



Addressing Climate Change Impacts on Marginalized Agricultural Communities Living in the Mahaweli River Basin of Sri Lanka

Project Inception Report

Held on
4-5th of November 2013

**Ministry of Environment and Renewable
Energy (MERE)
"Sampathpaya", Battaramulla
Sri Lanka**

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LIST OF ACRONYMS

ADS	Assistant Divisional Secretary
AI	Agricultural Instructor
ARPA	Agriculture Research and Production Assistants
ASC	Agrarian service Centers
CCS	Climate Change Secretariat
CEA	Central Environmental Authority
DA	Directors of Agriculture (at DS levels)
DAD	Department of Agrarian Development
DAPH	Department of Animal Production and Health
DEA	Department of Export Agriculture
DI	Department of Irrigation
DM	Department of Meteorology
DMC	Disaster Management Centre
DO	Divisional Officer
DOA	Department of Agriculture
DS	Divisional Secretaries
DSD	Divisional Secretariat Division
DWC	Department of Wildlife Conservation
FD	Forest Department
FO	Farmer Organization
GSMB	Geological Survey and Mines Bureau
MERE	Ministry of Environment and Renewable Energy
NBRO	National Building and Research Organization
NRMC	Natural Resource Management Centre
OW	Orientation Workshop
PDAPH	Provincial Department of Animal Production and Health
PDOA	Provincial Department of Agriculture
PIW	Project Inception Workshop
SD	Survey Department
UNDP	United Nations Development Programme
WFP	World Food Programme

EXECUTIVE SUMMARY

The project inception report provides an overview of the general introduction and background to the project, project design concept, key challenges and opportunities, the inception process, findings and conclusions.

The project has been initiated targeting at rain-dependent farming families in three hazard-prone Divisional Secretary Divisions (DSDs) in the Mahaweli river basin of Sri Lanka, namely Walapane, Medirigiriya and Lankapura. The Walapane DS includes five Agrarian Service Centre (ASC) divisions namely Walapane, Nildandahinna, Theripaha, Ruupaha, and Munwatte. The Medirigiriya DS includes one ASC division namely Medirigiriya and Lankapura DS includes two ASC divisions namely Galamuna and Pulasthigama. The sites have been identified through a vulnerability analysis. The overall objective of the project is to secure community livelihoods and food security against climate change-induced rainfall variability leading to longer droughts and more intense rainfall. To directly address these climate-induced impacts, the project proposes to;

1. Develop household food security and build resilient livelihoods for rain-fed farming households, and
2. Build institutional capacity in village, local, regional service delivery to reduce risks associated with climate-induced rainfall variability

The outcomes and outputs are designed to address specific vulnerabilities faced by rain-dependent farmers, strategies to overcome dry season food and income security, introduction of diversified income sources to broad-base risk, improved water storage and irrigation to overcome uncertainty of rainfall, improved soil quality and fertility for increased production, and timely, quality agriculture advice and extension. The interventions were derived through field consultations held in three locations of the Mahaweli river basin.

The two-day Project Inception Workshop (PIW) later it was decided to consider it as orientation workshop was held at Kothmale Holiday Resort, Gampola on June 2013 in the presence of the stakeholder organizations namely, officials of the Ministry of Environment and Renewable Energy (MERE), officials of the World Food Programme (WFP), members of the Project Steering Committee (PSC), officials of the Divisional Secretariats (DS), and the leader farmers representing the Farmer Organizations (FOs) at different DS. The workshop was aimed at finalizing the project design, which included the project timeline, performance

indicators, responsible authorities and personnel, budget for each activity, establishment of the Divisional Project Support Unit (DPSU) and the mechanism of Project Monitoring and Evaluation. The overall outcome is expected to ensure smooth functioning of the project activities over a three year period.

In order to ensure the participation and involvement of stakeholders in all level, MERE has decided to conduct three awareness workshops, two pre-inception workshops followed by an inception workshop as an inception process. A panel of consultants led by a professor attached to University of Peradeniya was hired by MERE to conduct the workshops. The PIW was a culmination of 10 meetings/workshops that followed a participatory approach to extract most relevant information pertaining to project activities from the stakeholders, especially the farmer organizations and the relevant project administrative/implementing staff. A continuous and a coordinated feedback mechanism was adopted to ensure fine tuning of project activities after every stakeholder workshop.

The project provides tangible outputs to support the livelihood of farming community in the selected localities under a changing and variable climate. However, through community level stakeholder consultations, several challenges were identified that would affected the successful implementation of the project. The five main constraints identified that need serious thoughts and timely interventions as and when needed are (a) Political interference that could divert the attention on the project activities, (b) Administrative delays in obtaining required approvals for project implementation, (b) Changes in the administrative staff in the given DS divisions, (c) Influence of farmer organizations in the major irrigation schemes, and (e) Selection of beneficiary farmers within villages/DS divisions.

The five major opportunities identified were (a) Knowledge and understanding on the impact of climate change on agriculture and environment and the need for incorporating issues related to climate change in the development agenda, (b) All key stakeholders are aware of the project concept, expected outputs and mode of operation, (c) Availability of other regional development programs focusing agriculture and food security under changing climate (availability of co-financing), (d) Dedicated group of staff at the DS division level to implement the project and (e) Experience in and involvement of farmer organizations in taking part in development projects.

While conducting the workshop different strategies were adopted to ensure active involvement of the farming community in the project planning process such as (a) Direct dialogue with leader farmers and government officials, (b) Separate discussions held with

FOs from major irrigation schemes who showed enthusiasm in joining the project and attended the workshops despite the fact that the project target is to serve farming community who are involved in rain-fed farming, including those who do agriculture under anicuts, (c) More time allocated for finalization of activities and budgets at the pre-inception workshops, (d) Difficulties of implementing activities were openly discussed keeping in line with the project objectives and (e) Activity consolidation at ASC level within a DS division.

The lessons learnt from the activities conducted at the Awareness and Pre-inception Workshops are

- a) Awareness creation attracted large number of farmer organizations and it supports with the active involvement of farmer communities in order to smooth implementation of the project activities.
- b) Some farmers were concerned about political interventions and conduct of government officials will jeopardize the ultimate benefits to the farmers. Therefore, transparency, neutrality, accountability should be ensured throughout the project implementation.
- c) Participatory decision making and implementing approaches highly recommended by the farmers. It is revealed that the interaction between government officers and the farming communities were developed and improved during the inception process.
- d) High enthusiasm shown by farming community after knowing that their views have been given due consideration.
- e) The realistic approach should be taken to overcome the Unrealistic cost estimates (over- and under-estimated budgets) of each activity given by the farmers

During the process farmer representatives and field level government officials were asked to prepare budget for the proposed activities they will be involved. To make the activity wise budget allocation realistic, the budgetary allocations for each activity under respective ASC division were decided based on an index prepared by the consultants separately for component 1 and 2 of the project, with the concurrence of the project stakeholders, while ensuring the projected maxima for budget lines. The criteria used to develop the budget allocation index for component 1 are (a) Climate sensitivities/severity, (b) Social context (population, number of FOs), (c) Cultivated extents and % cultivated extent in uplands, and (d) Cost estimates proposed by FOs. The criteria used to develop the fund allocation index for component 2 are (a) Climate sensitivities/severity, (b) Social context (number of GN divisions, number of FOs), (c) Cultivated extents and % cultivated extent in uplands and (d)

Number of irrigation schemes. The draft budgetary allocations for each activity under different ASC levels were made using the indices developed and were further discussed prior to finalization at the project inception meeting.

The PIW helped in identifying two project offices to be located in the project sites. The decision was taken by the participants to establish the project offices at Nildandahinna ASC (for Walapane project site) and Medirigiriya ASC (for Medirigiriya and Lankapura project sites). The participants at the PIW agreed on the structure of the project monitoring and evaluation as depicted in figure 3 of the main text. The risks and assumptions made and proposed remedies for successful implementation of the project are highlighted in the text.

INTRODUCTION

The project inception workshop (PIW) held on 4th and 5th of November 2014 was a culmination of a series of meetings and workshop carried out at the central and regional level with a broader stakeholder consultation, under the guidance of Climate Change Secretariat, MERE and a team of national consultants led by an academic in the relevant field. The awareness and pre-inception workshops and meetings were also coupled with a collection and review of baseline information on the study sites.

The two-day Orientation Workshop (OW) was held in the presence of the stakeholder organizations namely, officials of the Ministry of Environment and Renewable Energy (MERE), officials of the World Food Programme (WFP), members of the Project Steering Committee (PSC), officials of the Divisional Secretariats (DS), and the leader farmers representing the farmer organizations (FOs) at different DS. The goal of the OW was to fine tune and finalizes the project design, which included the project timeline, performance indicators, responsible authorities and personnel, and the budget for each activity. Work group activities were held to decide and finalize the establishment of the Divisional Project Support Unit (DPSU) and the mechanism of project monitoring and evaluation.

This project inception report includes a project work plan covering the three year period and a detailed first year work plan divided in quarterly time-frames detailing the activities and progress indicators that will guide implementation during the first year of the project. In addition, the report includes the detailed project budget for the first full year of implementation, prepared on the basis of the annual work plan, and including the monitoring and evaluation requirements to effectively measure project performance during the targeted time-frame.

The inception report also includes a more detailed narrative on the institutional roles, responsibilities, coordinating actions and feedback mechanisms of project related partners. The progress to date on the project establishment and start-up activities and an update of any changed external conditions that may affect project implementation are also included.

BACKGROUND TO THE PROJECT

Sri Lanka is an island located at the southern tip of India, between 5° 55' and 9° 50' North and 79° 42' and 81° 53' East. The country has a total land area of 65,610 sq. km; its population estimate in 2012 was 20.33 million. Three topographic zones, the central highlands, the plains, and the coastal belt are distinguished by elevation.

On the basis of rainfall distribution, the country is classified into three climatic zones, the wet, dry and intermediate zones. The wet zone covers the south-western region including the central hill country and receives relatively high mean annual rainfall over 2,500 mm without pronounced dry periods. The dry zone covers predominantly the north central, northern and eastern part of the country, receives a mean annual rainfall of less than 1,750 mm with a distinct dry season from May to September. The intermediate zone receives a mean annual rainfall between 1,750 to 2,500 mm with a short and less prominent dry season. The island has 46 different agro-ecological regions differentiated by monthly rainfall expectancy and distribution, soil type, elevation, land use and vegetation.

Of the 103 rivers found in Sri Lanka, around 20 are considered perennial. Of these, the largest draining area covering about 10,000 km² belongs to the Mahaweli river basin. This comprises over one sixth of the total land area of the country. The Mahaweli river rises in the mountainous south central part of the island, which receives an annual rainfall of 4000-5000 mm and discharges an average runoff of 8,600 million annually into the sea. It is the principal source of water for irrigation in the dry zone. 40 Divisional Secretary Divisions (DSDs) in six districts and four provinces belong to the basin. There are 38 sub-watersheds of tributaries that that augment the main river.

Climate change in the Mahaweli river basin is manifest in increased natural disasters such as landslides, drought and floods, increased land degradation in the upper and mid elevations and reduced agricultural productivity. These problems are attributed to both temperature increase and rainfall variability. As the case nationally, rainfall variability is by far the most important contributory factor to increased climate risk in the Mahaweli river basin.

Food insecurity and poverty in different regions of the Mahaweli river basin are linked to production patterns, income, disaster exposure, education, and other socio-economic conditions, including number of family members. Water availability, especially irrigation water availability is directly and negatively associated with poverty. This corresponds to the vulnerability analysis in annex where Divisional Secretary Divisions (DSDs) of the Mahaweli river basin based on disaster exposure, irrigation and drinking water scarcity, erosivity of soil and food security.

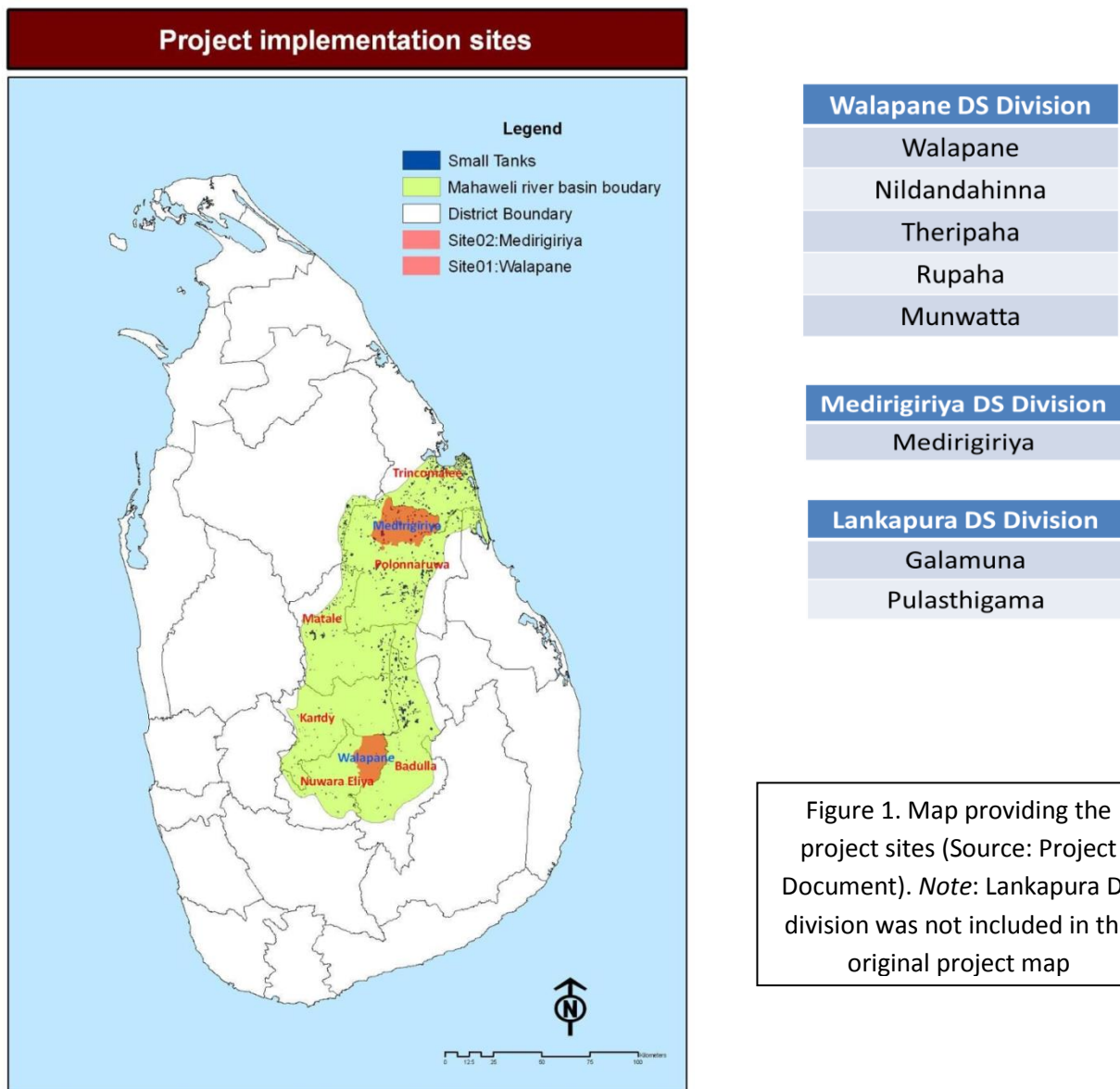
Impacts of climate change such as temperature increase and rainfall variability is commonly experienced by all farmers in the basin. However, the target community (i.e. rain fed farmers) exhibit higher vulnerability due to low adaptive capacity and higher sensitivity of their livelihood systems to the climatic drivers. They also have fewer social or economic safety nets (insurance, credit and strong farmer organizations) that are accessed by irrigated rice cultivators.

Considering this WFP has conducted a vulnerability assessment jointly with University of Peradeniya covering the vulnerable host spots in the Mahaweli river basin in October 2011. Moreover, WFP jointly with Ministry of Environment has hosted a consultative workshop on 31 October 2011 to formulate the project proposal for climate adaptation.

As the Mahaweli river basin was reported as the largest river basin in Sri Lanka and it flows over main three agro climatic zones of Sri Lanka. In this context, Medirigiriya and Walapane agrarian service areas which are falling under Mahaweli river basin were found as mostly vulnerable areas due to climate change. The identified agrarian service areas were cutting across three administrative divisions namely Medirigiriya, Walapane and Lankapura.

Hence, a project was initiated targeting at rain-dependent farming families in three hazard-prone Divisional Secretary Divisions (DSDs) in the Mahaweli river basin identified through the vulnerability analysis detailed in figure 1. The overall objective of the project is to secure community livelihoods and food security against climate change-induced rainfall variability leading to longer droughts and more intense rainfall. To directly address these climate-induced impacts, the project proposes to;

1. Develop household food security and build resilient livelihoods for rain-fed farming households, and
2. Build institutional capacity in village, local, regional service delivery to reduce risks associated with climate-induced rainfall variability



The key characteristics of the project sites are shown in table 1.

Table1: Key site characteristics

Parameters	Walapane	Medirigiriya	Lankapura
Agro-ecological region			
Total land area	74,395 ha	57,677 ha	18,400 ha
Population	125,489	73,648	39,136
Extent cultivated	55,733	14,798	15,032
Number of farmer organizations (rain-fed/minor irrigation schemes) registered	109	46	21

The project will deliver tangible impacts on the ground that include increased local availability of food, livelihoods that can withstand current climate shocks, more information on risks and adaptive strategies, better connectivity to early warning and risk forecasting and, importantly, an efficient and informed agriculture extension service.

The outcomes and outputs are designed to address specific vulnerabilities faced by rain-dependent farmers; strategies to overcome dry season food and income security; introduction of diversified income sources to broad-base risk, improved water storage and irrigation to overcome uncertainty of rainfall, improved soil quality and fertility for increased production, and timely, quality agriculture advice and extension. The interventions were derived through field consultations held in three locations of the Mahaweli river basin.

Project Design Concept

WFP jointly with Ministry of Environment and Forest Department submitted the first project proposal to the Adaptation Fund Board in the year of 2011. However, the project proposal was not approved. With the review comments received from Adaptation Fund Board, the project proposal was re-developed with the focus on more climate adaptation among the vulnerable communities in Mahaweli river basin. In order to achieve tangible outputs, the project area was restricted into two main Divisional Secretary Divisions.

WFP Vulnerability Assessment and Mapping Unit jointly with the University of Peradeniya conducted a vulnerability study covering Mahaweli river basin (October 2011). The findings of the survey were used as baseline information to develop the project proposal and the key components of the project were re-designed based on the findings of the survey. Local-level discussions with farmer groups, agricultural extension officials and rural development officials including divisional administrators were also held during the project design phase.

The two project components for the second project proposal were to improve food and livelihood security for target farm households; the second addresses capacity gaps at village and divisional administration to support replication of the adaptive actions.

Climate change specialists from all line agencies were consulted with the new project components and the geographical coverage was decided based on the current vulnerability levels to climate change (September to October 2011, October 2012).

Key Challenges and Opportunities

The top 5 challenges and opportunities for the project implementation as identified by the stakeholders during consultations and are listed below.

Key Challenges	Key Opportunities
Political interference that could divert the attention on the project activities	Knowledge and understanding on the impact of climate change on agriculture and environment and the need for incorporating issues related to climate change in the development agenda
Administrative delays in obtaining required approvals for project implementation	All key stakeholders are aware of the project concept, expected outputs and mode of operation
Changes in the administrative staff in the given DS divisions	Availability of other regional development programs focusing agriculture and food security under changing climate (availability of co-financing)
Influence of farmer organizations in the major irrigation schemes	Dedicated group of staff at the DS division level to implement the project
Selection of beneficiary farmers within villages/DS divisions	Experience in and involvement of farmer organizations in taking part in development projects

INCEPTION PROCESS

i) Project Preparation and Approval

WFP jointly with Ministry of Environment, Forest Department submitted the first proposal to the AFB in October 2011. With the comments received from AFB, the key project components were re- developed. The project proposal was presented to the Climate Change Secretariat of the Ministry of Environment in order to submit to the Adaptation Fund Board. Secretary, Ministry of Environment endorsed the project proposal in October 2012. The Ministry of Environment in coordination with Ministry of Agriculture and Ministry of Agrarian Services and Wild Life jointly with WFP; the new proposal was submitted to the Adaptation Fund Board in October 2012.

ii) Meetings Held

There are number of meetings held between WFP, MERE and some other relevant stakeholders until the inception workshop is completed. Some important decisions were taken during the meetings. Name of the meetings and dates are listed below. The key minutes of the meetings and notes for the record of inception workshop shall be found in the annex (annex I)

- i. Initial meeting with ministry officials (28th March 2013)
- ii. Meeting with Additional Secretary (26th April 2013)
- iii. Meeting with ERD and other high profile officers (21st May 2013)
- iv. First Steering Committee meeting (28th May 2013)
- v. Special meeting with headquarter representative (12th June 2013)
- vi. Meeting before orientation workshop (25th June 2013)
- vii. Meeting during the inception workshop (28th June 2013)
- viii. Meeting on way forward (5th July 2013)
- ix. Meeting with resource persons identified by ministry (31st July 2013)
- x. Meeting with the Secretary (7th August 2013)
- xi. Debriefing on awareness workshops and pre-inception workshops (17th October 2013)
- xii. Meeting after the inception workshop - Way forward (5th November 2013)

iii) Initial Consultations

Consultants Professor Buddhi Marambe (Faculty of Agriculture, University of Peradeniya) hired by the Ministry of Environment and Renewable Energy (MERE) in July 2013 to facilitate the inception process, Professor Pradeepa Silva (Faculty of Agriculture, University of Peradeniya) and Dr. Ranjith Punyawardena (Natural Resources Management Centre,

Department of Agriculture) were also involved in the facilitation process. The initial discussions held on 31st July 2013 at the Hotel Renuka in Colombo lead to the decision on the process that will be followed during the three month period starting from 15th August 2013 culminating with the project inception workshop and report. The activities and responsibilities identified at this initial discussion are listed in below and the actual work plan is presented in table 2. The Terms of Reference prepared by the MERE is given in annex II.

Decisions made at the initial discussion with MERE and WFP with the Consultants:

- (1) Consultant's work duration (August to October, 2013)
- (2) MERE to organize stakeholder meetings
- (3) MERE to collect basic information on the project sites as identified by the consultants
- (4) WFP is to look after the food, accommodation and travel of consultants
- (5) Three awareness workshops (2 days each) at three DS divisions (with leader farmers from FOs and officials at DS levels)
- (6) Two pre-inception workshops (2 days each) at Walapane DS and Medirigiriya DS + Lankapura DS with the participation of stakeholders
- (7) Two project progress meetings with the MERE and WFP
- (8) Inception workshop (2 days)
- (9) Final report

Based on the decisions made at the initial meeting, a work plan had been prepared by consultants and submitted to the MERE based on which the activities as highlighted in the table 2 were conducted. Note that the original dates proposed dates had to be changed due to the availability of the Divisional Secretaries (DSs) and their staff in organizing the meetings at the respective DS levels, work schedule of the staff of the Climate Change Secretariat of the MERE and the Provincial Council Elections held during the month of September 2013.

Preparatory work carried out by the consultants is given below.

- A work plan was submitted on 5th August 2013
- Consultant's meetings were held from 1-4 August 2013 at Peradeniya
- Requested MERE to collect selected baseline information on the DS divisions
- Finalization of the agenda for the awareness and pre-inception workshops and the inception meeting (in consultation with MERE and WFP)
- Agreeing on the mode of conduct of awareness, pre-inception and project inception meetings (in consultation with MERE and WFP)
- Made relevant amendments to the Sinhala translation of the activities as identified in the project proposal and submitted to MERE

Table 2: The main activity schedule

Activity	Venue and Dates
Awareness Workshops	
Walapane	Walapane DS, 23-24 August 2013
Medirigiriya	Medirigiriya DS, 28-29 August 2013
Lankapura	Lankapura DS, 13-14 September 2013
Progress Review Meeting 1	Climate Change Secretariat, 4 th October 2013
Pre-Inception Workshops	
Walapane	Walapane DS, 26-27 September 2013
Medirigiriya and Lankapura	Royal Park Hotel at Hingurakgoda, 3-4 October 2013
Progress Review Meeting 2	University of Peradeniya, 17 October 2013
Project Inception Meeting	NIPM at Athurugiriya, 5 th November 2013

Field Visits

The activities leading to the project inception workshop consisted of several workshops and meetings to incorporate the idea of the stakeholders and finalize the project activity plans and budgets. The agenda for the awareness and pre-inception workshops and the project inception meeting are given in the annexes.

The modalities of the series of activities were based on a feedback mechanism adopted with the agreement of the MERE, WFP and project stakeholders as illustrated in figure 2. The process helped to increase the involvement of the leaders of the farmer organizations (FOs) and the officers at the Agrarian Service Centres (ASC) levels within the Divisional Secretariat Division (DSD). Lengthy and productive discussions held at each meeting (see annexes III for the agenda items) with the involvement of the helped finalizing the work program.

Feedback

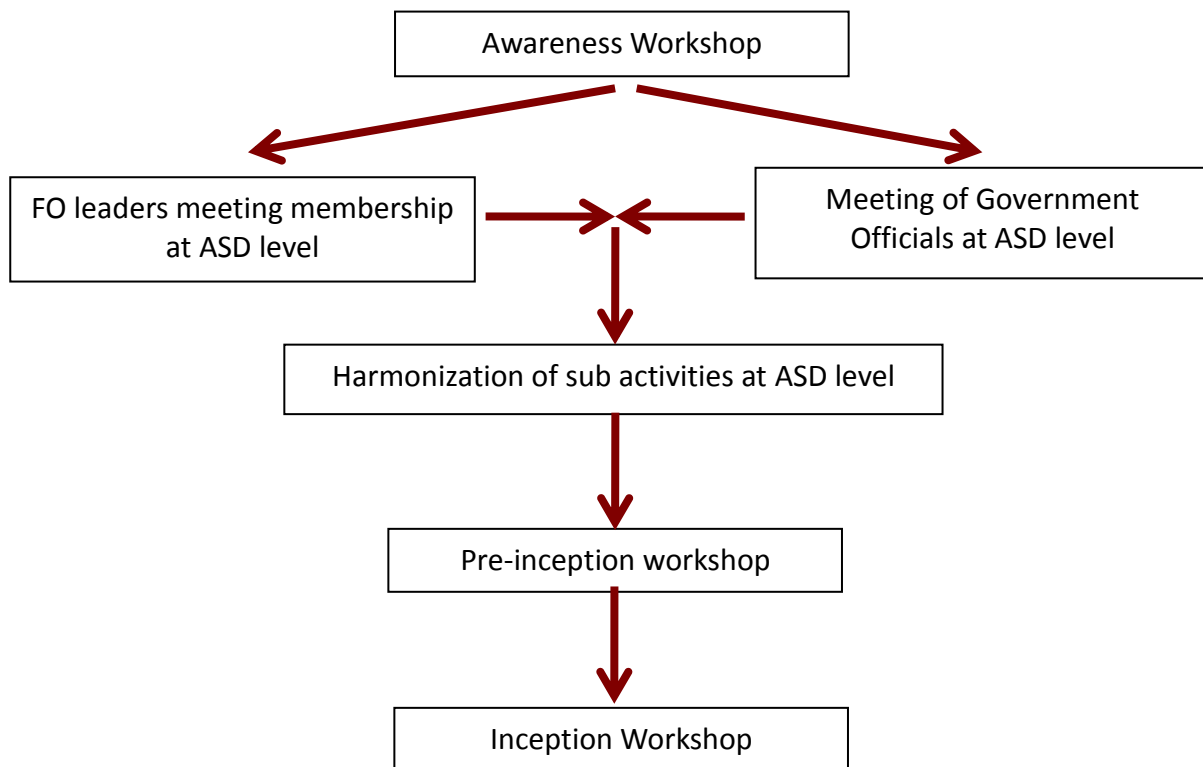


Figure 2. Feedback mechanism of the workshop activities carried out leading to the project inception workshop

The description of the field visits made for the respective workshops and meetings are given below.

Awareness Workshops

The awareness workshops were conducted in a model consisting of introductory remarks, project description based on a presentation followed by a discussion, a lecture and discussion on climate change impacts, and participatory group activities. The main objective was to educate the stakeholders on the climate change impacts and introduce the project design, objectives and expected outputs. The awareness workshops, mainly focusing on the leader farmers of the FOs, each leader farmers attended were requested to meet their memberships and further fine tune the project activities without making amendments to the project components or the main sub activities. Similar request was made from the state officials within the ASC divisions to meet among themselves to fine tune the project activities. The project activities as identified in the project document were translated to the local language and distributed among the participants for easiness in understanding and conducting the meetings.

At each awareness workshop, group activities were conducted under a selected group leader, based on the ASC level to comprehend the project activities as identified in the project document, to allow the participants to propose new activities or fine tune existing activities. The group leaders made presentation to the audience on the said activities, which made the participants gaining a better understanding on the overall project. Thereafter, the leaders of FOs and the officers at the respective DS divisions met to harmonize the activities within an ASC to arrive at a consensus at the pre-inception meetings. A new project activity document was prepared after each awareness workshop at the DS levels, and distributed among the participants immediately after the workshop to assist them in discussing the project activities with the fellow members and officers. The leader farmers and the state officials were also advised to discuss and propose the budgets effective for each activity at the pre-inception workshops

Pre-inception Workshops

The pre-inception workshops were conducted with the assistance of the government officials, where the participants were divided among the ASC level at the initial part of the workshop and later at the DSD level in order to prioritize and arrive at a consensus on the project activities. The pre-inception workshop was held in the form of providing introductory remarks, a re-cap of the activities conducted at the awareness workshops, an initial discussion and group work led by the government officials at the respective ASC with the activity participation of the FOs. The outcome of the discussions held among the membership of respective farmer organizations after the awareness workshop were further fine-tuned at the pre-inception workshop. The workshop immensely helped in arriving at concise decisions on the requirements of the FOs and the officials at the ASC levels, which fitted in well with the project objectives. The project timeline, performance indicators, responsible authorities and personnel and the budget for each activity were further refined by the participants at the pre-inception workshops.

Progress and Debriefing Meetings:

The progress review discussion was held on 4th October 2013 at the Climate Change Secretariat of the MERE and Debriefing on Awareness Workshops and Pre-inception Workshops took place on 17th October 2013 at the Board Room of the Faculty of Agriculture, University of Peradeniya. The objective was to review the progress of the work carried out and to discuss the outcomes of the workshops. Further actions to finalize the action plan were proposed and agreed upon.

Strategies Adopted and Lessons Learnt from the Awareness and Pre-inception Workshops

The project consultants adopted different strategies to ensure active involvement of the farming community in the project sites in the project planning process. Such strategies adopted are listed below.

- Direct dialogue with leader farmers and government officials
- Separate discussions held with FOs from major irrigation schemes that showed enthusiasm in joining the project and attended the workshops despite the fact that the project target is to serve farming community who are involved in rain-fed farming, including those who do agriculture under anicuts.
- More time allocated for finalization of activities and budgets at the pre-inception workshops
- Difficulties of implementing activities were openly discussed keeping in line with the project objectives
- Activity consolidation at ASC level within a DS division

The lessons learnt from the activities conducted at the awareness and pre-inception workshops are as follows.

- Awareness creation attracted large number of farmer organizations and it supports with the active involvement of farmer communities in order to smooth implementation of the project activities.
- Some farmers were concerned about political interventions and conduct of government officials will jeopardize the ultimate benefits to the farmers. Therefore, transparency, neutrality, accountability should be ensured throughout the project implementation.
- Participatory decision making and implementing approaches highly recommended by the farmers
- It is revealed that the interaction between government officers and the farming communities were developed and improved during the inception process.
- High enthusiasm shown by farming community after knowing that their views have been given due consideration
- The realistic approach should be taken to overcome the unrealistic cost estimates (over- and under-estimated budgets) of each activities given by the farmers

Finalization of the Budgets

To refine the budget and ensure maximum impact at community level the project consultants developed an index taking into account the various determinants and contributory factors that were the selection criteria for the project sites. Due to the different nature of activities in component 1 and 2, different budget allocation indices were developed for each component.

The criteria used to develop the budget allocation index for component 1 are given below.

- Development of an index for fund disbursement (Component 1)
 - Climate sensitivities/severity
 - Social context (population, number of FOs)
 - Cultivated extents and % cultivated extent in uplands
 - Cost estimates proposed by FOs
- Development of an index for fund disbursement (Component 2)
 - Climate sensitivities/severity
 - Social context (number of GN divisions, number of FOs)
 - Cultivated extents and % cultivated extent in uplands
 - Number of irrigation schemes

The draft budgetary allocations for each activity under different ASC levels were made using the indices developed, and were further discussed prior to finalization at the project inception meeting, taking into account the maximum budget allocation proposed by the project document for each component and each activity. The US\$ to Sri Lankan rupees conversion was taken as 120 for ease in calculation and to ensure a contingency budget remains for successful completion of the activities.

The presentations made at the awareness and pre-inceptions workshops and progress review meetings (and the inception workshop) are attached as annexed (annex IV).

Project Inception Workshop - 4-5th of November 2013

The project inception workshop was held for two days at the Auditorium of the National Institute of Plantation Management (NIPM), Athurugiriya in the presence of the Secretary to the MERE. The stakeholder organizations from the three DS divisions, members of the Project Steering Committee and the leader farmers representing the FOs at different DSs participated at the meeting. The workshop agenda is presented as an annex (annex V). A re-cap of the past activities was done and an opportunity was given to the participants to revisit the activities planned earlier at the different ASC levels. The project timeline, performance indicators, responsible

authorities and personnel and the budget for each activity were finalized. Please see annex for the activity schedules provided for each ASC level with all the relevant information. The finalized overall budgetary allocation for the two project components and the different DS divisions are presented below.

	Walapane	Medirigiriya	Lankapura
Component 1	214,221,792	165,834,380	109,244,068
Component 2	156,225.038	94,328,344	60,541,818
TOTAL	370,446,831	260,162,724	169,785,886

Component 1	489,300,240
Component 2	311,095,200

The group activities at the respective DS divisions were led by the Divisional Secretaries (Medirigiriya and Walapane) and the Assistant Divisional Secretary (Lankapura). Apart from the above stated achievements, the following decisions were arrived at the inception workshop.

(1) Divisional Project Support Unit (DPSU):

The project has identified two project offices to be located in the project sites. The decision was taken by the participants to establish the project offices at Nildandahinna ASD (for Walapane Project Site) and Medirigiriya ASD (for Medirigiriya and Lankapura Project sites).

(2) Project Monitoring and Evaluation

The participants agreed on the structure of the project monitoring and evaluation as depicted in figure 3.

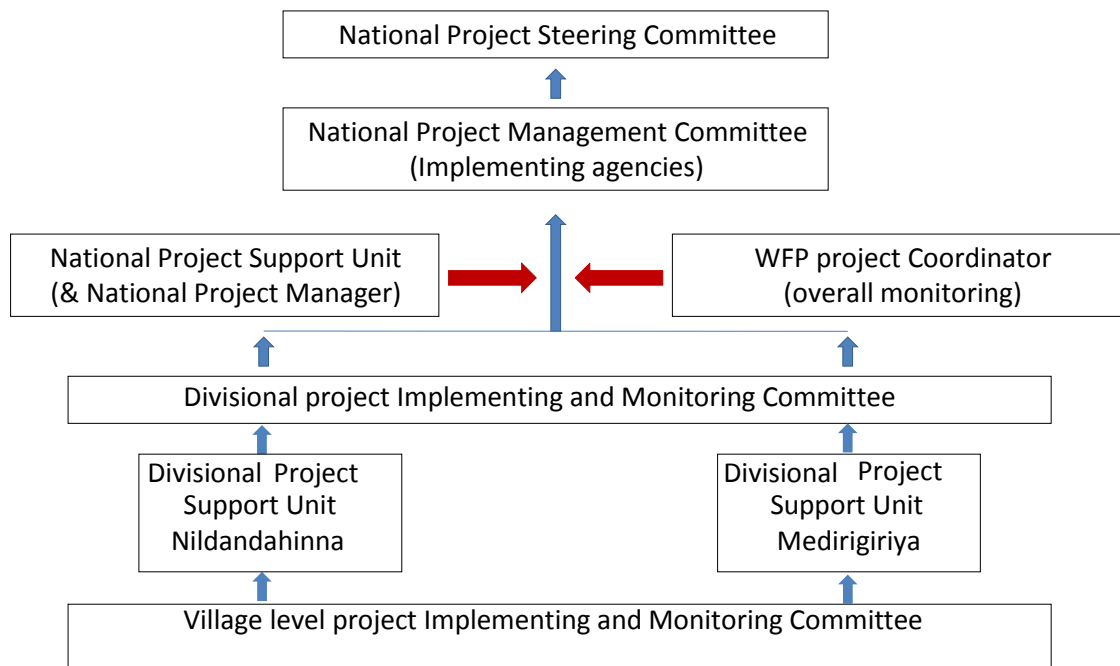


Figure 3 Project Monitoring and Evaluation Structure

FINDINGS

This section describes the results and outputs of the inception process under the titles of activity plan, human resources plan, procurement plan, M&E plan, reporting, and risk and assumption management.

a) Activity Plan

A general activity plan covering entire project location shall be found in the annex no X. Also activity plan for each Agrarian Service Divisions in total eight also annexed for further detail reference. The activity plan basically describes the activity, sub activity, time frame, indicators, means of verification, frequency, responsible agency, responsible officer, alternative responsible officer, budget, remarks

The activity plans are developed through a consultative process accommodating the stakeholders from the range of beneficiary representatives to higher level officials.

b. Human Resource Plan

There will be full time staff hired to work under this project and they will be based in the Project Support Unit (PSU) in Colombo and the Divisional Project Support Units (DPSU) at Medirigriya and Walapane. Also some staff attached from Climate Change Secretariat of MERE will be involved in this project on part-time basis. The proposed plan prepared with the detail of number of positions, proposed salary, job descriptions is under the discussion. Approval for the carder creation is pending from the Department of Management Services. During the implementation based on the requirement if there is any requirement to hire consultants they will be hired by MERE considering the government Guidelines for SELECTION & EMPLOYMENT OF CONSULTANTS 2007 and Government Procurement guidelines for service and goods .

c. Procurement Plan

The full version of procurement plan will be developed based on the findings of planned base line survey and need assessment. The needs have to be clearly identified to finalize the list of items and service to be procured. A procurement committee will be formed to oversee the procurement process. The project manager to be hired will be accountable for preparing the procurement plan. Also the procurement plan has to be cleared by steering committee.

d. M & E Plan

The M&E will be carried out as using the structure identified in figure 3. The stakeholders agreed that the Project Steering Committee would meet in every six month, National Project Management Committee meets in every three months to review the progress of the project. The Divisional and Village Level Project Implementing and Monitoring Committee meet every quarter in order to ensure the information flow and successful implementation of the project. The stakeholders also agreed that the leaders of the FOs of the respective ASC division would be members of the Village Level Project Implementing and Monitoring Committee.

A Monitoring and Evaluation Standard Operational Practices (M&E-SOP) will be developed with the collaboration of WFP, Department of Project Management and Monitoring and Policy Planning Division, MERE. Once it is cleared by WFP and MERE it will be signed. MERE has officially started the correspondence with Department of Project Management and Monitoring with the intention of developing a proper M&E frame work .

e. Reporting

The stakeholders agreed that the report of the Project Steering Committee be prepared once a year, and reports of the National Project Management Committee be submitted twice a year (six monthly intervals), and those of Divisional and Village Level Project Implementing and Monitoring Committees submitted every quarter. The reports should provide the progress of activities (physical and financial), progress of fund disbursement (%) and commitments (%) for each activity, constraints in project implementation and proposed remedies, and future targets.

f. Risk and Assumption Management

The risk and assumptions made and possible mitigations measures are presented in table 3.

Risk and Assumptions	Proposed/implemented mitigation measures
Change in the political set up	Continuous monitoring of the situation and creating awareness among the newly appointed political leadership (where relevant) at the regional levels
Change in the officers at the DS levels hampering the progress of the project	Recruit officers from the DS divisions of relevant areas on secondment to the Divisional Project Support Units (DPSU)
State officials would have less commitment and dedication in timely completion of the project activities	Provide incentives in terms of transport and allowances for the officers involved (already in-built to the project financing structure)

The DS divisions not adequately support the project implementation process	Provide physical facilities to the DS divisions to support their routine activities while ensuring their involvement and support to the project activities
Non-beneficiary farming community sabotaging project activities	Ensure the benefits will have a spill off effects (this should be done in consultation with the farmer organizations and be in built to the project budget and implementation plans)
Unrealistic budgeting by state officials and farmer organizations	Reasonable solutions were arrived at the stakeholder meetings with proper justifications of the events/activities. Indices for financial disbursement to the project locations were done while ensuring the maximum limits identified in the project proposal for each activity are not exceeded

CONCLUSION

Following the orientation workshop, the consultative inception process carried out starting from the project awareness meetings yielded fruitful results especially obtaining a high level involvement and fullest cooperation of the stakeholders preparing the project activity plans and budgets. The project has attracted the state officials and farmers organization/farming community and high level of enthusiasm and commitment have been demonstrated by the stakeholders for project initiation, implementation and timely completion, despite few key risks are in store for the future. However, these issues could be effectively managed through a proper dialogue with the stakeholders. The MERE need to lay the major role in project implementation with the support from the WFP and Divisional Secretariats.

NEXT STEPS

Recruiting the full time key staff and setting up the PSU and DPSU are other key steps in the process to be completed for the proper start of the project.

To ensure the proper financial and reporting flow, Standard Operational Practices will be developed and agreed by WFP and MERE under the required areas such as monitoring and evaluation, finance and procurement to ensure the common understanding. This work has been already started.

The project could be initiated as soon as the official approvals are obtained from the relevant authorities such as the Department of Management services. The Project Steering Committee has been established and the next key steps would be to establish the committees and units as depicted in figure 3. Appointment of full time Project Coordinators at two project units will be important and the level of liaison between the ministry coordinator and WFP coordinator will be crucial. Steps will be taken to identify different budget lines at the DS division level to ensure smooth financial transfer of the project funds to get the project activities initiated.

ANNEXES

Annex I

Agenda of Inception Workshop

**National Inception Workshop of the Project on Addressing Climate Change Impacts on Marginalized
Agricultural Communities Living in the Mahaweli River Basin of Sri Lanka**
National Institute of Plantation Management, Athurugiriya
04th -05th November 2013

Agenda

04th of November 2013

9.30 a.m- 10.00 a.m.	Registration and Lighting the oil lamp
10.00 a.m. - 10.10 a.m.	Welcome address and Opening remarks Dr. R. D.S. Jayathunga, Director, Climate Change Secretariat Ministry of Environment & Renewable Energy
10.10 a.m. - 10.20 a.m.	Objective of the Workshop Ms. Anoja Herath, Assistant Director, Climate Change Secretariat Ministry of Environment & Renewable Energy
10.20 a.m. - 10.30 a.m.	The role of the WFP in the inception process Ms. Kathy Derore, Head of the Programme Unit World Food Programme
10.30 a.m. - 11.00 a.m.	Recap the activities done in the awareness workshop and the pre- inception workshop Prof. Buddi Matambe, University of Peradeniya
11.00 a.m. - 11.15 a.m.	Tea
11.15 a.m. - 12.15 p.m.	Budget allocation for the activities under the component 1 and component 2 Prof. Buddi Marambe, University of Peradeniya, Dr. Ranjith Punyawardhana, NRMC
12.15 p.m. - 12.45 p.m.	Discussion
12.45 p.m. - 13.30 p.m.	Lunch
13.30 p.m. - 15.00 p.m.	Introduce the three year action plan of the project Prof. Buddi Marambe, University of Peradeniya, Dr. Ranjith Punyawardhana, NRMC
15.00 p.m. - 15.45 p.m.	Identification the main effective indicators for three year action plan of the project and Finalization of the action plan

15.45 p.m. - 16.00 p.m.	Vote of thank Ms. Thiris Inoka, EMO, Ministry of Environment and Renewable Energy
16.00 p.m. 05th of November 2013	Tea and Closing the workshop
9.30 a.m. - 9.40 a.m.	Registration and Lighting the oil lamp
9.40 a.m. - 9.50 a.m.	Welcome address and Opening remarks B. M. U.D. Basnayake, Secretary Ministry of Environment & Renewable Energy
9.50 a.m. - 10.00 a.m.	Objective of the workshop Dr. R. D. S. Jayathunaga, Director, Climate Change Secretariat Ministry of Environment & Renewable Energy
10.00 a.m. - 10.10 a.m.	Introduce of the project Ms. Anoja Herath, Assistant Director, Climate Change Secretariat Ministry of Environment & Renewable Energy
10.10 a.m. - 10.20 a.m.	The role of the WFP in the inception process Mr. Mads Lofvall, Country Director World Food Programme
10.20 a.m. - 10.45 a.m.	Tea
10.45 a.m. - 12.00 p.m.	Introduce the three year action plan of the project Prof. Buddi Marambe, University of Peradeniya, Dr. Ranjith Punyawardhana, NRMC
12.00 p.m. - 12.45 p.m.	Expectation ideas for action plan
12.45 p.m. - 1.45 p.m.	Finalization of the action plan
1.45 p.m. - 2.00 p.m.	Vote of thank Ms. Thiris Inoka, EMO, Ministry of Environment and Renewable Energy
2.00 p.m.	Lunch and closing the workshop

Annex II

Meeting Minutes of Inception Workshop

Note for the record for Debriefing on Awareness workshops and Pre-inception workshops for the project on Addressing Climate Change Impacts on Marginalized Agricultural Communities Living in the Mahaweli River Basin of Sri Lanka

Date: 17th October 2013

Venue: Agriculture Faculty, University of Peradeniya

Attendees:

- 1) Mr. B.M.U.D. Basnayake, Secretary, Ministry of Environment and Renewable Energy (MERE)
- 2) Prof. W. L. Sumathipala, Senior Technical Advisor, MERE, Adaptation Fund Board member
- 3) Prof. Buddi Marambe, University of Peradeniya
- 4) Prof. Pradeepa De Silva, University of Peradeniya
- 5) Dr. B. V.R. Punyawardena, Director, Natural Resource Management Centre, Department of Agriculture
- 6) Dr. D. B. Wichramasinghe, Director, Natural Resource Management Centre, Department of Agriculture
- 7) Ms. Kathy Derore, Head of Programme, World Food Programme,(WFP)
- 8) Dr. R.D.S. Jayathunga, Director, Climate Change Secretariat, MERE
- 9) Mr. Ajith De Silva, Director, Policy Planning Division, MERE
- 10) Ms. Anoja Herath, Asst. Director, Climate Change Secretary, MERE
- 11) Ms. Rupika Bakmeedeniya, Environment Management Officer, Natural Resource Mgt. Division, MERE
- 12) Ms. Thiris Inoka, Environment Management Officer, Climate Change Secretariat, MERE
- 13) Mr. P. Vijendran, Programme Officer, WFP
- 14) Ms. Anupama Dias, Programme Officer, WFP
- 15) Ms. Darshika Pathirathne, Development Officer, Climate Change Secretariat, MERE
- 16) Ms. Wathsala Thiranagamage, Development Officer, Climate Change Secretariat, MERE

Points discussed at the meeting:

Mr. B.M.U.D. Basnayake, Secretary, Ministry of Environment and Renewable Energy (MERE)- opening remarks

- i. Welcomed the participants
- ii. The progress of the preparatory activities of the project is at satisfactory level and few more administrative issues to be sorted out.
- iii. Appreciated the opportunity given to farmers and divisional officers to share their ideas and to contribute to action plan for next three years through awareness workshops and pre-inception workshops held at the project divisions itself.

Dr. R.D.S. Jayathunga, Director, Climate Change Secretariat, MERE

Objectives of the meeting were explained; three action plans for the selected three divisions have to be prepared.

- i. Unregistered but needy farmer organizations are existing in the selected project divisions. There should be a way to include them as beneficiaries of the project.
- ii. The estimated budgets for different project activities prepared by farmer organization leaders and divisional officers seem to be much higher than the original budget in the project document. Estimated budget for project activities in Walapane division exceeds the total project budget.
- iii. Sustainability of the project outputs has to be ensured.
Preparing a three year realistic action plan and carefully allocating money in three divisions would be a solution to deal this issue.

Ms. Kathy Derore, Head of Programme, World Food Programme,(WFP)

- i. Explained the expected outcomes of the inception process
- ii. Unregistered lands have to be registered before project is implemented. It will be a key that the land ownership is proven with documents
- iii. Budgets prepared by FO leaders and Divisional officers are without considering a targeting criteria.
- iv. According to the project document no. of beneficiary farm families and farmer organizations in the project area are 14,039 and 235 respectively. Recent calculations and findings show no. of farm families has increased up to 27,000. It will be a challenge to develop a mechanism to cater them from project allocation.

- v. Project budget is extremely tight and to deliver good results proper planning has to be done prior to implement and cost efficient methods have to be identified.
- vi. No. of farmer organizations participated for the workshops is 175. Project benefits should not be restricted only for attended farmer organizations. Unattended eligible farmer organizations have also to be treated equally.

Prof. Buddi Marambe, University of Peradeniya

Before starting the presentation Professor Marambe wanted to clarify whether DSs are legally authorized to issue land grants. Ministry officials confirmed that DSs can give the land grants after having a “Land Kachcheri”.

Professor Marambe presented the findings of the pre-inception workshops and explained that the budget allocations for different project activities are not realistic and inquired how far it is flexible to use one items allocation for the other activity within same component and between components. Answering to that question Kathy explained that it is possible to exchange within components up to 10% and between components it is not possible.

Strategies adopted for awareness and pre-inception workshops, lessons learnt estimated budgets, project monitoring & evaluation, activities completed and issues to be addressed were the topics addressed by Prof. Marambe in his presentations. Presented points in brief are as follows;

a) Lesson learnt from the awareness and pre-inception

- Awareness creation attracted large number of farmer organizations and it supports with the active involvement of famer communities in order to smooth implementation of the project activities.
- As it is noted, some farmers were concerned about political interventions and conduct of government officials will jeopardize the ultimate benefits to the farmers. Therefore, transparency, neutrality, accountability should be ensured the throughout the project implementation.
- Participatory decision making and implementing approaches highly recommended by the farmers
- It is revealed that the interaction between government officers and the farming communities were developed and improved during the inception process.
- High enthusiasm shown by farming community after knowing that their views have been given due consideration

- The realistic approach should be taken to overcome the unrealistic cost estimates (over- and under-estimated budgets) of each activities given by the farmers

b) Standardized proposed budget for each DSs

c)

	Walapane (Rs.)	Medirigiriya (Rs.)	Lankapura (Rs.)
Component 1	214,221,792	165,834,380	109,244,068
Component 2	136,201,387	105,436,857	69,456,956
TOTAL	350,423,179	271,271,237	178,701,023

- d) Both Policy Planning Division and WFP project coordinator are responsible in overall monitoring of the project. It was emphasized that a monitoring plan has to be prepared so that monitoring activities of two organizations are not overlapping or duplicating.

e) Completed activities under inception process

- Awareness and pre-inception workshops
- Decision on activities at the ASC level
- Fund disbursement index
- Allocation of funds for different activities at ASC levels under each DS division
- Draft activity implementation schedule with time lines

f) Issues to be addressed

- Registration of Farmer Organizations -project targets at reaching 235 FOs
- Involvement of large number of farm families (greater reluctance of FOs to select farm families) – Project Targets at reaching 14,030 famers
- Technical support required to prepare estimates for the activity 2.6

Prof. Sumathipala raised his concerns about the environmental benefits of the projects and pointed out that it is not mentioned in the project document. Further he emphasized that it is important to identify that and document.

Notes for the record of the Meeting after the inception workshop-Way forward for the project on Addressing Climate Change Impacts on Marginalized Agricultural Communities Living in the Mahaweli River Basin of Sri Lanka

Date: 5th Nov 2013, 12.10 p m

Venue: National Plantation Institute of Manangement

Attendees:

1. Prof. Buddi Marambe, University of Peradeniya
2. Ms. Anoja Herath, Assistant Director, Climate Change Secretariat, Ministry of Environment and Renewable Energy
3. Ms. Kathy Derore, Head of the Programme Unit, World Food Programme (WFP)
4. Ms. Thiris Inoka, Environment Management Officer, Climate Change Secretariat, MERE
5. Ms. Anupama Dias, Programme Officer, WFP
6. Mr P Vijendran, Programme Officer, WFP

Discussion points were held as follows:

- WFP pointed out according to the AF guidelines the inception workshop report should be submitted within two weeks from the day of completing the inception workshop.
- WFP pointed out that the indicators of the activity plan must be SMART, the means of verification and responsible person has to be clearly mentioned in the activity plan. Prof. Marambe confirmed that this detail will be captured in the final version of the activity plan.
- Prof. Marambe said that on 6th November the Sinhala version of the activity plan will be shared to start the translation work. Also he said the report on the workshop will be shared by 12th November.
- It was agreed that Monday 11th November the English version of the activity plan will be shared by MERE.
- It was agreed Friday 8th WFP staff will support the MERE staff for the translation work.
- WFP expressed, to expedite the implementation of the project from the MERE side full time dedicated staff are expected. Thus, signing the agreement, recruitment of the project management unit staff has to be urgently implemented.
- It was explained by MERE that ERD is having some concern on the draft agreement and ERD suggested including details of project components in the agreement. MERE informed that they have a bilateral meeting with ERD and the outcome of the meeting will be shared with WFP.

- It was expressed by WFP, as a MIE WFP is expected to confirm the recruitments of the project staff are competency based and the process is transparent. Thus WFP requested the MERE to share the process going to be followed to recruit the project staff. MERE informed that in the government there is a recruitment system already existing which already covers the aspects of transparency and the competency based recruitment. WFP will be updated by MERE regarding the process of recruitment
- WFP explained that to ensure the common understanding of the financial, administrative and M&E procedures of the project based the existing Government financial, administrative and M&E guidelines developing SOPs (standard operational Procedures) is essential. MERE agreed to arrange meetings with respective officers of the ministry to discuss SOPs and inform WFP latest by 13th of November.
- MERE informed once the activity plan is finalized obtaining the concurrence of National Steering Committee is a procedure to be considered.
- It was decided to organize a National Steering Committee meeting on the 1st week of December and present the activity plan, financial SOPs and M & E SOPs to get the concurrence.
- MERE said once the activity plan is finalized obtaining the concurrence of National Steering Committee is a procedure to be considered.

Action points

Action required	Responsible person	Time line
Sharing the completed activity plan in Sinhala	Prof.Marambe	6th Nov
Sharing the English version of activity plan with WFP	Anoja Herath	11th Nov
Confirming Date for meeting to discuss about developing SOP for M&E , finance and recruitment plan	Anoja Herath	13th Nov
Meeting with steering committee and getting the endorsement for activity plan and SOPs	Dr. Jayathunga	1st week of Dec
Attach the agreement signed between AF and WFP as the project document to the agreement to be signed between SL Govt. and WFP and submit to ERD on Friday	Anoja Herath	8 th Nov

Abbreviations used

MERE- Ministry of Environment and Renewable Energy

ERD- External Resources Department

AF- Adaptation Fund

WFP- World Food Programme

SOP- Standard operational procedure

SMART- Simple Measurable Achievable reliable Time bound