023. These linkages and collaborations have the potential to further enhance the scope of the Institute's work through partnerships with similar institutions.

I would like to take this opportunity to express my sincere gratitude to the entire HARTI team across all staff categories for their immense support in revitalizing the Institute. The Research and Training Committee, which oversees the research process from conceptualization to report production, has also made significant contributions to improving the quality of our work. I am also grateful for the support and guidance provided by the Board of Governors, who have helped ensure that the Institute adheres to the highest standards of compliance. In conclusion, the year 2023 presented its share of challenges, but it was ultimately successful due to the renewed commitment demonstrated by the research and supporting staff.

**Dr. G.G. Bandula - Director / Chief Executive Officer**



## CHAPTER 02

### Progress and the future outlook, special achievement challenges and future goals



## 2.1 Research Divisions

### 01. Food System Division

From a circular economic perspective, the Food Systems are essentially integrated consumption, production, processing and distribution with labor, energy and waste as movers and policy and climate as shapers. However, the FOOD SYSTEM DIVISION reduced to and integrated via elements related to a) Food Utilization, b) Food Access, and c) Food availability.

### 02. Environment Division

The science directs the world in general and agrarian societies like in particular to quickly readjust its agricultural paradigm towards promoting conservation oriented, small-scale farming and innovative water management for the very survival of society. It is therefore with this thought of a long-term engagement to respond to emerging climate science that the ENVIRONMENT DIVISION approaches its mandate.

### 03. Rural Development Division

Rural empowerment must happen through integrated approaches and holistic action, the RURAL DEVELOPEMNT DIVISION focuses its inquiries into both the resultants of existing rural scenarios as well as the underlying causes and factors that gave rise to it. The approach has taken on even greater significance in the light of social, economic and environmental disasters that are attacking all stratum of society with the rural sector being the first to feel their negative impacts with impoverishment an even more significant issues than poverty per se.

### 04. Education & Training Division

The training teams at EDUCATION & TRAINING DIVISION are cognizant of the fact that the volatility of the world is such that no one can prepare anyone else for even short-term eventualities with any level of predictive success. Therefore, while it does take off from the perspective of classic segregation of educational sectors related to agriculture, it is unique in its approach, choosing always to impart tools that can be used in trans disciplinary arenas and not only skills telescoped into single disciplines which have a good chance of going obsolete in a comparatively shorter period of time.

### 05. Data Management Division

The DATA MANAGEMENT DIVISION creating a hub that can capture data up streaming from the grassroots as well as managing and optimizing interagency flow to collate, analyze and publicize critical real time data and information targeting specific audiences. The data teams at HARTI are therefore not only involved in data crunching but also in the acquisition component, working directly with the research teams and other internal and external stakeholders to create leading edge information dissemination systems for the general public, the research fraternity and the policymakers.

### 06. Information & Communication Division

HARTI recognizes that the world has become tiny with the various communications instruments that have ridden the technology wave. It also understands that many people are suffering from information casualness, overload and fallacy. Therefore, the INFORMATION & COMMUNICATIONS DIVISION, understanding the repercussions, has built its information and data marketing methodologies to be targeted, lucid, easily accessible and useable, formulating outputs tailored to specific user goals and disseminated across a wide range of communications channels through substantially automated systems. These systems and the very marketing foundation upon which they are built are customized to suit the age of sustainability and works in tandem with the Information Division for the purpose.

## 2.2 Research Progress

The following research studies completed in the year 2022 and publication process was completed in the year 2023.

01. Comparative Advantage of Fruit Exports in Sri Lanka
02. Import Ban of Fertilizers and Other Agrochemicals: Assessing short-term effects on the Paddy Sector
03. Import Ban on Chemical Fertilizers and Other Agrochemicals: Short-term Impacts on Vegetables.
04. Import Ban on Chemical Fertilizers and Other Agrochemicals: Short-term Impacts on Selected OFCs and Potato Crop.
05. Import Ban on Chemical Fertilizers and Other Agro Chemicals: Effects on Floriculture.
06. Study on the Impact of the Current Economic Crisis on Household Food Security in Sri Lanka; Rural, Estate and Urban sectors.
07. Income Diversification as a Sustainable Livelihood Strategy for Rural Development: An Assessment of Optimal Conditions.
08. Export Potential of Major Fruits in Sri Lanka.
09. Putting Climate Smart Solutions into Action: A guide to evidence-based implementation

The following research studies completed in the year 2023

### 01. Processed Fruit and Vegetable Industry in Sri Lanka: Potentials, Barriers and Prospects

- **Source of Funding:** Consolidated Treasury Funds
- **Research Team:**
  - A.K.A. Dissanayake – Co-Ordinator,
  - P. Wijesinghe – Co researcher,
  - S.P. Fernando – Co researcher,
  - U.D.R. Udari – Co researcher,
  - M.D.D. Perera - Co researcher
- **SDG Goal:** 2 End hunger, achieve food security and improved nutrition and promote sustainable agriculture
- **Main Objective;** To analyze the prevailing status, processing potentials, constraints, marketing system, and consumer demand for the locally processed Fruit and vegetable sector in order to suggest policy measures to enhance the Fruit and Vegetable industry in Sri Lanka.



#### Key Findings:

- a) About 172 local brands and 110 imported brands of processed F&V product category can be seen in the supermarkets and niche markets at surveyed districts. Pineapple (47%), mango (40%), jackfruit (27%), papaw (17%), breadfruit (13%), and woodapple (13%) are the major crops that are used in the F&V processing industry.
- b) The results revealed that majority (93%) of the surveyed processors willing to expand their production in product categories which has high demand in the local and export markets. For an example most of respondents would like to expand the production of fruit drinks and herbal drinks (53%) followed by dehydrated F&V products (40%). Availability of fresh raw materials, high demand amongst consumers, and profits emanating from products were the main stimuluses for the intention to expand their production in near future.



- c) Preference of family members (68%), convenience (48%), and taste (43%) are major reasons for household consumption of processed F&V products. Major factors that prevent households from purchasing some types of processed F&V products are; 1) Beliefs of not suitable for some diseases as diabetes (69%) and 2) Lack of safety due to addition of preservatives, artificial colours and flavours (67%).

### Key Recommendations:

- a) Establish a close linkage between farmers and processors to guarantee reasonable prices to farmers and a supply of quality products to domestic market or export destinations. A database comprising F&V farmers, collectors as well as processors can be maintained by the Department of Agriculture, Export Development Board, Industrial Development Board, and Department of Commerce.
- b) Introduce quality assurance system to maintain the quality of the processed products. In that sense quality assurance body should be established. For that as an initiation awareness programmes, training and monitoring programmes should be implemented under government involvement.
- c) The value-addition process should be strengthened, and processors should be motivated to export processed F&V products since there is an increased demand for value-added fruit and vegetable products in the world.
- d) Draw a roadmap facilitating processors to reach the domestic or export markets. An integrated approach should be adopted to make linkages among responsible and related institutes to work towards that common goal.

## 02. An Assessment of the Financial Literacy of Farmers in the Domestic Agricultural Sector in Sri Lanka.

- **Funding Source:** Treasury Funds
- **Research Team:**  
Chathura Jayampathi,  
N.P.G.Samantha,  
Sagrika Hitihamu,  
Susila Lurdu
- **Research Objective:** To assess the level of financial literacy of the farmers in the domestic agricultural sector in Sri Lanka
- **SDG Goal:** Goal No.1 No Poverty



### Key Findings:

- a) Financial literacy level of Sri Lanka domestic agricultural sector farmers' is 52 %
- b) There is a statistically significant relationship between literacy level and the household income
- c) There is a statistically positive influence of income and the education on respondents' financial literacy
- d) Gender is not a factor influence or decides the financial literacy

### Key Recommendations:

- a) Financial literacy has a positive relationship with education and education has a statistically significant positive impact on education. As a result, it is required to make measures to provide financial literacy through formal school education.
- b) As income causes higher financial literacy, it is required making arrangements to increase income of the agricultural community through ensuring entrepreneur, investment opportunities and facilitating to improve skills and talents required for alternative livelihoods. Also providing knowledge and technology to reduce cost of production.
- c) Strengthening farmer organizations. In concerning the power and responsibility which has been vested on farmer organizations it can contribute so much to the increase of the income of farmer household by many aspects, and contribute to reduce cost, provide credits or make available such opportunities. Besides, it can become a cooperate business entity which provides farmers better source for investments and have profits. These involvements definitely support to improve financial literacy and inclusion

### 03. Evaluation of the Effects of Economic crisis on Fruits and Vegetable Sector: Production and marketing

- **Source of Funding:** Consolidated Treasury Funds
- **Research Team:**

P.A.J Champika - Coordinator,  
I.P.P.M Wijesinghe - Co researcher,  
N.P.G Samantha - Co researcher,  
Roshini Rambukwella - Co researcher  
Sangeeth Fernando - Co researcher.
- **SDG Goal:** 2 - End hunger, achieve food security and improved nutrition and promote sustainable agriculture
- **Main Objective:** To evaluate the impact of economic crisis on fruit and vegetable supply chains.
- **Specific objectives of the research were:**
  - a) To evaluate changes in the supply chains of fruits and vegetables by comparing their present status with the pre-crisis situation.
  - b) To examine alterations in the supply chains of fruits and vegetables by comparing their current status with the pre-crisis scenario.
  - c) To suggest policy measures aimed at reducing the expected adverse effects of the economic crisis on fruit and vegetable supply chains.



### Key Findings:

- a) All the crops under consideration, including beans, brinjal, banana (*embul*), banana (*kolikuttu*), and papaya, witnessed a significant decrease in cultivated acreage—beans by 30%, brinjal by 25%, banana (*embul*) by 45%, banana *kolikuttu* by 60%, and papaya by 20%. However, the number of farmers who totally abandoned farming was less than 5%.



- b) This reduction caused by a combination of factors: a threefold increase in production costs, scarcity of planting materials, low quality of inputs, declining demand, reduced sales volume, and consequently diminished profits.
- c) With the reduction in cultivated extent, there was a shift from hired labour to family labour in all the crops. Labour comprised of 10% - 77% of total cost in considered crops where GAP - bean cultivation recorded the lowest percentage. However, there was 42% of banana farmers who had been a large-scale farmer (>5ac) before the crisis and who relied highly on hired labour have converted themselves to a small-scale farmer and witnessed a considerable substitution of hired labour to family labour (60%).
- d) Decreased application of fertilizers both in terms of quantity (by 10-45%) and frequency was observed in all the crops. Threefold rise in cost of imported seeds, and agrochemicals was a challenging issue for all crops.
- e) However, GAP farmers experience reduced levels of agrochemical application compared to traditional growers. In the case of beans, the expense for agrochemicals and inorganic fertilizer was approximately 20% lower in GAP cultivation than in traditional cultivation.
- f) In the Badulla district, the cost of production for beans was reported as Rs. 73.70/kg by the last quarter of 2023 under the traditional method. This figure indicates a Rs. 7.85/kg increase compared to the recorded value in 2019 in Badulla. The cost for producing one kilogram of brinjals in Anuradhapura district amounts to Rs. 82.55/kg. This value is four times higher than the value reported in 2019/Yala season, (Rs. 20.62/kg).
- g) The main marketing channels for the considered vegetables and fruits remain unchanged. Similar to the before crisis situation, around 75% of the total vegetable produce goes through the dedicated economic centres.
- h) Yet, the volume of sales and the number of transporters and vendors involved in each marketing channel has dropped in the range of 15-40% with the highest drop recorded for banana.
- i) The assessment of market margins before (BC) and after (AC) the crisis indicated that, apart from banana, farmers experienced increased margins ranging from 4.4% to 10%. Conversely, except for papaya, wholesalers saw their margins rise between 2.7% and 29.4%, whereas retailers witnessed a margin decrease ranging from 2.5% to 19.5% (Table 1). If the marketing channel does not undergo radical changes, increasing farmers' margins is normal with the increase in retail prices.
- j) Fruit-based export-oriented factories in the considered districts normally procure grade two fruits and thereby allow farmers to receive higher prices for relatively lower-quality products. However, as the scale of operation is low, the number of farmers benefited are still small (around 4,500 banana farmers and 850 papaya farmers). Meanwhile, all the factories are struggling to stay competitive in the world market due to increasing cost of electricity.

### **Key Recommendations:**

- a) Urgent intervention by the relevant authorities is needed to regulate the price and quality of imported seeds, fertilizers, and agrochemicals in the market.
- b) Immediate action should be taken to eliminate illegal or unauthorized agrochemicals from the market.

- c) Encouraging the widespread adoption of GAP among farmers could empower them by reducing production costs (the cost of agrochemicals is considerably low) and increasing productivity, thereby helping to counteract the negative impacts of rising input costs.
- d) Promoting the export of fruit value added products is a viable solution to mitigate the drawbacks of increased prices of imported inputs due to the devaluation of the rupee. Establishing a knowledge hub for commodity exporters, offering crucial information and a platform for sharing practical experiences with newcomers to the industry is a pressing need.
- e) Identifying export prospects, motivating local entrepreneurs, fostering opportunities for establishing long term contracts with international buyers to boost demand for current industries, and implementing sustainable, cost-effective methods to address high electricity cost seems vital in the present context.
- f) Introducing low-cost, durable and supporting sticks for the bean farmers is a timely intervention to reduce cost of production in beans.
- g) Facilitate greater access to tissue cultured plants of the *embul* variety – which has a fruiting percentage exceeding 95% compared to the 80% fruiting form suckers and *kolikuttu* variety – to avoid viral diseases.
- h) it is vital to enhance facilities by investing in trained labor, equipment, and other essential human and physical resources within government seedling – producing institutions (Fruit research institute – Horana and Grain legume and oil crops research and development centre – Angunakolapelessa) Moreover, implementing a local standardization procedure align with the international standards for private tissue culture laboratories is crucial.
- i) Since 75% of the commodities under consideration are processed through traditional channels, there is a need to enhance quality control measures (especially at the entry point) and address post-harvest losses occurring during transportation and handling stages at the DEC.

#### 04. Poultry Feed Production in Sri Lanka: Effect of Economic Crisis, Response and Way Forward

- **Source of Funding:** Consolidated treasury Funds
- **Research Team:**

Ruvini Vidanapathirana,  
Roshini Rambukwella,  
Raveena Udari,  
Dilini Perera  
Sangeeth Fernando

- **Research Objectives:**  
To examine the status, effects and crisis management strategies adopted by poultry feed manufacturers during the economic downturn in order to suggest policy implications to strengthen the poultry feed sector.
- **SDG Goal addressed:** Goal 2 – End hunger, achieve food security and improved nutrition and promote sustainable agriculture



### Key Findings:

- a) The current economic crisis has impacted the majority of commercial feed producers' (93%) and self-mixed producers' (97%) industry performances. It was observed diminishing of compound feed market as most of the poultry players decided to run their own feed mixing operations to cater to meet the demand for their company requirement (meat and egg production). Commercial feed production has decreased by 25-50 percent.
- b) High price and shortage of raw materials, foreign exchange crisis, Taxation policy, Poor quality of ingredients are the main issues face by the feed industry. Prices of all the key ingredients of poultry feed has increased significantly (300% for maize) and the prices of poultry feed showed 180-200 percent increase compared to 2019.
- c) Majority of the commercial feed producers (80%) and self-mixed producers (67%) changed their poultry feed ration using alternative raw materials. They mostly altered the proportions of important elements.
- d) Currently all the commercial poultry feed mills are operating below their installed capacity mainly due to low demand for the product, with the increased price of factory mixed compound feeds because of value added tax charges, shortage of ingredients and inconsistent supply of electricity.

### Key Recommendations:

- a) In order to promote livestock production, proper interventions are needed to increase the feed supply, improving ration formulations and developing feeding strategy based on locally available feed resources, utilization and marketing of underutilized alternative (non-conventional) feed resources produced as by-products from different agro-based industries in the country.
- b) Encourage and support feed manufacturers to produce their own ingredients like maize and soybean by making incentives like credit and land available.
- c) Secure supply of maize should be provided for potential feed mills and poultry farmers. It reveals that the total requirement cannot be produced locally. Therefore, policy decisions have to be taken to allow feed millers to import maize.

## 05. Factors effecting technical efficiency of dairy production in the dry zone of Sri Lanka

- **Source of Funding:** Consolidated Fund
- **Research Team:**

Sagarika Hitihamu.  
Norica Ayoni,  
Uthpala Jayasinghe

- **Research Objective:** The overall objective of this study is to understand factors affecting technical efficiency of dairy production in dry of Sri Lanka. The specific objectives are as follows.
  1. To determine factors that contributed to dairy production efficiency in dry zone of Sri Lanka.

2. To study the level of technology adaption of dairy farmers.
3. To provide policy guidelines to enhance dairy production in dry zone of Sri Lanka.

**SDG Goal:** Goal 2 – End hunger, achieve food security and improved nutrition and promote sustainable agriculture.



### **Key Findings:**

- a) According to the study sample, dry zone dairy farming indicates 0.5% large scale farmers, 46.3% medium scale farms and 53.2 % small scale farms and comprises of 8.3% of intensive farmers, 68.1% of semi-intensive farmers and 23.6% of the extensive farmers.
- b) The farm factors that contributed significantly for the milk production in dry zone include breed type, number of milking cows in the herd amount of concentrate feed, method of rearing, breed type and frequency of milking animals. The farmer's factors significantly influence on milk production are training received, education and skills.
- c) The number of milking cows and the amount of feed intake play significant role in milk production. For every additional cow there is an increase of 0.49 Liters in the milk output. This means that, on average, each additional cow contributes about 0.49 Liters of milk to the total milk output. For each additional kilogram of feed (a unit increase in the amount of feed), there is an increase of 0.72 Liters in the total milk output. This implies that providing appropriate amount of feed for a certain extent to the cows, results in higher milk production.
- d) The technical efficiency of dairy farming in dry zone according to the sample is 0.61 and it implies that within the available resources the milk production can be increased by 39% with appropriate use of given inputs. In Dry zone study areas such as Kurunegala, Hambanthota, Anuradhapura and Jaffna show technical efficiency of 65%, 55%, 64% and 59 % respectively. Hambanthota district shows the lowest technical efficiency as most of the farmers practice extensive type of dairy farming.
- e) It is noted that most of the essential dairy technologies have been adapted by farmers however, around 50% of the dairy farmers have not been adapted with correct amount of feeding and 24hour water provision to the milking animals.

### **Recommendations**

- a) To enhance the milk production within the available resources, it is important to educate dairy farmers on correct amount of concentrate feeding. Further, no of milking animals in the herd play a significant role. therefore, it is crucial to improve the knowledge and infrastructure to facilitate dairy farmers to have more than 4 milking cows at given any time of the year.
- b) To enhance the dairy production efficiency dry zone dairy farmers should educate and trainings should increase to enhance the knowledge on suitable breed type, number of milking cows in the herd amount of concentrate feed, method of rearing and frequency of milking animals.

## 06. Potentials and Constraints to Scale up Floriculture Sector in Sri Lanka: A Comprehensive Analysis for Sustainable Floriculture Sector Development

- **Source of Funding`**: Consolidated Fund

- **Research Team:**

Uthpala Jayasinghe,  
Norica Aomie,  
Sagarika Hitihamu

- **SDG Goals related to the research:** Goal 1: No poverty / Goal 8: Decent work and economic growth

- **Research Objectives :**

1. To identify potentials and constraints to Scale up Floriculture Sector in Sri Lanka with regards to both local and export markets.
2. To identify potentials and constraints associated with scaling up export oriented floricultural industry in Sri Lanka.
3. To identify potentials and constraints associated with scaling up domestic floricultural industry in Sri Lanka.
4. To develop a comprehensive business model to scale up domestic and export-oriented floriculture industry in Sri Lanka



### Key findings

- a) Major constraints associated with the local market-oriented floriculture sector
- b) High cost of production (fertilizer, pesticides, fuel and transport cost, mother plants)
- c) Reduced local demand for floricultural items
- d) Absence of high-quality planting material and mother plants
- e) Lack of technical knowledge on new cultivation methods
- f) 2Major constraints associated with the foreign market-oriented floriculture sector
- g) High cost of production (fertilizer, pesticides, fuel and transport cost, mother plants)
- h) Logistical issues
- i) Institutional issues and lack of government support
- j) Issues in the floricultural research and development

### Key Recommendations

1. Development of Floriculture sector involve addressing issues pertaining in two market types including local and foreign markets. First focus should be on the local market. Becoming self-sufficient in local market demand and improving the business of local market-oriented producers is the first priority. This process includes several recommendations.

1.1 It is recommended to strengthen local research and development to produce new varieties, quality tissue culture plants, training and technology transfer and good quality mother plants to fulfill the demand of growers

1.2 It is recommended to Establish a separate regulatory body to overlook floriculture sectors and to coordinate with stakeholder institutes



1.3 It is recommended to introduce a subsidy scheme to provide growers with essential input material at a lower price (fertilizer, raw materials for green houses)

1.4 It is recommended to provide a designated place similar to economic centers for selling of floricultural output for every province/major producing area at a convenient cost which will enable growers to attract more customers and sell their produce with a hassle.

2. To develop export-oriented floriculture sector there are several other recommendations

2.1 It is recommended to strengthen research and development of the floriculture sector where market oriented new varieties will be developed

2.2 It is recommended to resolve institutional issues pertaining with floriculture exportation which will favorably facilitate exportation.

2.3 It is recommended to improve transport facilities to keep the product quality with the mediation activities of government (eg: Cold room facilities in the train)

2.4 It is recommended to improve facilities at the airport in favor of floriculture exportation

2.5 Establishing farmer companies and providing cultivable lands on lease agreements which will allow cultivation in mass scale with uniform quality which is the key for export-oriented production.

## 07. Unveiling the Successes and Challenges of Climate-Smart Agriculture in Sri Lanka: Insights for Future Interventions

- **Source of Funding :** Consolidated Treasury Funds
- **Research Team:**

T.P. Munaweera – Coordinator,  
R.M.D.H. Rathnayake – Co-researcher,  
D.T.P.S. Dharmawardhana – Co-researcher



- **SDG Goal:** 2 End hunger, achieve food security and improved nutrition and promote sustainable agriculture
- **Main Objective:** To investigate the successes and challenges of Climate Smart Agriculture (CSA) implementation in Sri Lanka, with the goal of providing valuable insights for future interventions in the agricultural sector.

### Key Findings:

- a) CSA initiatives in Sri Lanka have demonstrated notable successes in enhancing agricultural resilience and productivity.
- b) Adoption of climate-resilient crop varieties and diversified farming practices has resulted in improved yields and reduced vulnerability to climate-related risks.
- c) Capacity-building efforts and knowledge transfer programs have empowered farming communities to implement sustainable CSA techniques effectively.
- d) Limited access to financial resources and technical assistance remains a significant barrier to the widespread adoption of CSA practices.

- e) Inadequate infrastructure and logistical support hinder the dissemination of climate-smart technologies and practices to remote rural areas.
- f) Effective extension services and farmer-to-farmer knowledge exchange play a crucial role in promoting the adoption of CSA practices at the grassroots level.

**Key Recommendations:**

- a) Advocate for the development and implementation of policies that incentivize and support the adoption of CSA practices, and increase investment in CSA research and innovation to develop context-specific solutions tailored to the diverse agro-ecological zones of Sri Lanka.
- b) Introduce microfinance schemes and credit facilities tailored to the needs of smallholder farmers to facilitate their investment in climate-smart technologies.
- c) Encourage public-private partnerships to mobilize resources for CSA implementation, including funding for research and development of innovative solutions.
- d) Expand extension services and farmer training programs to improve awareness and knowledge of CSA practices, emphasizing their benefits in terms of resilience to climate change and increased productivity.
- e) Establish robust monitoring and evaluation mechanisms to track the progress and impact of CSA interventions, allowing for evidence-based decision-making and adaptive management.

**08. Empowering Climate-Vulnerable Farmers: A Study Assessing the Current Status of Vulnerability**

**Source of Funding:** Consolidated Treasury Funds

**Research Team:**

M.A.C.S. Bandara – Coordinator,  
G.G.de.L.W. Samarasinha – Co-researcher,  
W.H.A. Shantha – Co-researcher,  
R.M.D.H. Rathnayake – Co-researcher

**SDG Goal:** 2 End hunger, achieve food security and improved nutrition and promote sustainable agriculture



**Main Objective:** To comprehensively evaluate the impacts of climate change and rural socio-economic volatility on agriculture and the agrarian community in the study area, including the identification of challenges, consequences, and vulnerabilities, as well as an understanding of the existing agricultural practices and systems.

**Key Findings:**

- a) Findings highlights the lack of representation from women and young farmers in this sector, with the majority of principal farmers being male and above 50 years. Additionally, a significant proportion of principal farmers have attended school below Grade 11, which could limit their access to information, comprehension, and opting for modern farming practices.
- b) The study reveals a growing trend towards smaller family units within the paddy-farming community, which has implications on labor availability, farm management practices, and resource allocation.

- c) Crop farming serves as the primary employment for most principal farmers, there is a need for diversification of income sources to mitigate risks and explore other opportunities for sustaining livelihood. This is because smaller family units are more vulnerable to economic shocks, such as crop failures or price fluctuations. By diversifying their income sources, farmers can reduce their dependence on crop farming and improve their overall financial security.

**Key Recommendations:**

- a) Enhancing farmers' financial security and mitigating risks requires a significant focus on income source diversification. This entails exploring alternative revenue streams beyond conventional crop farming.
- b) Implement policies that promote gender equality in the agricultural sector. This could include providing women farmers with secure access to land, access to credit facilities, and targeted training programs to enhance their skills and knowledge.
- c) Special attention should be given to empowering young farmers to participate in the agricultural sector. Providing access to land, credit facilities, market opportunities and targeted training can create a conducive environment for their active engagement and future success.

**09. Putting Climate Smart Solutions into Action: A guide to evidence-based implementation**

**Source of Funding:** Consolidated Treasury Funds

**Research Team:**

G.G.de.L.W. Samarasinha Coordinator,  
H.J.C. Jayasooriya – Co-researcher,  
D.T.P.S. Dharmawardhana – Co-researcher,  
T.P. Munaweera – Co-researcher



**SDG Goal:** 2 End hunger, achieve food security and improved nutrition and promote sustainable agriculture

**Main Objective:** To develop a comprehensive strategic plan to implement climate-smart agriculture initiatives, emphasizing collaboration, evidence-based decision-making, and supportive policy frameworks.

**Key Findings:**

- a) During PRA exercises, communities identified that a key adaptation barrier was the lack of finance to invest in solutions and a lack of local/provincial government support. Once the positive adaptation impacts of project initiatives are shared with government stakeholders and the outcomes are articulated and visible, government can become a strong partner providing encouragement, technical support and co-financing.
- b) Lack of awareness amongst farmers on the climate change-induced impacts on livelihoods, non-availability of agriculture extension facilities in many areas, limited technical advice on crop varieties and choices and limited ability to affect water management have been identified.

- c) Villagers have no adequate knowledge about getting real time information and advice from relevant government authorities.

#### **Key Recommendations:**

- a) Increasing awareness on climate Information Services which provide timely weather forecasts and climate information to farmers will assist them in making informed decisions about their agricultural activities.
- b) Some possible solutions include improving irrigation systems to ensure adequate water supply, implementing better crop management techniques and developing proper methods to control wild animal's damages to cultivations, training for self-employment, creating working opportunities and strengthening the extension service.
- c) Encouraging renewable energy sources: Promoting the use of renewable energy sources, such as solar and wind power, can help to reduce greenhouse gas emissions and mitigate the impacts of climate change.

### **Studies handed over by the Ministry of Agriculture**

#### **01. Cost of Production of Broiler Chicken Meat and Table Egg - 2023**

According to the request of the Additional Secretary (Livestock Development), Livestock Division, Ministry of Agriculture, Hector Kobbekaduwa Agrarian Research and Training Institute conducted this survey. The main objective of this survey was to calculate the cost of production of table eggs for small-scale, medium-scale and large-scale producers and to calculate cost of production of one kg of chicken meat with skin and without skin at small-scale, medium-scale and large-scale producers. The data was collected from the Western and North Western provinces. From the North Western province both Kurunegala and Puttalam district farmers were interviewed. Pannala, Dummalasuriya, Katupotha, Bingiriya, Panduwasnuwara, Wariyapola and Kobeigane veterinary ranges in the Kurunegala district and Mahakubukkadawala, Puttalam and Anamaduwa veterinary ranges in the Puttalam district were selected as study locations. Kosgama and Avissawella VS rangers were selected in the Colombo district for the survey.

The total cost of production of one kilo of chicken meat with skin was Rs.863.69/kg for large-scale farmers, Rs.794.95/kg for medium-scale farmers, and Rs.731.99/kg for small-scale farmers whereas the cost for one kg (without skin) was Rs.912.59/kg for large-scale farmers, Rs.840.12/kg for medium-scale farmers and Rs.773.14/kg for small-scale farmers. Around 58% of small-scale producers, 58% of medium-scale farmers, and 74% of large-scale producers of the total COP have spent for animal feeds and the small-scale farmers spent 33% while medium-scale producers have spent 34% and 19% of large-scale farmers spent on day-old chicks. The total cost of production of one table egg was Rs. 43.81 at small scale, 39.51 for medium scale, and Rs. 34.82 for large-scale producers. Around 90% of the total COP of eggs was the feed cost of large-scale producers while it was 86% of medium-scale producers and around 79% of small-scale farmers and around 90% of the total cost for producing one egg was the feed cost.

## 02. Assessing the Household Food Security of Samurdhi Beneficiaries in Galle District – 2023

- Research Team:

N.P.G. Samantha,  
Prasanna Wijesinghe,  
Sangeeth Fernando,  
Raveena Udari,  
Dilini Perera

The State Minister of Agriculture, Mr. Mohan Priyadarshana De Silva, officially requested HARTI to conduct a collaborative study with the Department of Samurdhi to explore the existing living conditions of highly affected people due to the economic crisis. Furthermore, he suggested conducting the survey in the Galle district as the first stage. Both institutes agreed, with HARTI being responsible for coordinating the study, preparing the questionnaire, training enumerators, conducting data analysis, and writing the report. The Department of Samurdhi was tasked with data collection, utilizing their field-level officers.

The objective of the study was to assess the effects of the economic crisis on the food security level of households in the Galle District. This aimed to understand current buying behavior, changes in consumption, and coping strategies to facilitate effective interventions through suitable food safety net programs. Specific objectives included exploring household food consumption patterns, assessing the effects of the economic crisis on household food security and nutrition, investigating coping strategies adopted by households during economic crises, and suggesting strategies to mitigate vulnerability while shaping effective food safety nets.

In October, the HARTI research team trained 25 enumerators selected by the Samurdhi Development Department, and data collection took place in November 2023.



## 2.3 Education & Training Division



### **Towards a transformative change in the field of agrarian and rural development sector-2023**

For the advancement of agriculture and rural development any attempt taken should match the context and the change desired. Nevertheless, as rural development basically the development of people with people and for the people it is also essential to pay required attention to the development of human resources to pay the optimum dividends in the endure of any rural community development either it is agricultural or else. Developing human resources involves the capacity development focused both soft and hard skills of the concerned community people.

Upon recognition of this need, Education and Training Division of HARTI plans and delivers training and awareness programs every year to develop the capacity of the community peopled specially in agriculture sector so that they help their own development and wellbeing as well at the same time contribute to the wellbeing of the broader society. HARTI, in deciding the training and awareness priorities carefully concern and often give prominence to the needs of stakeholders in the agrarian and rural sector that comprise of farmers, government and non-government officers and other community organizations which provides direct and indirect benefits the country's agriculture and the farming community. Following is a summary of the progress of the programs conducted by the Education and Training Division during 2023.

1. Awareness program on increasing household food security for communities in peri-urban areas
2. Awareness program for rural women and youth farmers on opportunities to becoming agri-entrepreneurs-first phase
3. Awareness program for rural women and youth farmers on opportunities to becoming agri-Entrepreneurs-Second phase

## **01. Awareness program on possible actions that can undertake at household level to increasing the food security of communities living in peri-urban areas**

**Coordination of the Program :** The coordination of this program was done by HARTI, with the cooperation of District Secretariat and divisional secretariat at respective levels.

- **Resource persons:**

**HARTI Resource Persons:**

- a) Chinthaka Jayasooriya, Coordinator, Education and Training Division
- b) S.M.A. Samarkoon, Research Fellow
- c) Dr. Chathura Jayampathi, Head, Education and Training Division

**External Resource Persons from**

- a) Provincial Department of Agriculture, District Office
- b) Regional Directors Office of Health Services,
- c) Central bank of Sri Lanka

### **Need of the program and objective**

In the challenging socio-economic situation, the country had been going through during last couple of years, food security of majority of the people was threatened. As a result, uncertainties loomed in all aspects of food security such as the food availability, access to nutritional, quality and safe foods, and stability of maintaining access, availability and utility. Thereby the need arouses to give priority to drive domestic food production, reduce waste, make aware people of less costly nutritional food.

As a result, this awareness program was designed and conducted with the objective of supporting the governments' interventions in securing community's food security by increasing and improving the knowledge and skills, creating and changing attitudes, and preparing to maintain household's food security while contributing the food production of the country through

### **Subject content**

The program comprised of four sessions, namely, 1. Challenges of contemporary food production sector and the role and responsibility of the community in ensuring the food security; 2. Increasing the food security through home gardening; 3. Increasing food security through reducing food wastage, 4. changing food consumption patterns and adopting food preservation techniques; and focusing on nutritional aspect of food security, and good financial management practices for maintaining household food security (financial security)

### **Executed locations and participation**

30 programs were conducted in four districts namely Multivalve, Killinochchi, Monaragala and Nuwar-Eliya. Participants were selected on the basis of - living in semi-urban areas and being in th age between 20 to 50 years. Total number of participants attended were 1394.

### **Results and Outcome**

Program was able to provide knowledge and awareness to a considerable number of community leaders in the target area and they are expected to share the knowledge with their community members through the discussions made within the community organizations. Also, it is expected that the knowledge provided support considerably lessen the gravity of the issues related to food security of the participants and their community members as a result of adopting mitigating methods made aware of.

## **02. Awareness Program on identifying the opportunities available for building women and youth as agri- entrepreneurs**

This program designed in view of developing of agri-entrepreneurship has planned to be conducted in three phases. The first phase of the program was the encouraging phase, the second and third respectively were the supporting phase and sustaining phase

In the encouraging phase the awareness program focused on introducing agriculture related entrepreneur opportunities available on and away from farmland, qualities and characteristics required to develop and adopt to be a successful entrepreneur. Besides, it also oriented at motivating, developing entrepreneur attitude, making aware of market opportunities and providing participants with knowledge of institutions which are providing necessary supporting services for budding entrepreneurs.

### **Coordination of the Program**

The coordination of this program was done by HARTI, with the cooperation of District Secretariat and Divisional Secretariat at respective locations.

- **Resource persons:**

#### **HARTI Resource Persons**

- a) Chinthaka Jayasooriya, Coordinator, Education and Training Division
- b) S.M.A. Samarkoon, Research Fellow
- c) Dr. Chathura Jayampathi, Head, Education and Training Division
- d) Mrs. Susila Lurdu, Senior Research Officer, Education and Training Division

#### **External Resource Officers from**

- a) Provincial Department of Agriculture, District Offices
- b) Provincial Department of Animal Production and Health- District Office
- c) Small Enterprise Development unit (SED)
- d) National Enterprise Development Authority (NEDA)

### **Need of the program and objective**

For the development of a country's economy, it is very important to have well established entrepreneurs. Entrepreneurs help a country so much to build assets. They create employments, make maximum use of resources available, save and earn much needed foreign exchange which the country badly needed. Also motivating and encouraging youth and unemployed educated women to become successful entrepreneurs falls in line with the government's policy of building "productive citizens and happy families"

### **Subject Content**

Content consisted of four main knowledge areas 1. How to develop as an entrepreneur and the skills, knowledge should be acquired, qualities and attitude should be adopted. 2. The entrepreneur opportunities available in areas such as agriculture, livestock and export crops related to farm and non-farm. 3. Institutes providing supporting services and nature of their services to budding entrepreneurs to develop their enterprises.

### **Executed Locations and participants**

This awareness program was conducted in Hambantota, Galle, Matale, and Polonnaruwa districts. Total of 27 programs were conducted in selected DSDivisions/GN divisions and, total of 1193 participants were attended.

## Results and Outcome

Result of this training program was providing the knowledge, awareness, motivation and making attitude to think as entrepreneurs of a set of dynamic youth and female participants. In the long run they are expected to better perform and to become promising entrepreneurs the country needs so much.

### **02 Awareness Program on identifying the opportunities available for building women and youth as agri- entrepreneurs (Second Phase)**

This the second phase or the awareness program on developing entrepreneurship. This program was conducted as the supportive phase for those identified as promising and made entrepreneur initiatives from the knowledge and guidance received from first program described above

#### **Coordination of the Program**

The coordination of this program was done by HARTI, with the cooperation of District Secretariat and divisional secretariat at respective levels.

- **Resource persons**

##### **HARTI Resource Persons**

- a) Chinthaka Jayasooriya, Coordinator, Education and Training Division
- b) S.M.A. Samarkoon, Research Fellow

##### **External Resource Officers from**

- a) Department of Agriculture, Enterprise Development Unit,
- b) Small Enterprise Development unit (SED)

#### **Objective:**

Providing support and assistance to the budding entrepreneurs who face the challenges in their newly started ventures and improve skills and knowledge required for success and sustainability

#### **Subject Content:**

- Challenges a budding entrepreneur faces at the initial stage of their entrepreneurial engagement and ways to overcome them.
- Building the environment and skills required for the success and sustainability of entrepreneurial efforts.
- Wining market with attractive marketing strategies.

#### **Executed locations and participation**

The second phase programs were conducted in Kurunegala and Badulla districts. The total number of newly capped entrepreneurs trained in this phase were 193. That is as 61 and 132 respectively from all four districts

#### **Results and Outcome:**

- This program laid the foundation to build strong and successful young entrepreneurs in Kurunegala and Badulla districts.
- Accordingly, the long-term impact of this program is the younger generation getting into productive, more creative and challenging livelihoods that create profit and thereby help the development their communities and better contributes the country's economy



## 2.4 Data Management Division



### **Agriculture Marketing Information System (AMIS)**

The main objective of the project is to collect market price and information, processing, analyzing and disseminating data and information. Wholesale prices, retail prices and farm-gate prices of the food commodities are collected from 45 marketplaces covering the major producing and distributing areas in the country.

Market data and information are published as daily, weekly and monthly bulletins. In addition, daily wholesale prices of the 10 Economic Centers and Wholesale markets are disseminated via “6666” of the Mobitel network. To enhance the efficiency of market data collection and dissemination, Automated Cloud System has been developed.

The information of this project has been disseminated among policymakers, ministries, public and private institutes, students of the universities and any other data users according to their request. It is also one of the major responsibilities of the Data Management Division.



## 2.5 Information & Communication Division

### Research Reports

1. Import Ban on Chemical Fertilizer and Other Agro-Chemicals - Short-Term Impacts on the Paddy Sector.

#### ‘Govimina’ National Agriculture Newspaper (Sinhala Medium)



01st Category

08th Issue (February – March)

09th Issue (March – April)

10th Issue (April – May)

11th Issue (May – June)

12 Issue (June – July)

#### ‘Govimina’ Magazine (Tamil Medium)



2023 – 01st Volume - 01st Issue

02nd Issue

03rd Issue

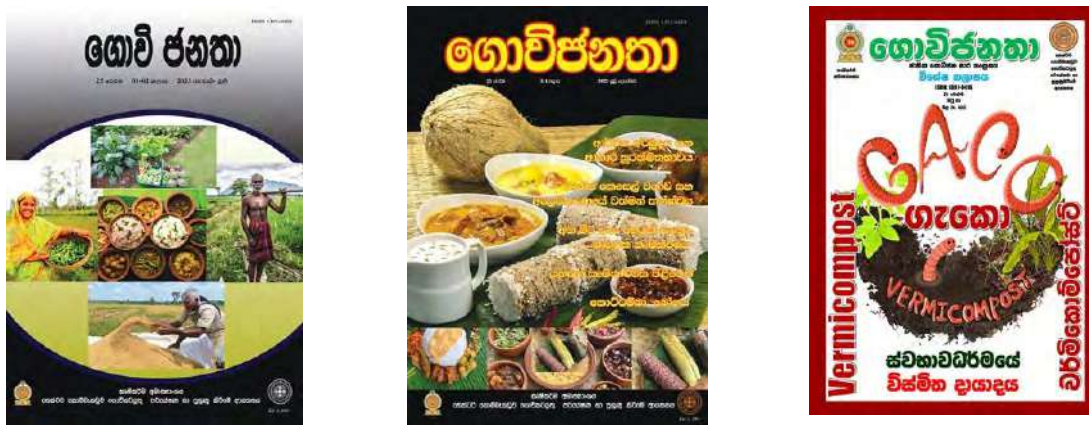
News Letters

2023 Volume 47  
1<sup>st</sup> Editions  
2<sup>nd</sup> Editions  
3<sup>rd</sup> Editions  
4<sup>th</sup> Editions



‘Govikatayuthu Adyanaya’ Journal (Sinhala) 2023 Volume 14 – 1<sup>st</sup> Edition

‘Govijanatha’ Magazine Volume 25



- Communication Skills and Training Hand Book





- **Climate Change FAQ Handbook**



- Hector Kobbekaduwa's handbook for the 51<sup>st</sup> Commemoration

### Social Media Posts 2023

Official Facebook Posts	88
Official X Account Posts	45
Instagram Posts	23
YouTube Videos	34 Videos have been uploaded

### Program on Television Channels

- Dr. G.G. Bandula, Director.Chief Executive Officer – ‘*Aluth Dinak*’ program on Sri Lanka Rupavahini Corporation –(on 30th March 2023)
- Mrs. Renuka Weerakkody, Research Fellow – ‘*Mehewara*’ program on Swarnavahini – Measures to be taken to minimize the wild animal attacks on crop lands (on 27th April 2023).

### Programs on Radio Channels

- Dr. G.G. Bandula, Director.Chief Executive Officer – ‘*Subharathi*’ program on Sri Lanka Broadcasting Corporation – Cost of Living, Inflation and Statistics (on 11th August 2023).

### Video Recordings as Interviews for External Organizations

DIMO Agric-Business – ‘*Krusha Saubhagya*’ YouTube Interview Series.

1. Farm Mechanization in Contemporary Agriculture – Mr. Sidath BAndara, Senior Research Officer.
2. The Importance of Cattle Rearing and Milk Production in Sri Lanka – Ms. Sagarika Hitihamu, Senior Research Officer.
3. The Path to Successful Entrepreneur – Mr. Chnthaka Jayasuriya, Research Officer.

- The Effective Utilization of Micro-Finance – Ms. Thushara Dharmawardhana, Research Officer.

### Newspaper Articles

‘Crisis made Crises in Poultry’- Provided by the Research Team of the Food Systems Division – Published in Daily Mirror on 07th November 2023.

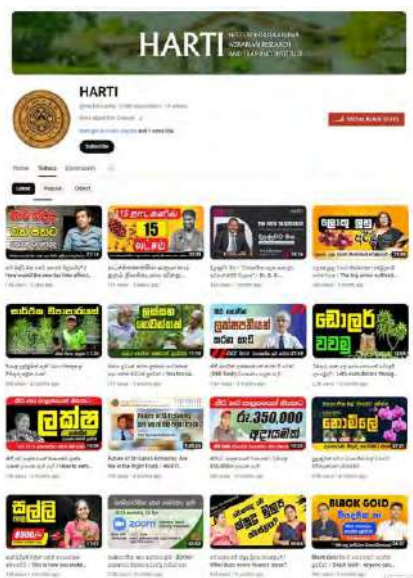
### Exhibition Stalls

Three day exhibition on National Science Day organized by the Ministry of Education at the National Museum premises from 8 – 10 November 2023.

### Policy Briefs

- Import Ban on Chemical Fertilizer and Other Agro-Chemicals- Effects on Floriculture Sector
- Import Ban on Chemical Fertilizer and Other Agro-Chemicals -Short-Term Impacts on Vegetables
- Import Ban on Chemical Fertilizer and Other Agro-Chemicals - Short-Term Impacts on Selected OFCs and Potato Crop
- Import Ban on Chemical Fertilizer and Other Agro-Chemicals - Short-Term Impacts on the Paddy Sector
- Economic Crisis and Households Food Security: Sri Lanka, 2022
- Income Diversification as a Sustainable Livelihood Strategy for Rural Development - An Assessment of Optimal Conditions

### Programs Broadcasted on HARTI YouTube Channel – 2023



## **2.6 LIBRARY**

The main objective of the library is to collect, compile, retrieve and disseminate information related to the agrarian sector for the benefit of HARTI research staff and other interested persons and organizations. During the year, the staff borrowed 256 books, 04 reference books and 05 journals for reference. The number of visitors to the library during the year was 45.

### **Acquisition of books, journals and reports**

During the year, 85 books have been acquired for the library collection. A large number of periodicals, newsletters, annual reports have been received as exchange or donation from local and foreign institutions.

### **Library Services**

Requests from the research staff and outside users for information and documentation services such as literature search, reference services, current awareness services and SDI services were attended to.

Access to internet based information facilities was further extended for the research staff with the WiFi facility being set up in the library. Collection of newspaper articles on various subjects and indexing of the articles for quick reference continued for the use of both internal staff and outside users.

### **Inter Library Cooperation (ILC)**

The HARTI Library provides library material through the inter-library loan facility. This facility is available only for the requesting libraries and not for individuals. Inter-library loan facility functions between university and special libraries at present. The libraries that wish to request for the facility have to sign the inter-library loan agreement prior to obtaining publications on loan. In addition, e documents were shared via email with the universities for research purposes.

### **Library Promotional Activities**

A promotional leaflet on the HARTI library was distributed among university students and visitors of HARTI.

### **Book donation by Dr. M U A Tennakoon**

Dr M U A Tennakoon, formerly an Assistant Governor of the central Bank of Sri Lanka, Director General, Mahaweli Authority and Executive Director, South Asia Partnership- is an internationally as well as locally well-known social scientist who has conducted extensive field research pertaining to dry zone development issues over the past 50 years. This award winning research writer was and is the forerunner of ellanga-based irrigation agriculture in the dry zone with several development models constructed by him to guide future researchers. He has written IS book along with an array of research documents and quality research papers published here and abroad.





Dr Tennakoon donated his entire private library, comprising 650 items to the Hector Kobbekaduwa Agrarian Research and Training Institute (HARTI) with instructions to hold them in a separate section to facilitate present and future researchers in dry zone development.

## 2.7 External Partnership

The year 2023 was significant as external partnership linkages was expended and the institution rebuild relations with many international organizations. These initiatives yielded immediate results by way of the Institute being commissioned to undertake research, training and surveys. The total of Rs. 58 million LKR project budget was implemented during the year.

	External Organizations	Utilized budget (Rs.)
1	Food and Agriculture Organization	32,250,622.75
2	United Nations World Food Program	9,432,540.16
3	Nippon Koei Co., Ltd. (JICA Expert Team)	4,158,452.89
4	Devpro / Oxfam	3,599,518.06
5	World Vision Lanka	8,624,196.94
	Total Utilized Budget	58,065,330.80

### 01. Food and Agriculture Organization

**Leveraging the integrated e- extension services to minimize the Sri Lankan agricultural sector vulnerability to climate shocks (FAO)**

- **Source of Funding:** Food and Agriculture Organization of the United Nations
- **Research Team:**  
 M.A.C.S. Bandara – Coordinator,  
 T.P. Munaweerage – Co-researcher,  
 G.G.de.L.W. Samarasinha – Co-researcher,  
 W.H.A. Shantha– Co-researcher,  
 H.J.C. Jayasooriya – Co-researcher,  
 D.T.P.S. Dharmawardhana – Co-researcher,  
 R.M.D.H. Rathnayake – Co-researcher
- **SDG Goal:** 2 End hunger, achieve food security and improved nutrition and promote sustainable agriculture
- **Main Objective:** The provide financial and technical support for deploying and disseminating the e-extension platform, S.E.E.D Hub, in Sri Lanka to aid paddy-rice farmers in reducing their vulnerability to multiple shocks and contributing to poverty reduction in rural areas.

### Progress

To achieve these objectives, a comprehensive training program consisting of 110 sessions was organized and conducted following a standardized protocol. The aim of these training sessions was to demonstrate the features of the S.E.E.D. Hub, elucidate various modules of the platform, guide participants on accessing and understanding advisories, and address any questions from farmers. The training took place in ten districts, specifically tailored for paddy-rice farmers, with the goal of reducing

their vulnerability to multiple shocks, contributing to poverty reduction in rural areas, and empowering farmers who lack proper extension services to become entrepreneurial farmers. This training aimed to assist farmers in transforming their farmlands into profitable ventures, establish connections between farming communities and value chain actors, and implement risk management strategies to mitigate their vulnerability to recurrent climate shocks and natural hazards.

## **02. United Nations World Food Program**

### **Calculation of Market Functionality Index (MFI)**

- Funding source: World Food Programme (WFP)

Research Team:

N.P.G. Samantha,  
Prasanna Wijesinghe,  
Sangeeth Fernando,  
Roshani Rambukwella,  
Jayamini Champika,  
Anupa Dissanayake.

World Food Programme (WFP) along with the Food System Division and Data Management Division of the HARTI collaboratively conducted this survey. Market Functionality Index (MFI) has been developed by the WFP based on nine dimensions of market functioning. Data collection was completed in 37 locations representing all markets across the country from May 2023 to September 2023. MFI is measured the functioning level of the market. Accordingly, if the value of the indicator is 0-3, the functioning of the market is low and it is recommended providing an in-kind subsidy. If the value stands at 3-6, the market is functioning moderately and they recommend a voucher system for their subsidy programme. If the indicator value is 6-9, the market is functioning well then cash grants are recommended. The functionality of market had significantly increased compared to the year 2022 in the year 2023.

## **03. Nippon Koei Co., Ltd. (JICA Expert Team)**

### **Value Chain Analysis Survey for the Project on Livelihood Enhancement of Small and Medium-Scale Agri Producers by Strengthening Supply Chain Structure in Sri Lanka.**

- Funding Source: Nippon Koei Co., Ltd

- Research Team:

N.P.G. Samantha,  
Ruvini Vidanapathirana,  
Roshini Rambukwella,  
Nalaka Wijesooriya,  
Prasanna Wijesinghe,  
Jayamini Champika,  
Sangeeth Fernando,  
Dilini Perera  
Raveena Udari,  
Anupa Dissanayake

In collaboration with Japan International Cooperation Agency (JICA) supported by Nippon Koei Co., Ltd.'s consultants, the Department of Agriculture (DoA) initiated implementing the project for Livelihood Enhancement for Small and Medium Scale Agricultural Producers through Strengthening Value Chain Structure in Sri Lanka. HARTI was successful in the bidding process to get the contract of doing this research and conducted the study from January – May 2023. The study found key issues in fruit and vegetable value chain in Sri Lanka and possible solutions were given.

**Objective:** The overall objective of this study was to carry out a value chain analysis of the selected major crops representing three different agroclimatic zones (low country, up country, and mid-country) in order to understand the structure and function of agricultural value chains, their trends, challenges, and possible solutions which the project can mirror on the action plan for better implementation.

**Key findings:** The issues in the fruit and vegetable value chain are categorized into producer and intermediary levels. Producer-level challenges include seed-related issues, fertilizer and agrochemical problems, lack of knowledge in good agricultural practices, crop selection, and technology adoption, along with issues such as wild animal attacks, high prices of supporting sticks, limited demand in modern value chains, and insufficient access to financing. Intermediary-level challenges involve postharvest losses, limited bargaining power of farmers, high transport costs, and issues in financial settlements.

**Possible solutions:** Possible solutions include increasing funding for seed production, addressing fertilizer and agrochemical supply concerns, promoting good agricultural practices, enhancing knowledge on crop selection and technology adoption, implementing measures to prevent wild animal attacks, finding alternatives to costly supporting sticks, improving crop insurance systems, increasing access to financing facilities, providing market information, and restructuring transportation methods to reduce postharvest losses. Additionally, encouraging direct marketing channels and establishing farmers' markets are suggested to enhance bargaining power and market access for farmers.

#### **04. Devpro / Oxfam**

##### **GOVIMINA newspaper & the GOVIMINA Magazine (DEVPro)**

**Source of Funding:** Devpro / Oxfam

**Team:**

Shantha Hewage – Coordinator,  
Thushal Withanage ,  
Wasanthi Rajapaksa

HARTI recognized the work carried out by DevPro Guarantee Limited and collaborating work with the project on Govimina Newspaper (Sinhala medium) as well as the Govimina magazine (Tamil medium). In order to give proper understanding about the Dev Pro Guarantee limited to the farming communities and other stakeholders, its activities in the Livelihood development, agricultural and animal husbandry sectors can be given additional media space in the newspaper and the magazine.

##### **Govimina Newspaper**

In order to assist and serve the agrarian community 05 issues of the Govimina Newspaper having 23,200 copies printed and distributed free of charge among farmer organizations and farmers and agricultural marketers covering major agricultural areas of Sri Lanka. In addition,

the newspaper is distributed to all relevant ministries, government organization and public universities, and school libraries in Sri Lanka.

### **Govimina Tamil Magazine**

Also 3 issues of 1500 Govimina Magazine printed and distributed among predominantly Tamil speaking farming communities. It seeks the knowledge and technology dissemination to the agrarian society and the other related stakeholders including divisional and village level officers in the agriculture, agrarian and rural development sectors. Further, empowered of women in agrarian society and to enhance food security and nutrition level of farm households through producing safe and nutrition's foods will also have discussed in the monthly magazine.

### **Short-Term evaluation the impact of two print media on farming community**

There was a positive impact of the two knowledge dissemination tools (Govimina newspaper and the magazine) on the farming communities in the targeted locations. Accordingly, the technology and innovations disseminated through these two channels were taken up by the particular farming communities for the productivity increase on crop production and dairy farming/animal husbandry. Therefore a simple evaluation of the impact of the two media channels on technology adoption by farmers was implemented for insights to both HARTI and DevPro to reshape the content and the structure of the two printed media.

During the project period, the Govimina newspaper and the Govimina magazine was distributed among the farming community in major agricultural districts of the country such as Anuradhapura, Ampara, Batticaloa, Kilinochchi, Vavuniya, Kurunegala, Badulla, Matale, Kegalle, Galle, Matara, Hambantota, Moneragala, Ratnapura and Colombo through different distributing channels.

The project was implemented for five month period during February-June in the year 2023 and DevPro Guarantee Limited has financially supported with 4.3 million LKR for the implementation of the project.

## **05. World Vision Lanka**

### **Climate Adapted Farming Practices and Climate Adaptation of Vulnerable Groups in the Dry Zone of Sri Lanka (WVL)**

**Source of Funding:** World Vision Lanka

**Research Team:**

W.H.A. Shantha – Coordinator,  
M.A.C.S. Bandara – Co-researcher,  
G.G.de.L.W. Samarasingha – Co-researcher,  
T.P. Munaweera – Co-researcher,  
H.J.C. Jayasooriya – Co-researcher,  
D.T.P.S. Dharmawardhana – Co-researcher,  
R.M.D.H. Rathnayake – Co-researcher

**SDG Goal:** 2 End hunger, achieve food security and improved nutrition and promote sustainable agriculture



**Main Objective:** To understand the vulnerabilities of marginalized groups in the face of climate change, and identify climate-adaptive farming practices that are practiced by respective communities.

**Key Findings:**

- a) The availability of, and, the access to both, safe drinking water, and, agricultural water was considered the most significant climate change related issue that severely impacted female farmers by depriving them of an opportunity to earn an income, and increased participation in household chores in contrast to male farmers, who were able to attend off-farm, and non-farm activities away from home.
- b) Farmers in the regions are acutely aware of the shifting climate patterns, particularly the fluctuations in both rainfall and temperature that represent climate change. Their perceptive observations and experiences on the field form a collective recognition of the challenges posed by these variations.
- c) To a large extent, local communities have successfully implemented low-cost adaptation measures, leveraging climate information, raising awareness, and actively participating in adaptation programs. However, most community-driven efforts tend to favour and prioritize immediate, short-term solutions over long-term sustainable strategies.

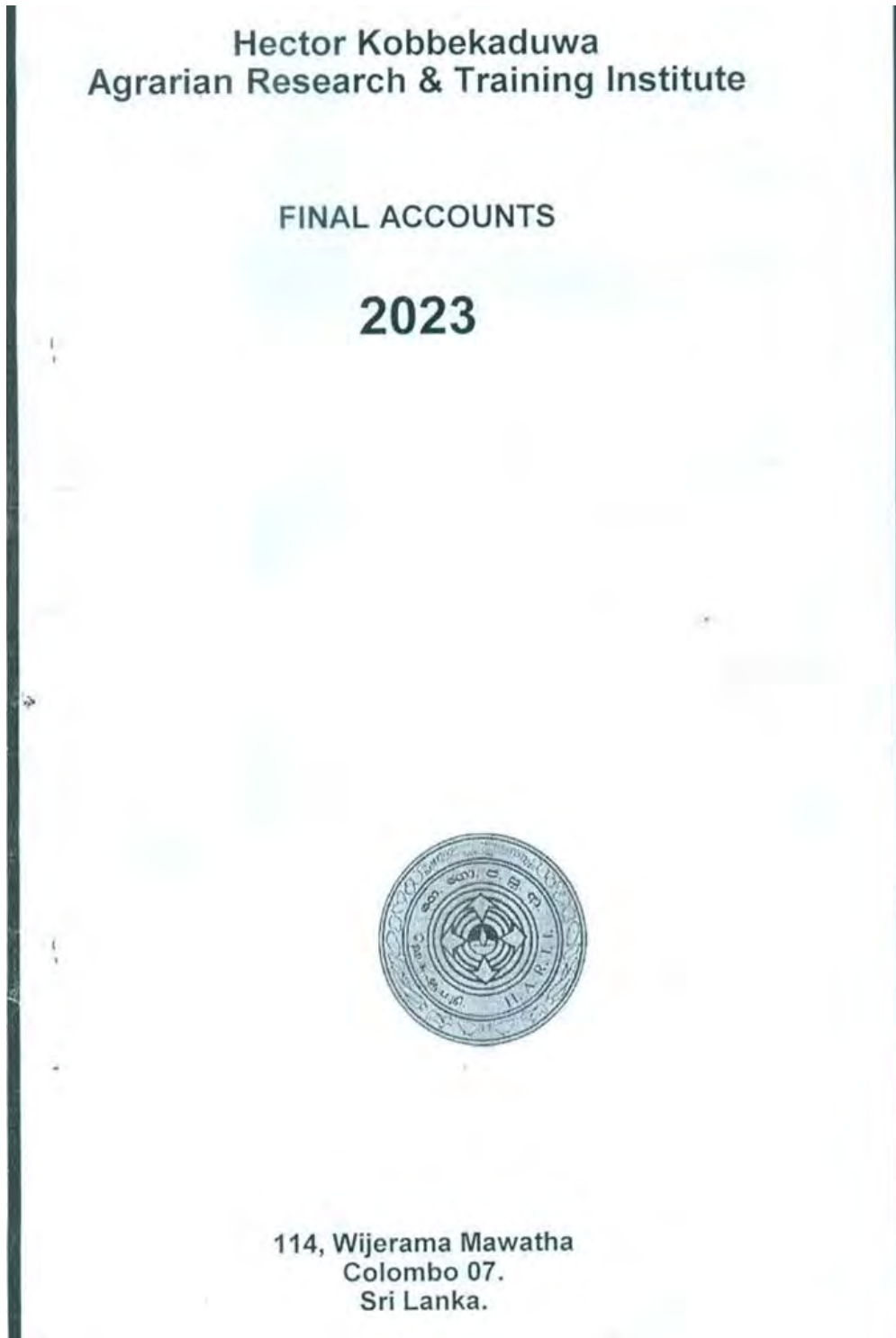
**Key Recommendations:**

- a) Encourage and support community-driven adaptation initiatives. Foster collaboration between government agencies, NGOs, and local communities to develop context-specific adaptation strategies that align with the needs and priorities of farmers.
- b) Introduce financial mechanisms and support systems to assist farmers in implementing adaptation measures.
- c) Establish a robust monitoring and evaluation framework to assess the effectiveness of implemented policies. Regular assessments will enable policymakers to refine strategies based on real-time feedback and evolving climatic conditions.
- d) Engage in international collaboration to share best practices, technologies, and financial resources. Climate change is a global challenge, and cooperation with other nations can enhance the effectiveness of adaptation efforts.

## Chapter 03

# Financial Performance of the Year

### 3.1 Final Accounts



Hector Kobbekaduwa Agrarian Research & Training Institute  
Statement of Financial Position as at 31 December 2023

LKR

ASSETS	Notes	2023	2022
<b>Current assets</b>			
Cash and cash equivalents	2	45,903,450	23,265,388
Receivables-Debtors	3	28,064,472	32,886,372
Receivables-Deposits	4	764,370	763,070
Inventories	5	7,568,596	6,464,913
Prepayments	6	24,654	26,613
Other current assets	7	17,126	10,212
		<b>82,342,668</b>	<b>63,416,567</b>
<b>Non-current assets</b>			
Other financial assets	8	4,630,965	4,485,371
Infrastructure, plant and equipment	9	15,686,367	13,517,556
Land and buildings	10	32,826,222	34,179,749
		<b>53,143,554</b>	<b>52,182,676</b>
<b>Total assets</b>		<b>135,486,222</b>	<b>115,599,243</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Payables	11	28,959,096	24,244,463
		<b>28,959,096</b>	<b>24,244,463</b>
<b>Non-current liabilities</b>			
Employee benefits	12	55,008,475	58,189,008
		<b>55,008,475</b>	<b>58,189,008</b>
<b>Total liabilities</b>		<b>83,967,571</b>	<b>82,433,470</b>
<b>Net Assets</b>		<b>51,518,651</b>	<b>33,165,772</b>
<b>NET ASSETS/EQUITY</b>			
Government Grant - Capital	13	28,908,768	31,195,361
Grant from Mr.Malinda Senevirathne		445,200	593,600
Grant from Presidential Secretarial		526,500	
Reserves	14	5,619,846	3,376,907
Revaluation Reserve		26,450	26,450
Incentive and Training Fund	15	-	8,611
Capital Grant Funded Project		1,497,645	498,853
Accumulated surplus/(deficits)	17	14,494,242	(2,534,011)
<b>Total net assets/equity</b>		<b>51,518,651</b>	<b>33,165,772</b>

The accounting policies on pages 5 to 8 and Notes on pages 9 to 16 an integral part of these financial statements. I certify that the financial statements have been prepared in compliance with the requirements of Public Sector Accounting Standards.

  
Thushari Wedage

ACCOUNTANT  
Date 29/02/2024

**G. W. Thushari Wedage**  
Accountant


Hector Kobbekaduwa Agrarian Research and Training Institute  
114, Wijerama Mawatha, Colombo - 07

DIRECTOR

**Dr. G. G. Bandula**  
Director / CEO

Hector Kobbekaduwa Agrarian Research & Training Institute  
No. 114, Wijerama Mw, Colombo 07

The Board of Directors is responsible for the preparation and presentation of these Financial Statements. These Financial Statements were approved by the Board of Directors and signed on their behalf.



**Janaka Dharmakeerthi**  
Secretary  
CHAIRMAN  
Ministry of Agriculture and Plantation Industries  
No.80/5, "Govijana Mandiraya",  
Rajamalwatta Avenue, Battaramulla.



Board Member

Hector Kobbekaduwa Agrarian Research & Training Institute  
Statement of Financial Performance for the year ended 31 December 2023

LKR

Revenue	Notes	2023	2022
Funds from government Treasury		162,227,000	188,000,000
Funds from Outsiders for Research and Training Activities		58,065,331	41,409,992
Capital Grant received for Research and Training Activities		15,990,000	12,827,890
Other revenue	17	50,326,537	23,809,386
Bad Debt over Provision		782,510	
<b>Total Revenue</b>		<b>287,391,378</b>	<b>266,047,267</b>
<b>Expenses</b>			
Wages, salaries and employee benefits	18	(144,467,293)	(162,775,856)
Research and Training Activities	20	(19,645,376)	(12,827,890)
Funds to Outsiders for Research and Training Activities	21	(58,065,331)	(41,409,992)
Depreciation	9, 10	(5,655,619)	(4,787,504)
Other expenses	19	(43,275,695)	(38,563,389)
Bad Debt under Provision			(180,265)
Bank Charges		(153,705)	(110,750)
<b>Total expenses</b>		<b>(271,263,019)</b>	<b>(260,655,645)</b>
<b>Surplus / Deficit for the period</b>		<b>16,128,359</b>	<b>5,391,622</b>

  
.....  
ACCOUNTANT

**G. w. Thushari Wedage**  
Accountant  
Hector Kobbekaduwa Agrarian Research  
and Training Institute  
114, Wijerama Mawatha, Colombo - 07.


  
.....  
DIRECTOR

**Dr. G. G. Bandula**  
Director / CEO  
Hector Kobbekaduwa Agrarian  
Research & Training Institute  
No. 114, Wijerama Mw., Colombo 07




Hector Kobbekaduwa Agrarian Research & Training Institute  
Cash Flow Statement for the year ended December 31, 2023

2,022	Notes	2023	
	<b>Cash flow used in operating activities</b>		
5,391,622	Net deficit / Surplus for the year		16,128,359
	<b>Adjustment for</b>		
4,787,504	Depreciation	5,647,929	
(4,787,504)	Amortization	(5,647,929)	
5,066,363	Provision for Gratuity	4,377,657	
(1,297,991)	Investment Income	(1,343,155)	
279,789	Prior year adjustment	899,895	
	Bad Debt over Provision	(782,510)	
16,333	Profit/Loss on Disposal scrap Items	-	
			3,151,887
<b>9,456,116</b>			<b>19,280,246</b>
	<b>Working Capital Changes</b>		
1,273,997	Receivables	4,820,600	
75,600	Inventories	(1,103,683)	
(26,613)	Prepayments	1,959	
534,556	Other current assets	(6,914)	
4,562,809	Payables	4,714,633	8,426,595
<b>15,876,464</b>	<b>Cash used in operating activities</b>		<b>27,706,841</b>
<b>(8,073,475)</b>	<b>Payment of Gratuity</b>		<b>(7,558,190)</b>
<b>7,802,989</b>	<b>Net cash used in operations</b>		<b>20,148,651</b>
	<b>Cash Flow from Investing Activities</b>		
(191,087)	Other financial assets	(145,594)	
(2,107,135)	Infrastructure, plant and equipment	(4,594,039)	
1,297,991	Investment Income	1,343,155	
1,196	Library book cost recovery for loss books	-	
<b>(999,036)</b>	<b>Net cash used in investing activities</b>		<b>(3,396,478)</b>
	<b>Cash Flow from Financing Activities</b>		
14,000,000	Government Grant - Capital Received	18,334,000	
1,321,100	Capital Grant from outside project for Fixed Assets	2,767,990	
(12,827,890)	Capital Grant received for Research and Training Activities	(15,990,000)	
	Bad Debt over Provision	782,510	
(16,333)	Sale of disposal items	-	
		-	
	Incentive Fund Institute Share 10%	(8,611)	
<b>2,476,877</b>			<b>5,885,889</b>
<b>9,280,831</b>	<b>Net Increase in Cash &amp; Cash equivalents</b>		<b>22,638,062</b>
13,984,557	Cash & Cash Equivalent at the Beginning of Period	I	23,265,388
<b>23,265,388</b>	<b>Cash &amp; Cash Equivalent at the End of Period</b>	II	<b>45,903,450</b>
	<b>Notes:</b>		
	Cash & Cash Equivalent		
		1	11
		01.01.2023	31.12.2023
23,245,388	Cash at bank	23,245,388	45,875,260
20,000	Cash in hand	20,000	28,190
<b>23,265,388</b>	<b>Total</b>	<b>23,265,388</b>	<b>45,903,450</b>

  
Accountant

**G. W. Thushari Wedage**  
Accountant  
Hector Kobbekaduwa Agrarian Research  
and Training Institute  
114, Wijerama Mawatha, Colombo - 07.



  
Director  
**Dr. G. C. Bandula**  
Director / CEO  
Hector Kobbekaduwa Agrarian  
Research & Training Institute  
No. 114, Wijerama Mawatha, Colombo 07.



Hector Kobbekaduwa Agrarian Research & Training Institute  
Statement of Changes in Net Assets/Equity  
for the year ended 31 December 2023

	Government Grant Capital	Reserves	Grant from Mr. Malinda	Capital Grant Presidential Sec.	Capital Grant Funded Project	Revaluation Reserve	Incentive and Training Fund	Accumulated Surplus/(Deficits)	Total
Balance as at 01 January 2023	31,195,361	3,376,907	593,600		498,853	26,450	8,611	(2,534,011)	33,165,771
Funds/Assets received		2,682,177		585,000	1,369,990				4,637,167
Funds received from Treasury	18,334,000								18,334,000
Amortization for the year	(4,630,593)	(439,238)	(148,400)	(58,500)	(371,198)				(5,647,929)
Incentive Scheme Payable							(8,611)		(8,611)
Funded Project Institute Share 40%									-
Capital Grant received for Research and Training Activities	(15,990,000)								(15,990,000)
Prior Year balance transfer								899,895	899,895
Prior Year Adjustments								16,128,359	16,128,359
Income & Expenditure									
Balance as at 31 December 2023	28,908,768	5,619,846	445,200	526,500	1,497,645	26,450	-	14,494,243	51,518,652



**Notes to the Financial Statements  
For the year ended 31<sup>st</sup> December 2023**

**1. Accounting Policies**

**1.1 General**

The Financial Statements are prepared under the historical cost basis in accordance with Sri Lanka Public Sector Accounting Standards (SLPSAS) laid down by the Institute of Chartered Accountants of Sri Lanka and the provisions of the Finance Act No.38 of 1971. Adjustments have not been made for inflationary factors in these financial statements. The accounting principles are applied consistently on accrual basis.

**1.2 Comparative information**

The Accounting Policies have been consistently applied by the Institute with these used in the previous year, Previous year figures have been rearranged wherever necessary to confirm to the current year presentation.

1.3 The Institute has adequate resources to continue operations well into the foreseeable future. Therefore, the Institute adopts the going concern basis in preparing financial statements.

**1.4 Events occurring after the Balance Sheet date**

All material post Balance Sheet events have been considered and where appropriate adjustments or disclosures have been made in the financial statements.

**1.5 Valuation of Assets**

**(i) Property, Plant & Equipment**

The cost of property, plant & equipments are at their cost of purchase or construction together with any incidental expenses thereon. Expenditure incurred for the purpose of acquiring, extending or improving assets of a permanent nature by means of which to carry on the institute or for the purpose of increasing the capacity of the institute has been treated as capital expenditure. Cost of maintenance and repairs are expensed as incurred. The property, plant & equipment are recorded at cost (or revaluation) less accumulated depreciation which is provided for on bases specified below

a) Depreciation is provided on the straight-lines method at the following rates per annum.

Buildings	2 ½ % per annum
Equipment/Furniture	10% per annum
Computer	20% per annum
Welfare Equipment	10% per annum
Books	10% per annum
Vehicles	20% per annum

A full year's depreciation is charged in the year of purchase.

b) Amortization amount is recognized & accounted on LKAS 20

c) **Palwehera bungalow building**

Palwehera bungalow had been transferred to Divisional Secretarial office - Dambulla as at 01.11.2019 that transfer value was Rs 1,962,545.66.

**1.6 Debtors**

i) **Scholarship Debtors**

Presently six scholarship debtor balances are continued. According to SLIPSAS 08 this year adequate provision has been made on risk and uncertainties.

ii) **Other Debtors**

Other debtors are stated at the amounts which they are expected to realize. Adequate provision has been made for bad and doubtful debts as follows

1. Debtors balance over 5 years	-	100%
2. Debtors balance over 01 to 05 years	-	5%

**III) Unrecorded Hostel Income**

Unrecorded hostel income was Rs. 8,895,470/- that amount was created on hostel operation activities from 2015 may to 2018 July. This amount was identified by special committee that appointed by Director HARTI. This amount was not recorded that decision had been taken by Board of Governors'

**IV) Receivable from Divisional Secretarial Dambulla**

This amount included the transfer value of Palwehera bungalow, which total transfer value was not settled on due rental amount of bungalow.

**1.7 Stocks**

Stocks of consumable items are valued at cost. Other stocks are valued at lower of cost or net realizable value. Cost of the stocks is valued using FIFO method.

**1.8 Investment**

Fixed deposits renewed at the same banks.



**1.9 Liabilities and Provision**

**1.10 Gratuity**

Provision has been made in Financial Statements for Gratuity payable under the payment of Gratuity act No. 12 of 1983.

In the year 2023 gratuity has been calculated based on Basic Salary and Cost of Living Allowance as at 31.12.2023

**1.8.2 Contingent Liabilities**

A provision for contingent liabilities has been made on pending court decision.

**1.8.3 Contingent Assets**

Contingent Assets has been made on pending legal cases for recovering to scholarship debtors that details are given below

**Mr.P.D.J.Ananda**

Court case is laid due to non availability at the given address. Even though a sum of Rs. 1,250,000.00 has been charged from the guarantors. The balance amount of Rs. 2,759,754.28 is to be recovered from Mr.P.D.J.Ananda.

**Mr.M.S.Gowrisanker**

His address has not been found to send the letter of demand. However, the guarantors have already paid Rs. 1,250,000.00. The balance amount of Rs. 3,634,110.07 is pending to recover from Mr.M.S.Gowrisanker.

**Dr. Gamini Wickramasinghe**

He has appealed two times. A judgment received in favour of the HARTI. Finally, a letter has sent to the Attorney General Department for Writ of Certiorari. Follow up fiscal action in progress. He has been deposited Rs 140,000.00 in 2021 but This deposit has been mentioned as unauthorized deposit by HARTI

**Ms.R.Athukorala**

Ms.R.Athukorala had a bond value of Rs. 2,181,521.00. The guarantors paid a sum of Rs.1,250,000.00 . The balance amount of Rs 931,521.00 could not be recovered. Her address has not been found to send the letter of demand.

**Mr.P.D.R.Kumarasiri**

The value of Mr.P.D.R. Kumarasiri's bond is Rs. 332.868356

The guarantors have been charged Rs. 332,868.56. The balance of Rs. 166,433.44 has to be recovered from other one guarantor decided by the court. However, the address of one guarantor cannot be found.

**Ms.A.C.K.Sepala**

Ms. A.C.K.Sepala has a bond value of Rs. 1,249,641.11. A court judgment ordering to pay a sum of Rs. 1,200,000.00 has been received. She has settled Rs. 900,000.00 to date.

**1.8.4 Defined Contribution Plan**

Institute contributes 15% and 3% of employee's monthly salary to Employee's Provident Fund (EPF) and Employee's Trust Fund (ETF) respectively. These contributions are recognized as expenses in the Statement of Financial Performance on current circulars issued by Department of Management Service.

**1.9 Statement of Financial Performance**

The statement of financial performance is stated after;

- a. Providing bad and doubtful debts and all expected future expenses in day - to- day operation of the institute and maintaining the property plants and equipment in a state of efficiency.
- b. Revenues are included Funds of Government Treasury, income of hostel charges, conference hall charges & others.

**2.0 Transport and Printing cost**

Transport and printing expenditures have to be accounted for all divisions and research and training. Therefore, that expenditure has been valued at an approved rate and that cost is adjusted to a percentage between those relevant expenditures.

Transport facilities has been provided on special rate for the funded project. The Transport facilities of funded project has been calculated separately and that amount disclosed under the other revenue.

**2.1 Capital Grants received for Research and Training Activities**

The treasury was allocated the funds for research & training activities on head of government capital grants. According to LKAS -38, Research & Training cost can be treated as Intangible assets but institute's research & training cost can't be treated as intangible assets. Because output of institute's research was not complied with requirements of LKAS 38. Therefore, total research & training cost are debited to the "statement of financial performance" that cost treated as recurrent expenses and above mentioned government capital grants also transferred to the institute's "statement of financial performance" for the year.



Hector Kobbekaduwa Agrarian Research & Training Institute  
Notes to the Statements for the year ended 31 December 2023

LKR

	2023	2022
<b>2 Cash and cash equivalents</b>		
Cash in hand	28,190	20,000
Cash at bank - A/c No 2323292	41,208,178	14,521,834
Cash at bank - A/c No 2323293	1,133,289	5,814,146
Cash at bank - A/c No 2323315	2,298,960	807,905
Cash at bank - A/c No 2323317	1,234,833	2,101,504
	<b>45,903,450</b>	<b>23,265,389</b>

**3 Receivables**

**Staff Debtors**

Housing Loan	143,257	177,144
Consolidated loan	20,155,566	21,495,623
Festival Advance	-	2,500
Auditorium Income Receivable	529,600	35,875
Hostel Income Receivable	833,114	100,114
Scholarship debtors	17,965,464	18,131,898
	<b>39,627,001</b>	<b>39,943,154</b>

**Other Debtors**

Investment income receivable	39,446	105,758
Recoverable from resigned employees	340,151	610,106
Recoverable from medical insurance	-	2,500
Debtors - Mobitel Pvt Ltd	125,928	400,659
R-582 Climate-Adapted Farming Practices and Climate Adaptation of Vulnerable Groups in the Dry Zone of Sri Lanka	-	2,134,678
Receivable from admin division	14,234	14,234
Receivable from Rashmini	70,725	
Receivable Govimina Income		50,000
Recoverable from Metropolitan Office (Pvt) Ltd	70	70
Receivable from Ministry of Public Administration	44,800	44,800
Supplier Registration unidentified		85,000
Divisional secretariat Dambulla	1,962,546	1,962,546
R 585 Funded WFP Effects of Rising Food Prices on Household Food Security in Sri Lanka	103,534	592,010
T 452 Organizing Workshops, Developing Training Materials and Tools and Conducting Training Programs		1,981,655
T 453		5,676
	<b>2,701,434</b>	<b>7,989,691</b>
	<b>42,328,435</b>	<b>47,932,845</b>
<b>Less:</b>		
Provision for Bad & Doubtful Debtors	(232,018)	(848,094)
Provision for scholarship	(14,031,946)	(14,198,379)
	<b>28,064,472</b>	<b>32,886,372</b>

**4 Receivables**

**Deposits**

Fixed - Caterer	70,000	70,000
Sundry - Sri Lanka Telecom (Internet facility)	3,125	3,125
Sundry - Post Master General	24,945	24,945
Sundry - Colombo Gas and Water Co.	4,750	4,750
Sundry - Water supply and Drainage Board	500	500
Sundry - Celltel Lanka Ltd.	3,500	3,500
Sundry - Ceylon Electricity Board	407,550	406,250
Sundry - Fuel Deposit	250,000	250,000
	<b>764,370</b>	<b>763,070</b>

Hector Kobbekaduwa Agrarian Research & Training Institute  
Notes to the Statements for the year ended 31 December 2023

		LKR	
5 Inventories		2023	2022
Publication and journals		2,971,457	3,015,309
Consumables		2,888,667	1,999,294
Sales Center		1,708,473	1,450,309
		<u>7,568,596</u>	<u>6,464,913</u>
6 Prepayments			
Building Insurance		24,654	26,613
		<u>24,654</u>	<u>26,613</u>
7 Other current assets			
Purchase Advance		17,126	10,212
		<u>17,126</u>	<u>10,212</u>
8 Other financial assets			
Call Deposits		1,500	1,500
Fixed Deposits at State Mortgage & Investment Bank		1,500,000	1,500,000
Fixed Deposits at State Mortgage & Investment Bank-Housing Loan Schem		3,129,465	2,983,871
		<u>4,630,965</u>	<u>4,485,371</u>

Hector Kobbekaduwa Agrarian Research & Training Institute  
Notes to the Statements for the year ended 31 December 2023

9 Infrastructure, plant and equipment  
Schedule of Depreciation of Assets - 31 December 2023

Particulars	Cost as at 01.01.2023	Additions / (Disposals) during the Year 2023	Total Cost as at 31.12.2023	Acc/Dep as at 01.01.2023	Dep. for the year 2023	Accu/Dep. ended 31.12.2023	Net Value as at 31.12.2023
Equipment/Furniture	61,777,195	1,433,865	63,211,060	53,250,241	2,115,421.99	55,365,663	7,845,397
Computer Installation	34,413,534	5,050,990	39,464,523	31,177,825	1,689,614.59	32,867,439	6,597,084
Motor Vehicles	71,888,647	-	71,888,647	71,844,594	44,052.50	71,888,646	1
Books	16,589,966	39,885	16,629,851	14,879,127	506,838.66	15,385,966	1,243,885
Welfare Equipment	3,735	(0)	3,735	3,734	-	3,734	1
<b>Total</b>	<b>184,673,076</b>	<b>6,524,739</b>	<b>191,197,815</b>	<b>171,155,519</b>	<b>4,355,927.74</b>	<b>175,511,447</b>	<b>15,686,368</b>

11

10 Land and buildings  
Schedule of Depreciation of Assets - December 31, 2023

Particulars	Cost as at 01.01.2023	Additions/ (Disposals) during the Year 2023	Total Cost as at 31.12.2023	Acc/Dep as at 01.01.2023	Dep. for the year 2023	Accu/Dep. ended 31.12.2023	Net Value as at 31.12.2023
Land	1,857,387	-	1,857,387	-	-	-	1,857,387
Buildings	56,330,265	(61,526)	56,268,739	24,015,592	1,299,692	22,715,900	-
(Adjustment)	-	(7,691)	-	(7,691)	(7,691)	-	-
<b>Buildings</b>	<b>56,330,265</b>	<b>(61,526)</b>	<b>56,268,739</b>	<b>24,007,902</b>	<b>1,292,001</b>	<b>25,299,903</b>	<b>30,968,836</b>
	<b>58,187,652</b>	<b>(61,526)</b>	<b>58,126,126</b>	<b>24,015,592</b>	<b>1,292,001</b>	<b>25,299,903</b>	<b>32,826,222</b>



Hector Kobbekaduwa Agrarian Research & Training Institute  
Notes to the Statements for the year ended 31 December 2023

LKR

Payables	2023	2022
11 Accrued expenses	8,113,188	8,751,980
Payable Research & Training Expenses	1,819,666	2,876,942
Tender deposit refundable	183,462	130,462
Canteen deposit refundable-Upatissa Paranamana	50,000	50,000
Unpaid expenditure	35,774	11,826
Payable to Resigned Employees	690,551	688,051
Stamp Fees Payable	14,350	16,700
Retention	136,526	136,526
Creditors	1,369,904	429,124
Welfare Society	-	2
Gratuity Payable	126,913	126,913
Payable to Ministry	1,550	94,358
Management Development Book	8,000	8,000
Special Advance	1,600	-
Payable to divisional secretary dambulla	1,000,000	1,000,000
Payable to Mr.Narayananasamy	10,800	10,800
Payable to Small holder Agri business Partnership Prog.	-	38,550
Unauthorized Deposit	430,000	330,000
Medical Insurance Payable	-	53,900
Podu sevaka sangamaya EMP 82B samanmalee	9,500	-
incentive scheme payable 2022	117,115	-
Payable to Resilience RTL	2,000	-
Bank Loan and Savings Payable	0	-
Trade Union Payable	-	-
Payable to P G D L W Samarasinghe	4,991	-
Payable to H Chandrika	4,991	-
Payable to Wijekoon	1,814	-
Payable to Report Writing	642,000	-
<b>Creditors against projects</b>		
Rapid food Security & need Assessment	7,774	7,774
R-512 Capacity Development of Agrarian Research -Technology personnel in Sri Lanka on Global Change and sustainability	22,831	22,831
R-530 Baseline study for strengthening value chain for Banana,Mango and pineapple corp in selected regions in Sri Lanka	-	2,518,787
R-535 Addressing climate change inpmacts of Marginalized agricultural communities living in the Mahaweli river basin of Sri Lanka	-	440,981
Service Contract 03-2017	-	245,902
R-559 Energy/water baseline assessment for drip irrigation technologies for various crops in sri lanka	648,588	648,588
R-561 -2	11,825	11,825
Service Contract 01-2019	-	783,850
Service Contract 01-2020	-	488,404
R-540 building the basis for implementing the "Save and Grow" Approach Reginal strategies on sustainable and climate resilient intensification of cropping systems	-	700,000
R -581 Consumer Preference Different Rice Varieties in Sri Lanka	542,635	1,994,858
SC- 01/2022 Development of Universal whether Index Insurance Portal for scaling Bundled solutions in Sri Lanka	0	249,431
SC - 02/2022 Data Collection for the market functionality index (WFF)	2,040,635	537,408
PR 586 Funded w/p Recent Policy Changes of Import of Fertilizers and Other Agrochemicals: Effects on Agricultural Production and Farming Households	1,946,835	623,881
T-442 Marketing information involved in agro products -Badulla	-	27,881
T-444 Marketing information involved in agro products -Monaragalla	-	58,109
Media 01/2023 "GOVIMINA" Newspaper and the "GOVIMINA" Magazine	721,032	-
R 587 Value Chain Analysis Survey for the Project for Livelihood Enhancement of Small and Medium Scale Agri Producers Through Strengthening Supply Chain Structure in Sri Lanka	2,653,918	-
SC 01/2023 Data Collection for the Market Functionality Index (MFI)	3,224,750	-
R 588 Leveraging the Integrated E-Extension Services to Minimize the Sri Lankan Agricultural Sector Vulnerability to Climate Shocks (FMM/GLO/MUL)	1,987,017	-
R 599 Leveraging the Integrated E-Extension Services to Minimize the Sri Lankan Agricultural Sector Vulnerability to Climate Shocks	146,122	-
T 452 Organizing Workshops, Developing Training Materials and Tools and Conducting Training Programs	230,440	-
T 456	-	-
T-450 Training programme on use of market information in agri business management - Nuwaraeliya	-	58,219
T-451 Training programme on use of market information in agri business management - Matale	-	71,600
	<b>28,959,096</b>	<b>24,244,463</b>
<b>Employee benefits</b>		
12 Balance as at January 01,	58,189,008	61,196,120
Payments during the year	(7,558,190)	(8,073,475)
Provision for the year	4,377,657	5,066,363
Balance as at December 31,	<b>55,008,475</b>	<b>58,189,008</b>
<b>Government Grant - Capital</b>		
13 Balance as at January 01,	31,195,361	34,582,108
Capital Contribution During the year	18,334,000	14,000,000
Capital Grant received for Research and Training Activities	(15,990,000)	(12,827,890)
Amotization for the year	(4,640,694)	(4,558,857)
Balance as at December 31,	<b>28,908,768</b>	<b>31,195,361</b>
<b>Reserves</b>		
14 Capital Reserve	1,675,000	1,675,000
Incentive Fund - Institute share	3,944,846	1,701,907
	<b>5,619,846</b>	<b>3,376,907</b>
<b>Incentive and Training Funds</b>		
15 Incentive Fund 10% from project	-	8,611
		<b>8,611</b>

Hector Kobbekaduwa Agrarian Research & Training Institute  
Notes to the Statements for the year ended 31 December 2023

		LKR	
		2023	2022
<b>Accumulated deficits</b>			
16	Balance as at January 01,	(2,534,012)	(8,042,573)
	Prior year adjustment	899,895	116,939
	Prior year adjustment - for the year		
	Expenditure over income as at December 31,	16,128,359	5,391,622
	Balance as at December 31,	<u>14,494,242</u>	<u>(2,534,011)</u>

		LKR	
<b>Other Revenue</b>			
17	Hostel charges	15,301,880	7,809,244
	Conference hall charges	10,655,800	5,176,275
	Sales of publications	44,740	156,780
	Interest on investments	375,542	271,100
	Interest on staff loan	967,613	1,026,891
	Recurrent contribution from projects	465,731	783,151
	Bungalow fees and room rent	225,789	270,058
	Manpower Income	27,543	
	Other income	149,605	57,623
	Differ Income	5,655,619	4,787,504
	Supplier's Registration Unidentified	128,000	
	Advertising Income		294,260
	Admin Cost	5,784,745	
	50th Anniversary Income		89,925
	Mobitel Income	147,150	131,051
	Sales of Note Books & Bags	2,725	
	Tender Fees	9,000	23,000
	Govimina Publication		2,932,525
	Transport Facilities for funded project	10,385,054	
		<u>50,326,537</u>	<u>23,809,386</u>

		LKR	
<b>Wages, salaries and employee benefits</b>			
18	Salary -Permanent staff	76,333,555	85,076,103
	Salary - Investigators	10,995,020	13,992,273
	Cost of Living Allowance,Special Allowance & other	31,532,911	35,588,790
	EPF	14,920,770	16,969,691
	ETF	2,977,490	3,387,937
	Overtime	3,329,890	2,724,698
	Gratuity	4,377,658	5,066,363
		<u>144,467,293</u>	<u>162,775,856</u>



Hector Kobbekaduwa Agrarian Research & Training Institute  
Notes to the Statements for the year ended December 31, 2023

		LKR	
		2023	2022
<b>Other expenses</b>			
19	Local subsistence & Local transport	6,723,599	2,813,979
	Foreign Travel Allowance	175,608	
	Stationery and office requisites	2,184,317	1,866,855
	Fuel and lubricants	2,284,337	1,986,646
	Uniforms	251,702	616,014
	Vehicle repairs	2,712,797	1,689,884
	Maintenance of Building	978,748	1,167,050
	Plant machinery and equipment repairs	2,809,556	3,061,051
	Telephone charges	3,101,855	4,241,254
	Electricity	6,633,572	3,243,284
	Water bills	1,052,192	1,018,994
	Taxes to local authorities	566,928	579,456
	Postal charges	351,900	168,905
	Transport	1,161,759	734,370
	Legal Activities on Defaulters		1,000
	Technical Advice for Vehicles	75,000	30,000
	Technical Advice for Construction	15,000	30,000
	Newspapers	55,870	92,850
	License and insurance	292,140	1,607,743
	Security charges	4,318,856	4,583,635
	Cleaning services	1,297,673	1,108,971
	Laundry services	389,995	234,555
	Audit fees	800,000	840,000
	Medical Insurance	781,600	874,500
	Canteen charges	966,757	257,403
	Miscellaneous expenses - Others	187,757	46,765
	Legal charges	50,000	700
	Welfare		
	Advertisement	151,685	707,230
	Interview charges	14,520	4,125
	Board of governors	437,255	498,290
	Printing & Publication	931,374	364,871
	Entertainment	13,073	29,593
	Dissemination of information	251,729	1,079,672
	Cost of Sales - Publications	54,169	155,670
	Withholding Tax	23,887	-
	Audit & Mgt Committee	126,275	128,235
	Staff Development	841,740	139,762
	EB Examination Fees & Other		
	Workmen's Compensation		
	Translation Fees	88,965	107,904
	Technical Advice for Equipment & Others		37,500
	Loss on printed books		
	Stock shortage		
	Scrap Item Disposal		16,333
	Data Purchasing	60,375	72,250
	Govimina Publication		2,326,094
	contra		
	Salary control	(1)	
	Printing works to other Divisions		
	Transport Facilities for Other Divisions		
	Writt off Expences	54,086	
	Damage Stock	7,047	
	Printing Works to other Division 1905-17	-	
		<b>43,275,695</b>	<b>38,563,389</b>

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Hector Kobbekaduwa Agrarian Research & Training Institute  
Notes to the Statements for the year ended December 31, 2023

LKR

20 Research and Training Activities - Treasury Fund 2023

T 460	584,151
Research Forum 2023	260,525
Monitoring Research	166,131
WS 01/2023	104,116
T 461	742,848
R 589	1,158,907
R 591	1,585,424
R 593	1,208,272
Media 03/2023	1,522,127
R 590	1,708,858
T 462	568,812
R 592	805,021
R 594	528,579
ES 01/2023	723,094
T 463	556,605
WS 02/2023	53,240
R 595	1,141,608
R 596	1,709,312
Media 02/2023	353,262
R 598	1,176,570
T 464	239,958
T 466	699,137
T 467	529,144
WS 03/2023	20,249
Institute Publication	165,687
T 465	625,103
PR 600	186,716
WS 04/2023	240,246
WS 05/2023	11,768
WS 06/2023	228,830
Publication 01/2023	41,078
	<b>19,645,376</b>

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Hector Kobbekaduwa Agrarian Research & Training Institute  
Notes to the Statements for the year ended December 31, 2023

21 Funded project details 2023

LKR

Project No	Project Name	Amount	Funded Agency
PR 585	Effects of Rising Food Prices on Household Food Security in Sri Lanka	880,634	WFP
PR 586	Recent Policy Changes of Import of Fertilizers and Other Agrochemicals: Effects on Agricultural Production and Farming Households	27,226	WFP
T 452	Organizing Workshops, Developing Training Materials and Tools and Conducting Training Programs	2,187,905	FAO
CR 582	Climate-Adapted Farming Practices and Climate Adaptation of Vulnerable Groups in the Dry Zone of Sri Lanka	8,624,197	World Vision
SC 02/2022	Data Collection for the Market Functionality Index - 2022	1,796,123	WFP
CR 587	Value Chain Analysis Survey for the Project for Livelihood Enhancement of Small and Medium Scale Agri Producers Through Strengthening Supply Chain Structure In Sri Lanka	4,158,453	JICA
SC 01/2023	Data Collection for the Market Functionality Index (MFI)	4,804,090	WFP
CR 588	Leveraging the Integrated E-Extension Services to Minimize the Sri Lankan Agricultural Sector Vulnerability to Climate Shocks (FMM/GLO/MUL)	5,132,020	FAO
CR 597	An Assessment of Post-Harvest Losses of Maize in Anuradhapura District "SSTC Pilot Project Phase IV"	1,924,467	Ministry of Agriculture
CR 599	Leveraging the Integrated E-Extension Services to Minimize the Sri Lankan Agricultural Sector Vulnerability to Climate Shocks	24,930,698	FAO
Media 01/2023	"GOVIMINA" Newspaper and the "GOVIMINA" Magazine	3,599,518	DevPro
		58,065,331	



## 3.2 Audit Observation

Chairman,

Hector Kobbekaduwa Agrarian Research and Training Institute.

**Report of the Auditor General on the Financial Statements and Other Legal and Regulatory Requirements of the Hector Kobbekaduwa Agrarian Research and Training Institute for the year ended 31 December 2023 in terms of Section 12 of the National Audit Act, No. 19 of 2018.**

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### 1. Financial Statements

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#### 1.1 Conditional Opinion

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The audit of the financial statements of the Hector Kobbekaduwa Agrarian Research and Training Institute for the year ended 31 December 2023 comprising the statement of financial position, statement of financial performance, statement of changes in equity and as at 31 December 2023 and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, was carried out under my direction in pursuance of provisions in Article 154(1) of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with provisions of the National Audit Act No. 19 of 2018 and Finance Act No. 38 of 1971. My report to Parliament in pursuance of provisions in Article 154 (6) of the Constitution will be tabled in due course.

In my opinion, the Hector Kobbekaduwa Agrarian Research and Training Institute as at 31 December 2023 and of its financial performance and its cash flows for the year then ended in accordance with Sri Lanka Public Sector Accounting Standards give a true and fair condition except for the impact of the facts described in the section of the basis for conditional opinion.

#### 1.2 Basis for Conditional Opinion

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- (a) Assets worth of Rs. 1,804,500 purchased contrary to the paragraph 69 of Lanka Auditing Standard No 07 and the depreciation expenditure of Rs. 302,350 was not brought in the accounts of the year under review.
- (b) Even though 20 vehicles which were completely depreciated with a cost of Rs.71,753,647 were being used by the institution, it had not been disclosed in accounts as per the paragraph 92 (a) of Sri Lanka Public Sector Auditing Standard No 07.

- (c) Without taking steps to adjust a sum of Rs. 4, 298,900 received as grants in the year under review and a balance of Rs. 32,387,814 of the grants received in preceding years as revenue had been brought into accounts as capital reserves as per Sri Lanka Public Sector Auditing Standard No 11.
- (d) Even though the acquisition of fixed assets under investment activities in the Cash Flow Statement was Rs. 4,594,039 it had been shown in excess of Rs.458,799 as Rs.4, 135,240.
- (e) Even though the difference of the balance of receivables was Rs.5,604,410 , as this difference of the balance of receivables had been calculated after adjusting of provisions for doubtful debts and shown as Rs.4,820,600 in Cash Flow Statement, working capital had been exceeded by Rs. 782,510.
- (f) Non moveable assets worth of Rs.136,687 purchased in the year under review had been brought in accounts as repairing expenditure of machinery.
- (g) Comprehensive schedules for furniture and office equipment worth of Rs.27,607,208 and computer equipment worth of Rs.34,413,533 and for buildings worth of 49,701,404 had not been forwarded for audit.
- (h) A sum of Rs. 4,256,574 paid as the Salary and allowances to the senior research officer of this institution who was appointed for the post of Vice Chairman of the Paddy Marketing Board for the period of 07<sup>th</sup> February 2020 to November 2022 had not been shown in Financial Statements as a receivable from the Paddy Marketing Board.

I conducted my audit in accordance with Sri Lanka Auditing Standards (SLAuSs). My responsibilities, under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.



**1.3 Other information included in the Annual Report 2023 of the Institution**

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The information which I obtained prior to the date of this audit report and not included in the financial statements and my audit report but included in the Annual Report 2023 of the Institution is intended as “other information”. The management should be responsible for such “other information”.

In my opinion on the financial statement, any other information is not covered and I am not expressing any pinion or any assurance on that matter.

My responsibility on the financial statements in my audit is to read the above mentioned identified information as and when received and to consider whether it is not in accordance with the financial statements quantitatively or with my knowledge obtained in the audit or any other way.

Based on the information which I obtained prior to the date of this audit report and tasks performed by me, if I conclude there are quantitative errors shown in this other information, such matters should communicate to the controlling parties for the corrections. I have nothing to communicate this regard.

**1.4 Responsibilities of Management and Those Charged with Governance for the Financial Statements**

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Management is responsible for the preparation of financial statements that give a true and fair view in accordance with Sri Lanka Public Sector Accounting Standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Institute’s ability to continue as a going concern, disclosing matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Institute or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Institute’s financial reporting process.

As per Sub-section 16(1) of the National Audit Act, No. 19 of 2018, the Institute is required to maintain proper books and records of all its income, expenditure, assets and liabilities, to enable annual and periodic financial statements to be prepared of the Institute.

#### 1.5 Auditor's Responsibility for the Audit of Financial Statements

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My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Sri Lanka Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Sri Lanka Auditing Standards, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Institute's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material

uncertainty exists related to events or conditions that may cast significant doubt on the Institute's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Institute to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, significant audit findings, including any significant deficiencies in internal control I have identified during my audit.

## 2. **Report on Other Legal and Regulatory Requirements**

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- 2.1. Special provisions have been set out in the National Audit Act, No. 19 of 2018, with respect of the following requirements.
  - 2.1.1 Except for the impact of the facts described in the section of the basis for conditional Opinion in my report, all the details and explanations required for the audit were obtained by myself as per the requirement of section 12 (a) of the National Audit Act, No.19 of 2018, and as observed through my examination the institution had maintained due financial records.
  - 2.1.2 The financial statements presented is consistent with the preceding year as per the requirement of section 6 (1) (d) (iii) of the National Audit Act, No. 19 of 2018.
  - 2.1.3 Recommendations made by me in the previous year as per the requirement of section 6 (1) (d) (iv) of the National Audit Act, No. 19 of 2018, have been included in the financial statements presented.
- 2.2 Based on the procedures performed and evidence obtained, my observations were limited to matters that are material and nothing has come to my attention to state;



- 2.2.1 That any member of the governing body of the Institute has any direct or indirect interest in any contract entered into by the Institute out of the normal cause of business as per the requirement of section 12 (d) of the National Audit Act, No. 19 of 2018.
- 2.2.2 to state that the Institute has not complied with any applicable written law, general and special directions issued by the governing body of the Institute as per the requirement of section 12 (f) of the National Audit Act, No. 19 of 2018 except for the following observations.

<b>Reference to Laws, Rules, Regulations etc.</b>	<b>Non-compliance</b>
<p>(a) Financial Regulation 104 (2) (b) of the Democratic Socialist Republic of Sri Lanka.</p>	<p>The bio gas unit which was established in the year 2011, incurring a cost of Rs.1, 067,150 had been dis-function from the year 2016. Even though it had been concluded in the relevant investigation report, that the then Director had purchased and installed spare parts required for the project violating the standard tender procedure and acted with other officers in a disruptive manner, steps had not been taken to recover the said losses from the responsible officers.</p>
<p>(b) Establishment Code of the Democratic Socialist Republic of Sri Lanka.</p> <p>(i) Section 2.2 of Chapter IX</p> <p>(ii) Section 6.3. of Chapter XIX</p>	<p>A percentage of 25% of the payments made for officers for work done within office hours using the training obtained from public service, shall be credited to the Consolidated Fund. However such contribution amounting to a sum of Rs. 926, 943 out of the total amount of Rs.3,707,770 paid for 38 officers from 2017 to 2022 has not been deposited to the said Fund.</p> <p>Even though it had been informed in the report of the investigation under F.R 104, that the registrar's giving of the rooms of his official residence to private parties contrary to the provisions of the Establishment Code should be reported to the Board of Directors and act as per their recommendations, actions had not been taken accordingly.</p>



2.2.3. That the Institute has not performed according to its powers, functions and duties as per the requirement of section 12 (g) of the National Audit Act, No. 19 of 2018 .

2.2.4 That the resources of the Institute had not been procured and utilized economically, efficiently and effectively within the time frames and in compliance with the applicable laws as per the requirement of section 12 (h) of the National Audit Act, No. 19 of 2018.

2.3 **Other matters**  
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- (a) A sum of Rs.5, 272,016 that should have been recovered from an officer relinquished the service of the institution in August 2021 had not been recovered.
- (b) Steps had not been taken to recover an amount of Rs.12, 63,448, out of the total amount of Rs.17, 965,464 of foreign scholarship debtors' balance, and a sum of Rs. 2,192,602 of the other debtors' balance of Rs.24, 387, 625; and it was further observed that steps had not been taken to pay a sum Rs.2,365, 048 out of the account balance of Rs. 28,959,096 to be paid over a period more than five years.
- (c) Even though it had been informed through the report of the committee appointed to identify the books to be disposed from the main stores, that 12,475 books worth of Rs.2,191,598 shall be so removed, necessary steps for disposal had not been taken and those books were being deteriorated due to the damages of insects even as at 31<sup>st</sup> of December 2023.

**W.P.C Wickramaratne**  
**Auditor General.**

### 3.3 Audit Answers

Fin/Aud/Qry/2023

11-06-2024

**Report of the Auditor General on the Financial Statements and Other Legal and Regulatory Requirements of the Hector Kobbekaduwa Agrarian Research and Training Institute for the year ended 31<sup>st</sup> December 2023 in terms of Section 12 of the National Audit Act, No. 19 of 2018**

**1.1 Opinion**

**1.2 Basis for Opinion**

- (a) Accepted  
Purchasing related to the year has been entered in accounts and I will take steps to rectify the depreciations .
- (b) Accepted  
In accordance with the paragraph 92 (b) of Sri Lanka Accounting Standards No 07, I will take steps to disclose these information through financial statements in due course.
- (c) Has been entered in the Capital Accounts of the year 2023 in accordance with LKAS 20. However I will take steps to enter in accounts as per Sri Lanka Public Sector Accounting Standard No. 11 in the forthcoming year.
- (d) Accepted
- (e) In future, steps will be taken to remove the impact of provision of doubtful debts from the working capital and these provision of doubtful debts will be disclose as a contingent liability.
- (f) Accepted  
  
Schedules of Fixed assets which are being maintained were forwarded for auditing and steps will be taken to qualify these assets and bring again the qualified values in to accounts and update schedules.
- (h) Mr Duminda Priyadarshana who serves at this institution had been attached to the Paddy Marketing Board from 07/02/2020 to November 2022. He had been released on the basis of 50% for the period from 20/07/2020 to 24/01/2021 and 90% for the period from 25/01/2021 to 20/11/2022. Steps will be taken to inform the Paddy Marketing

to reimburse these sums. Further, necessary actions are being taken to reimburse the salary and other allowances paid for the period of 21/11/2021 to 30/11/2023..

2.2.2. Reference rules and regulations / order

- (a) The relevant F.R. 104 investigation had been conducted and its report is to be forwarded to the audit management committee and based on its recommendations, it will be forwarded to the Board of governors and the decision of the Board will be implemented.
- (b) Section 2.2 of Chapter IX

This payment had been made as per the Paragraph 7.2 of Section II of the Public Finance Circular No. 01/2020.

(ii) Section 6.3 of the Chapter XIX

Necessary disciplinary actions have been taken in this regard in accordance with the instructions of the Audit Committee.

2.3 Other matters

- (a) In order to recover a sum of Rs. 5,272,016/= from an officer who quitted the service at the institution in August 2021, arrangements are being made with the assistance of the Auditor General's Department to recover a sum of Rs. 5,272,016/=
- (b) With the assistance of the Auditor General's Department, steps are being taken to recover a sum of Rs. 12,693,448/= from 06 foreign scholarship debtors and out of these 06 debtors, three of them have received decrees and reached settlements. Therefore, recovery procedures are in force for them, as it had been difficult to trace the addresses of the other three debtors, continuing legal proceedings against them has been difficult. However attempts for finding these debtors through their friends and relatives to recover these loans have been initiated in 2023 and still in progress. Current situation of these debtors is as follows.

**1. Mrs. Ranjani Athukorala :**

A sum of Rs.1,250,000/= has been recovered from the guarantors. To recover the balance of Rs. 931,521/=, We have met the sister of Mrs. Ranjani and discussed the matter with her.

**2. Mr. P.D.J. Ananada :**

A sum of Rs.1,250,000/= has been recovered from the guarantors. Measures are being taken to recover the balance of Rs. 2,759,754.28/= through one of his associates.

**3. Mr. M.S. Gauri Shankar:**

A sum of Rs. 1,250,000/= has been recovered from the guarantors. Measures are being taken to recover the balance of Rs. 3,654,110/67 through one of his associates.

**4. Mr. P.D.R. Kumarasiri :**

Based on the settlements made in 2023 with the relevant two guarantors Mr. M.G.H.Rassak and Mr. S.M.K. Nandarathna, Mr. Rassak made a cash payment of ½ share of the due amount on proportion basis and Mr. S.M.K.Nandarathna has agreed to pay the balance of Rs. 166,866.98 and forwarded a proposal of payment to the Board of Directors. Further actions will be taken in accordance with the decision of the Board of Directors.

**5. Dr. G. Wickramasinghe :**

Though the decree of the case had been granted in favour of the institution, taking legal proceedings for the recovery of the due amount from him seems to be rather slow. Meanwhile, without reaching a proper settlement, Mr.Wickramasinghe pays a sum of Rs. 15,000 – 6000 to the institution every month. Accordingly, as at the end of May, a sum of Rs. 4,404,878.10 is yet to be recovered from him.

**6. Mrs A.C.K. Sepala :**

Upon the settlement of the case, a sum of Rs. 900,000 has been paid. Due to the omission of paying the balance of Rs. 300,000, reminders have been sent to her.

c.) Debtors' Loan balances pending recovery over a period of more than 05 years.

1.Hostel income	5113.75
2.Auditorium income	10,875.00
3.Balance to be received from Mobitel telecommunication Ltd	18,980.14
4.From the Ministry of Public Administration	44,800.00
5.From the employees who left the institution	150,217.26
6.From Divisional Secretariat at Dambulla	<u>1,962,545.66</u>
	<u>2,192,601.81</u>

Steps to recover the due amount from Mobitel (Pvt) Ltd, mentioned under No. 3, have been already initiated and Mobitel (Pvt) Ltd has agreed to make the payment as soon as possible. In last year, a part of the this balance had been recovered. At the meeting of the Board of the Governors held on 29.02.2024, it had been approved to write off the amounts due from the Ministry of Public Administration and Divisional Secretariat at



Dambulla. Once the minutes of the meeting of the Board of Governors confirmed, the relevant adjustments will be made.

References have been made to the Attorney General's Department for recovering the sums due from the employees who relinquished the service of the institution. Further actions will be taken upon the instructions of the Attorney General's Department. Reminders had been forwarded to the personal letters of the debtors.

- d.) Creditors' Loan balance of Rs. 2,365,048.31 pending remaining over a period of more than 05 years.

1) Creditors' Loan balance related to projects	-	679,193.19
2) Divisional Secretariat of Dambulla	-	1,000,000.00
3) To be paid to Mr. Narayanasami	-	17,000.00
4) Gratuity to be paid	-	126,912.50
5) Creditors	-	50,803.75
6) Deposits	-	136,526.06
7) Payments to be made to the employees relinquished the service	-	189,150.61
8) Canteen deposit	-	50,000.00
9) Refundable deposits	-	<u>115,462.20</u>
		<u>2,365,048.31</u>

Creditors' Loan balance of the institution remaining over a period of more than 05 years is as follows.

#### **Creditors' Loan balance related to projects**

Steps have been taken to settle the creditors' loan balance related to projects during the year 2024.

#### **Amount of Gratuity payments to be made - Rs.126,912.50**

As the amounts of Gratuity payments to be made, the arrears of the gratuity payments to be made on the Cost of Living Allowance have been calculated. Two creditors pending the gratuity are the guarantors of foreign loan scholarship debtors. Mr. H.K.S. Premalal is a debtor to the institution. So making the gratuity payment due to him had been delayed until he settles the de payment to the institution.

Value of the cancelled cheques due to expiry is Rs. 50,803.75. Not represented to recover this sum and necessary actions will be taken to adjust these sums in accounts.

### **Deposits**

This is a sum deposited regarding the construction activities during the year 2017 of the institutions and the relevant entities have not make requests for theses sums up to now. Actions will be taken in this regard in future.

#### **Payments to be made to the employees relinquished the service at the institution**

**Mr. T.Ravichandran - Rs.150,015.00**

Mr. Ravichandran is a guarantor of a foreign scholarship debtor of the institution. So his gratuity payment had not been paid.

**Mr. N.S. Wickramarachchi - Rs.39,135.61**

Though he had been informed of this payment, he has not represented to obtain it.

**Mr.Upathissa Paranamana – Rs .50,000/=**

This is the deposit made by the owner of the canteen and to be refunded to him.

Tender deposit Rs.112,462.50

- c) A committee including a representative of the Department of Agriculture had been appointed to dispose the books in the main stores, and it has submitted a report in this regard, However, due to the inadequacy of the recommendation contained therein, taking further actions had been impossible and therefore it has been instructed to make a fresh report.

**Director/ Chief Executive Officer  
Dr G.G. Bandula**

## Chapter 04

### Performance indicators

Research reports	<b>Publications</b> Working papers	Periodicals
<b>Newsletter</b> 04 volumes		<b>Newspaper</b> 05 volumes
	<b>Projects</b>	
<b>Research</b> Consolidated fund 11	<b>Research</b> financial aids (external) 05	<b>Training</b> 03
	<b>Social Media</b> Facebook users- You tube – Uploaded videos	
	<b>Magazine – Tamil</b> 03 Volumes	

## Chapter 05

### Performance in meeting the Sustainable Development Goals

Achievements and Challenges in Achieving the Sustainable Development Goals

Through a revised action plan, the organization was able to reach the sustainable development goals that expected to achieve through research and training programs through strategic planning of data collection methods in the last quarter.

Sustainable Development Goal	Target	Indices of achievement	Progress of achievements up to now		
			0% - 49%	50%- 74%	75%-100%
Zero poverty, end hunger in all its forms everywhere	Factors effecting technical efficiency of dairy production in the dry zone of Sri Lanka.	Research report			✓
	Unveiling the Successes and Challenges of Climate-Smart Agriculture in Sri Lanka: Insights for Future Interventions	Research report			✓
	Assessing the Household Food Security of Samurdhi Beneficiaries in Galle District - 2023	Research Report			✓
	Cost of Production of Broiler Chicken Meat and Table Egg - 2023	Research report			✓



	An Assessment of Financial Literacy of Farmers in the Domestic Agricultural Sector in Sri	Research report			✓
Achieve food security and improved nutrition and promote sustainable agriculture	Processed Fruit and Vegetable Industry in Sri Lanka: Potentials, Barriers and Prospects	Research report			✓
	Evaluation of the Effects of Economic crisis on Fruits and Vegetable Sector: Production and Marketing	Research report			✓
	Poultry Feed Production in Sri Lanka: Effects of Economic Crisis, Response and Way forward	Research report			✓
	An Assessment of Financial Literacy of Farmers in the Domestic Agricultural Sector in Sri Lanka	Research report			✓
	Awareness programme on increasing household food security for communities in rural and peri-urban areas	30 programmes at 30 DS divisions in Monaragala, Killinochchi, Mulativu and N'Eliya Districts. 1394 beneficiaries trained.			

	Awareness programme for women and youth farmers develop as agri-entrepreneurs	33 programs and 1286 beneficiaries Hambantota & Galle district was selected with Matale, Kurunegala & Pollonnaruwa and trained.			✓
<b>Calls for urgent action to combat climate change and its impacts</b>	Unveiling the Successes and Challenges of Climate-Smart Agriculture in Sri Lanka: Insights for Future Interventions	Research report			✓
	Empowering Climate-Vulnerable Farmers: A Study Assessing the Current Status of Vulnerability	Research report			✓
	Putting Climate Smart Solutions into Action: A guide to evidence-based implementation	Research Report			✓

## Chapter 06: Human Resource Profile

### Staff status as at 31<sup>st</sup> December 2023

Status of the cadre as at 31st of December 2023				
	Status as at 31.12.2022	Terminations, resigning during the year	appointments	Status as at 31.12.2023
Director	1	-	-	1
Additional Director	-	-	-	-
Heads of the divisions	6	-	-	6
Research staff	23	3	-	20
Administrative staff	9	2	-	7
Senior Library staff	2	1	-	1
Data Development Bank	1	1	-	-
Computer Unit	-	-	-	-
Publication Unit	5	-	-	5
Statistic staff	15	3	-	12
Technical staff	3	1	-	2
Clerical, Secretarial and similar grade staff	39	5	-	34
Operational and similar grades	43	5	-	38
<b>Total</b>	<b>147</b>	<b>21</b>		<b>126</b>

### Staff training

In the year 2023, the institute allocated Rs. 6 million from the Consolidated Fund. However, due to the economic situation in the country, the General Treasury restricted the training expenses of the year 2023. The amount spent on training during the year was Rs. 841,740.00

The training given to staff and non-staff officers is shown below.

The following research officers were engaged in post-graduate studies:

1. P.C.J. De Silva successfully completed the PhD in Community Development, University of the Philippines
2. Indika Edirisinghe – PhD in Agribusiness, University of Putra, Malaysia.
3. Dinusha Ratnayake – Post Graduate Studies in Economics (Masters) University of Colombo.
4. Susila Lourdu successfully completed the Post Graduate Studies in Sociology (Masters) University of Sri Jayawardenepura.
5. R. D. W. Rajapaksa - Post Graduate Studies (Masters) University of Colombo.

### **Participation in foreign training programs**

#### **Programs/Conferences/Workshops/Conferences/Meetings etc.**

1.Mr. M.A.C.S. Bandara (Senior Research Officer) and Ms. U.D.R. Udari (Research Officer) – Invitation for Modern Agricultural Technology Talent Training on 20th to 28th Sept. 2023 Honghe University, Mengzi Yunnan Province at China.

2.Dr. N.P.G. Samantha (Addl/Director) and Ms. M.D.D. Perea (Research Officer) – Oral Presentation at the delivering for Nutrition in South Asia 2023: Equity and inclusion conference 1st November 2023 to 2nd November 2023 at Kathmandu Nepal.

3.Ms. R.M.D.H. Rathnayaka (Research Officer) – CIRDAP-BRAD 2nd Flagship Training Programme on Regional Integrated Rural Development Governance, Trade and Sustainable Development for Asia and Pacific 3rd November to 27th November 2023 at Bangladesh.

4.Ms. M.D.D. Perera (Research Officer) – Specialized Training Programme on Select WTO Issues, Agriculture, Services TRIPS and RTA 4th December 2023 to 13th December at India.

### **Participation in local training programs**

1.Mr. M.A.C.S. Bandara (Senior Research Officer) and Mr. H.J.C. Jayasooriya (Research Officer) attend a Training Programme on “Building technical capacity of institutions to implement the 2050 Carbon Net Zero Road Map and Strategic Plan for Sri Lanka Agriculture Sector” held on 12th January 2023 from 9.00 am to 4.00 pm at level 3, Hilton Colombo Residences (JICA Hilton), Colombo.

2.Dr. N.P.G. Samantha (Addl/Director –Cover-up) attend a 4th International Conference on Agriculture, Food Security and Safety 2023 on 14-15 July Hybrid mode at Colombo.

3.Dr. N.P.G. Samantha attend the FRESH Collaborative Needs Assessment workshop will be held on 24th May 2023 from 9.30 am to 1.00 pm at Renuka City Hotel, Colombo 03.

4.Ms. H.M.T.G. L Herat (Librarian) and Ms. Thathsarani Kanchanamal (Assistant Librarian) attend Online Training workshop on JAVA/CDS/ISIS Open-Source Digital Library 19th and 20th October 2023 from 9.00 to 4.00 p.m. Organized by National Science Foundation.



## Chapter 07

# Compliance Report

Requirement that should be considered	Status of compliance (Comply with / incompliance with)	brief explanation in case of non-compliance	Corrective measures to prevent future incidents of non-compliance
<b>1. Submission of Financial Statements</b>			
1.1 Having forwarded the Financial Statements for the reviewed year on due date.	√		
<b>2. Responding the Auditing</b>			
2.1 Answers for audit queries having being forwarded on the date prescribed by the Auditor General.	√		
2.2 Mistakes pointed out in the audit paragraphs issued in previous years by the Auditor General, having being rectified.	√		
<b>3. Planning</b>			
3.1 Annual Action Plan of the institution having being prepared.	√		
3.2 Approval for the Action plan for the year under review being obtained on due date.	√		
3.3 Having obtained the Approval for the budget of the year under review on due date.	√		
3.4 Having obtained the approval for the Annual Procurement plan on due date.	√		
<b>4. Control of charges</b>			
4.1 Having assessed the properties on which charges are applied, once in every five years.			Steps are being taken to conduct assessments
4.2 Having a 70% percentage of the billed value of income being collected for the reviewed year within the same.	√		

4.3 Having issued the warrants to recover the arrears charges.	Not applicable		
<b>5. Control of rents</b>			
5.1 Having all the properties rented out annually (Meat stalls/ fish stalls/ public fair premises) being rented out within the reviewed year.	Not applicable		
5.2 Having entered into agreements in respect of all properties rented out annually	Not applicable		
5.3 Having charged the rental payments duly from the annually rented out properties.	Not applicable		
5.4 Having initiated legal actions to recover the due arrears payments.	Not applicable		
5.5 Having rented out the properties which were to be rented out on long term basis (Public market stalls)	Not applicable		
5.6 Having entered into agreements in respect of all properties which were to be rented out on long term basis.	Not applicable		
<b>6. Administration of Business taxes and Trade licenses</b>			
6.1 Having conducted a survey to collect business taxes and trade license fees.	Not applicable		
6.2 Cases having being filed against the business premises which has not obtained license.	Not applicable		
<b>7. Audit and Management Committees</b>			
7.1 Having conducted 04 sessions of Audit and Management Committees within the relevant year, at least.	✓		
<b>8. Bank Accounts Management</b>			
8.1 Keeping banking reconciliation statements ready for auditing having prepared and certified them on due dates.	✓		
8.2 Dormant bank accounts from the reviewed year or earlier years having being settled.	✓		
8.3 Actions being taken regarding balances disclosed by bank reconciliation statements and that should have been planned, in accordance with the Financial Regulations and having settled such balances within a period of one month.	✓		
<b>9. Assets Management</b>			
9.1 All asses having being documented.	✓		
9.2 Ensuring the safety of all assets.	✓		
9.3 Having acquired all the assets.	✓		
9.4 Board of Survey has been conducted as per Public Finance Circular No. 01/2020 and the relevant reports have been forwarded to Auditor General on due date.	✓		
9.5 Having implemented the recommendations within the time period prescribed in the Circular regarding the surpluses, deficiencies	✓		

and other facts revealed through the Board of Survey.			
9.6 Disposal of the condemned goods as per F.R. 772			Branch is taking actions for disposal
<b>10. Management of Vehicles</b>			
10.1 Having prepared Daily Running Charts and Monthly summarized reports for vehicles in the pool and forwarded to Auditor General.	√		
10.2 Vehicles being disposed within a period less than 06 months following the condemnation.			Actions of disposals are to be taken.
10.3 Maintenance and updating of Vehicle log books.	√		
10.4 In respect of all vehicle accidents, the fuel consumption of such vehicles being re inspected as per the regulation number 103, 104,109 and 110 of Financial Regulations.	√		
10.5 Having re inspected the fuel consumption of vehicles as per the provisions of Paragraph No. 3.1 of the P.A. Circular No. 2016/30 of 29.12.2016.	√		
10.6 A Vehicle Repair Registry with updates being maintained in the institution.	√		
10.7 A registry of Institutional use of fuel being maintained.	√		
<b>11. Staff Management</b>			
11.1 Staff having being recruited and paid within the limits of the approved cadre.	√		
Duty lists in writing having been assigned to all members of the staff.	√		
11.2 All reports having being forwarded to the Management Services Department as per the MSD Circular No. 04/2027 of 20.09.2017	√		
<b>12. Maintenance of books and documents with latest updates</b>			
12.1 Register of lands and buildings	√		
12.2 Register of Fixed Assets	√		
12.3 Register of Contracts	-		
12.4 Register of Audit Inquiries	√		
12.5 Register of Cheques and Money Orders	√		
12.6 Register of Inventories	√		
12.7 Register of Consumer Goods	√		
12.8 Register of damages and losses	Not applicable		
12.9 Register of counter foils	Not applicable		
12.10 Registry of Advances	√		
12.11 Registry of Industry / Business taxes	Not applicable		

12.12 Register of Debtors	√		
12.13 Register of creditors			Maintained on behalf of the project
13.14 Register of Tender Board decisions	√		
12.15 Registry of Street lamps	Not applicable		
12.16 Surveying book	Not applicable		
12.17 Road Register	Not applicable		
12.18 ඉඩම් කට්ටි බදු ලේඛනය land lot lease Register	Not applicable		
12.19 Register of Building Applications	Not applicable		
12.20 Register of compliance assessment	Not applicable		
<b>13. Waste Management</b>			
13.1 A Waste Management plan having being prepared in accordance with national policies	√		
13.2 Collection of garbage in separation within the council limits	√		
<b>14. Environmental Activities</b>			
14.1 No harm caused to the environment as a result of irregular dumping of garbage within the area.	√		
14.2 Measures being taken to control the environmental impacts caused by harmful waste materials released by the factories in the area.	Not Applicable		
<b>15. Provisional opportunities</b>			
15.1 Provisos having being prepared for functions which so required as per Section No. 126 of the Municipal Council Pradeshiya Sabha Ordinance.	Not Applicable		
15.2 Activities to be taken by the council with regard to the above provisos having being mentioned in the Annual Action Plan.	Not Applicable		
15.3 Provisions being allocated from the annual budget to implement the said activities.	Not Applicable		
<b>16. Granting information to General Public</b>			
16.1 An Information Officer having being appointed as per the Right to Information Act and a Registry of giving information being duly maintained.	√		
16.2 Submission of information of the institution through its web site and availing the opportunity for the Public to express their censures and commendations through the web itself or other channels.	√		
16.3 Reports having being submitted twice a year and once a year as per Section No. 08 and 10 of the RTI Act.	√		
<b>17. Approving of building plans</b>			
17.1 Maintenance of an updated registry to enlist all the building plans received to the council	Not Applicable		



17.2	Informing the relevant persons regarding the issues of the applications within 05 days	Not Applicable		
17.3	Having submitted the application to the first meeting of the planning committee within a week after receiving applications.	Not Applicable		
17.4	Having approved more than a 80 % of building plans as the date (8 weeks) mentioned in the Citizens Charter.	Not Applicable		
<b>18. Implementation of the Citizens Charter</b>				
18.1	Having prepared and implemented a Citizens / Clients Charter as per the P.A. Circular No. 05/2008 and 05/2008 (1)	Not Applicable		
18.2	Having prepared a methodology by the institution as per the Paragraph No. 2.3 f the above Circular to monitor and evaluate the processing and implementation of Citizens/ Clients Charter.	Not Applicable		
<b>19. Preparation of a Human Resource Development plan</b>				
19.1	Having prepared a Human Resources Development Plan as per the annexed form 02 to the P.A. Circular No. 02/2018 of 24.01.2018			Being prepared
19.2	Having confirmed in the above-mentioned Human Resources Development Plan, that each member of the staff receives a training opportunity not less than 12 hours a year at least.		A period between 03-06 hours	
19.3	Having signed annual performance agreement for the entire staff based on the format stipulated in annex 01 of the above-mentioned Circular.		Has not signed	
19.4	Having appointed a senior officer assigned with the responsibility of preparing Human Resources Development Plan, development of Capacity Building Programme and implementing Skills Development Programme	√		
<b>20. Establishment of an E- Provincial Government System</b>				
20.1	Having availed the general public, the opportunity to submit application online as per the Provincial Government Circular No. 2018/e-Local Government-01 of 19.07.2018			Being prepared
20.2	Having facilitated the general public, the opportunity to make online payments.			Operative from 2023.
20.3	Having introduced front offices and consumer service centers to provide a consumer-friendly service.	Not Applicable		





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