

Sri Lanka

AGRICONNECT



Joint Implementation Plan

**Moving 900,000 farmers from
subsistence to surplus by 2030**



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கமத்தொழில், கால்நடை வளங்கள், காணி மற்றும் நீர்ப்பாசன அமைச்சு
Ministry of Agriculture, Livestock, Land and Irrigation



WORLD BANK GROUP

In partnership with



LIFAD

Investing in rural people

Sri Lankan Smallholder Farmers Face Multiple Barriers

Helping smallholders move from subsistence to surplus will be transformative

1.65M

Smallholders cultivating **2.3M hectares**, producing **80%** of food supply

15% of GDP

Agriculture and Agro-Processing account for **30%** of goods exports and **1 in 3 jobs**

3.5%

of public spending is on agriculture; most is for irrigation & fertilizer subsidies

FINANCIAL ACCESS GAP

60% of farmers rely on informal lenders

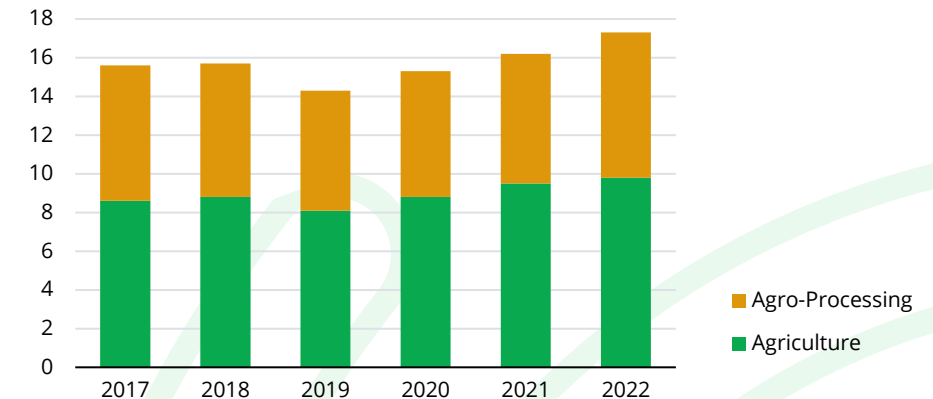
Capturing only **20–30%** of consumer prices.
Median monthly salary in agriculture is about US\$84.

CLIMATE VULNERABILITY

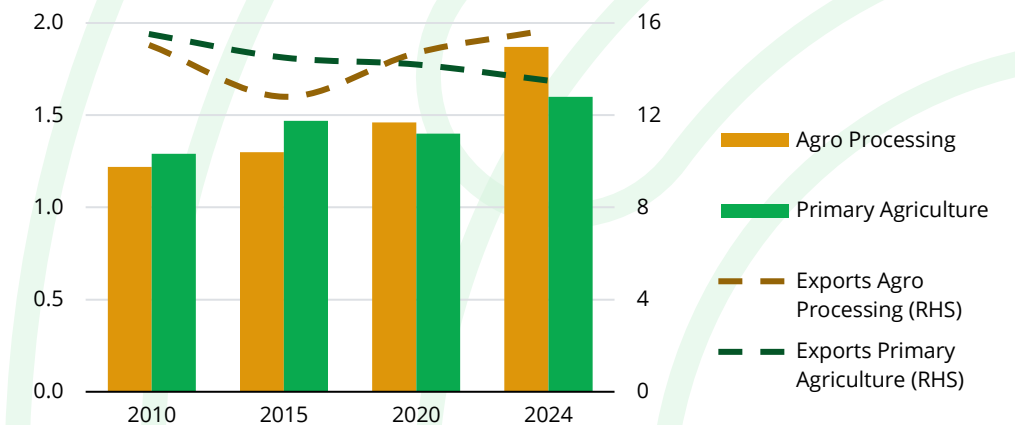
1.2% of GDP in reduced crop productivity by 2050

34% of land already under declining productivity or stress.

Share of GDP (percent)



Exports (in US\$ bn and as share of total in %)



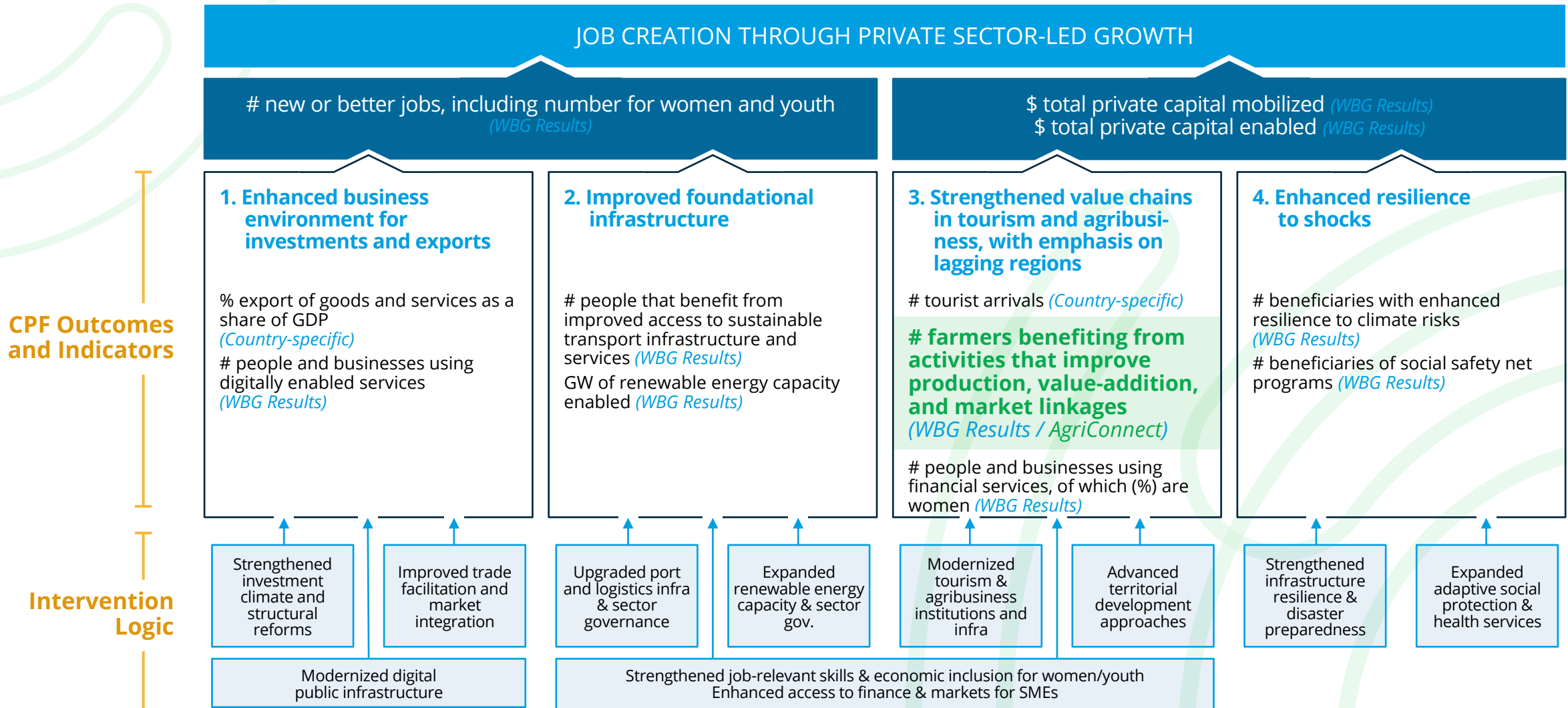
GoSL Public Investment Programme (PIP) 2026–2030

GoSL's own PIP commitments in agrifood systems

PRIORITY SECTORS IN PIP		PIP TARGET BY 2030	WHAT IT MEANS
	1. Food crop productivity & post-harvest loss reduction	30% → 20% post-harvest losses	Reduce post-harvest losses from 30% to 20% through better storage, cold chain, and market linkages
	2. Dairy & livestock development	60% domestic milk self-sufficiency	Increase domestic milk self-sufficiency from 40% to 60% by cutting reliance on costly imports
	3. Plantation sector value addition	US\$3B → US\$5B export earnings in plantations	Grow plantation sector's export earnings of from \$3B to \$5B by shifting from raw commodities to higher value-added products
	4. Fisheries and aquaculture export expansion	US\$300M → US\$600M export earnings in fisheries	Double export earnings from \$300M to \$600m by modernizing the value chain and cutting post-harvest losses by 37%
	5. Irrigation & water management	50% water use efficiency	Reach 50% water use efficiency to expand cultivable land and build climate resilience
	6. Lagging region development (North & East)	Integrated economic centers and MSME finance	Develop integrated economic centers and MSME finance for inclusive and geographically-balanced growth

WBG Partnership Framework for Sri Lanka 2026–30

Delivering on growth and jobs through a holistic approach



Global AgriConnect

Global initiative of the WBG, supported by partners, to move 300 million farmers up in value chains and create more and better jobs

Building Foundations

Supporting transport, processing and logistics infrastructure, skills development

Capital Mobilization

Supporting leading private sector players and financial intermediation

Supportive Policies

Creating supportive policies for stronger institutions, enabling environment and capacity

6 Pillars and 8 Scalable Solutions



PILLAR 1 AgTech

SOLUTION 1: Strengthen Digital Public Infrastructure and Interoperability in Agriculture



PILLAR 2 Financial Ecosystem for Agriculture

SOLUTION 2: Unlock Agri-Finance Solutions
SOLUTION 3: Expand Agr-Insurance



PILLAR 3 Aggregation Models

SOLUTION 4: Accelerate Efficient Aggregation Models



PILLAR 4 Physical Infrastructure

SOLUTION 5: Strengthen Post-Harvest and Logistics Facilities
SOLUTION 6: Boost Farmer-Led Sustainable Irrigation



PILLAR 5 Public Expenses and Policy Reforms

SOLUTION 7: Repurpose Agricultural Subsidies for Private Investments

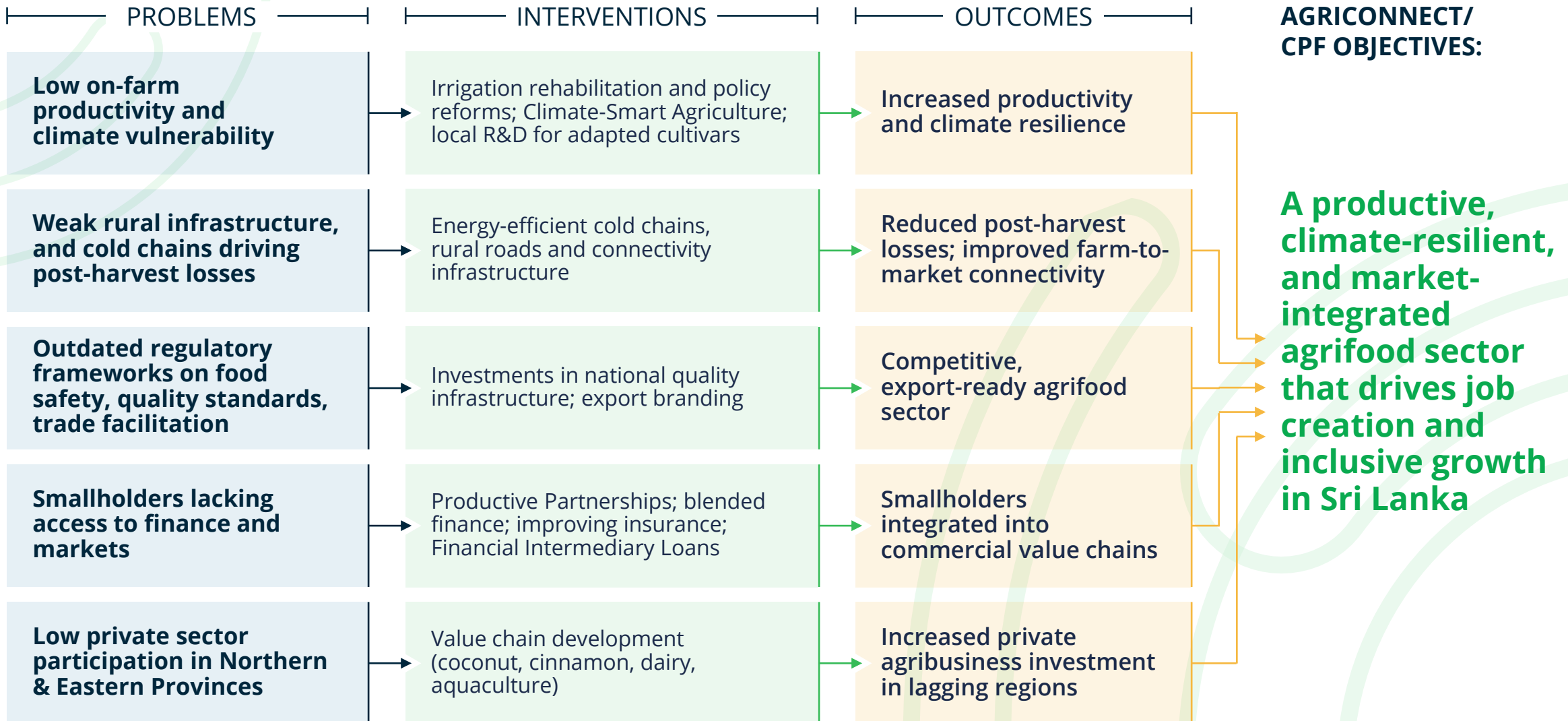


PILLAR 6 Skills, Extension, and Research

SOLUTION 8: Strengthen Farmer and MSME Capacity

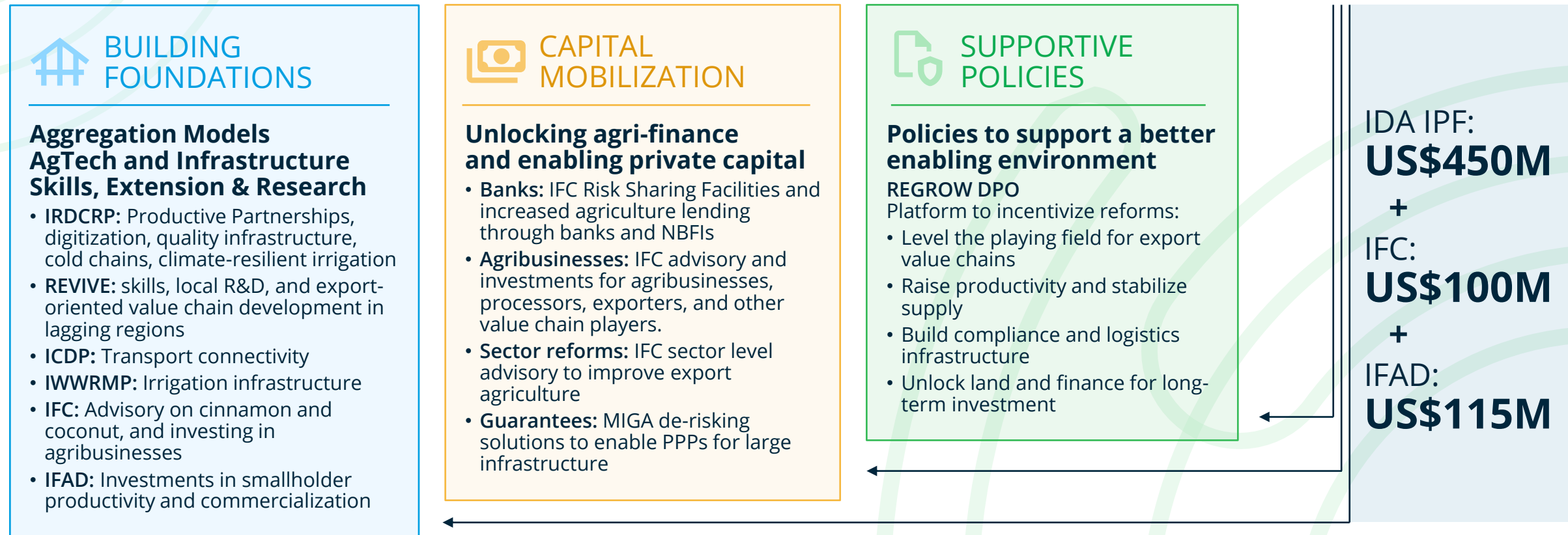
Gender inclusion | Youth employment | Climate and nature

Sri Lanka AgriConnect: Theory of Change



Sri Lanka AgriConnect: Framework

*Investing nearly US\$700 million and directly supporting 900,000 farmers move up the value chain by 2030.
Unlocking a policy reform agenda that reaches more farmers and enables agribusiness.
Harnessing coordination and sharing Sri Lankan innovations to inform global AgriConnect.*



Building Foundations

Investing in Aggregation Models, Ag Tech, Infrastructure, and Skills, Extension, and Research

IDA ~US\$450M in investment projects

IRDCRP Integrated Rurban Development and Climate Resilience Project

ACTIVE 2025–2030. US\$130M. US\$17M PCM/E. 358,000 farmers

Productive Partnerships; skills & business development; digitization; quality infrastructure; resilient irrigation; and rebuilding livestock, irrigation, and agriculture

PIPELINE 2027–2030. US\$51M. US\$15M PCM. 175,000 farmers (GCF & IFAD)
Cold chain with renewable energy

ICDP AF Inclusive Connectivity Development Project

ACTIVE 2027–2030. US\$110M. No PCM/E. 22,000 farmers
Transport connectivity infrastructure

WBG Analytics & Advisory

IBRD ANALYTICS:
Skills and Women & Youth
Employment in Agri Value Chains

IFC ADVISORY:
Cinnamon (by 2027)
& Coconut (by 2029)

REVIVE Regional Empowerment for Vibrant, Inclusive & Viable Economies

ACTIVE REVIVE1: 2026–2031. US\$20M. US\$3M PCM/E. 10,000 fisherfolk

Rehabilitation of fishing harbors, reducing post-harvest loss, investments in value chain for high value fisheries.

PIPELINE REVIVE2: 2028–2032. US\$100M. US\$33M PCM/E. 105,000 farmers*
Agri skills, R&D; exports in plantations, fish and aquaculture, horticulture, and dairy in lagging regions

IWWRMP Integrated Watershed & Water Resources Management Program

ACTIVE 2020–2027. US\$37M. No PCM/PCE. 140,000 farmers**
Irrigation rehabilitation

IFAD US\$115M

SARP Smallholder Agribusiness & Resilience Project

ACTIVE 2019–2029, US\$37M IFAD, 33,700 farmers**

Climate-smart agriculture, resilience, inclusive value chains, water management, market access, and women/youth enterprises

Mahaweli Water Security Investment Program 2

ACTIVE 2025–2031, US\$42M IFAD, 35,000 farmers

Irrigation modernization, climate-resilient agriculture, crop diversification, digital services, market linkages, and youth agripreneurs

IFAD14 allocation

PIPELINE US\$35M (by 2028)

Backed by IFC cross-cutting solutions for agribusinesses and aggregators

IFC: 200,000 farmers reached***

Note: 900,000 farmer beneficiary numbers include IDA and IFC. Farmer numbers will not add up to 900,000 total, given embedded corrections for double counting.

**Note:* Only considers beneficiaries that are potentially reached from 2028 to 2030.

***Note:* Only considers incremental investments and beneficiaries from July 2025 to project closing date.

****Note:* Based on IFC active and pipeline projects and on projects that still need to be developed.



Capital Mobilization

Unlocking access to finance in the agrifood system via a broad set of solutions

——— **US\$100M** in IFC financing by 2030 with equal amount of private capital mobilized ———



Financing solutions
embedded in
**'BUILDING
FOUNDATIONS'**
instruments

IRDCRP Productive Partnerships

derisking grants (ACTIVE)

IRDCRP investments + IFC advisory to derisk

climate risk finance
and agricultural insurance (ACTIVE)

IRDCRP Cold Chains Credit Line

concessional credit facility for
SMEs (PIPELINE)

IFAD Farmer Systems Sustainability Programme FSSP

SAPP revolving fund (ACTIVE)



**IFC-led solutions centered on financial institutions
and private sector stakeholders as entry points to
reach smallholder farmers**

Financial Solutions

Advisory on Climate Smart Agriculture:
Supporting NBFIs to develop CSA products,
value propositions, and develop tools to
effectively reach farmers
and agri SMEs. (ACTIVE)

Risk Sharing Facilities
with agriculture carve
outs. (ACTIVE)

Direct Loans to banks
with agriculture carve
outs. (PIPELINE)

Agribusiness Solutions

Upstream advisory services to drive direct
investments and private capital. (PIPELINE)

Enhancing Fertilizer Access and Allocation for Asia
(EFAA) program to identify bankable investment
opportunities across the fertilizer value chain
(PIPELINE)

Sector level advisory for export agri (cinnamon &
coconut), improving public sector services for
private sector expansion & market access; derisk via
expansion of the agri insurance sector (ACTIVE)

Direct Loans to Agro Processors and Agri Input
providers. (PIPELINE)

MIGA

Enabling PPP
for larger
infrastructure
investments to
support
agriculture

e.g., port,
warehouse, storage,
transport
(PRE-PIPELINE)





Supportive Policies

A menu of potential reforms for an enabling environment

— Supporting agrifood reforms to grow and sustain investments in agrifood systems —



LEVEL THE PLAYING FIELD FOR EXPORT VALUE CHAINS

Reform export CESS

Replace export CESS levies on tea & coconut products with less distortionary revenue sources or recycle revenues back into the sector.

Policy predictability

Establish transparent procedures for tariff changes; narrow the Special Commodity Levy to managing food-price volatility; allow imports of tea for blending and coconut for processing under temporary schemes.



RAISE PRODUCTIVITY AND STABILIZE SUPPLY

Repurpose public spending

Retarget fertilizer subsidies which incorporate soil health considerations, and redirect savings to research, extension programs, and the expansion of climate-smart agriculture, leveraging Cascade Management Committees.

Reduce regulatory risks

Streamline approval processes for seed, planting-material, and pesticide imports through a digital single-window system.



BUILD COMPLIANCE AND LOGISTICS INFRASTRUCTURE

Strengthen traceability and quality infrastructure

Operationalize the National Single Window, develop digital traceability systems, and strengthen coordination for quality assurance and export certification.

Support cold-chain logistics

Expand use of blended finance, targeted concessional credit, guarantees, and PPPs to address gaps in cold storage, refrigerated transport, and post-harvest infrastructure.



UNLOCK LAND AND FINANCE FOR LONG-TERM INVESTMENT

Strengthen land tenure and land-use efficiency

Extend RPC leases beyond 2045; review the Golden Share framework; accelerate conversion of grants and permits into transferable land rights; simplify aquaculture licensing; and promote productive use of abandoned agricultural land.

Expand long-term finance

Scale up credit guarantees through NCGI, expanding access to finance for agri SME.

Partnerships and Coordination



PUBLIC SECTOR COORDINATION PLATFORM

hosted by MoALLI & IRDCRP PMU

Project Directors from:

- IRDCRP
- REVIVE1 and REVIVE2
- ICDP
- IWWRMP
- SARP
- Mahaweli



DEVELOPMENT PARTNERS WORKING GROUP

hosted by WBG

A collection of DFIs, Technical Partners, and Think Tanks to advise on scalable solutions and policy reforms.

IFAD, ADB, FAO, UNIDO, UNDP, ILO, Connect to Care, DevPro, IPS



PRIVATE SECTOR ROUNDTABLES

hosted by WBG

Continuous dialogue with Commercial banks and financial institutions; Agribusinesses; Industry associations

Identifying critical regulatory or policy barriers, financing constraints, and scalable solutions across priority value chains.

REGIONAL & GLOBAL EXCHANGE MECHANISMS

South Asian Policy Leadership for Improved Nutrition & Growth (SAPLING)

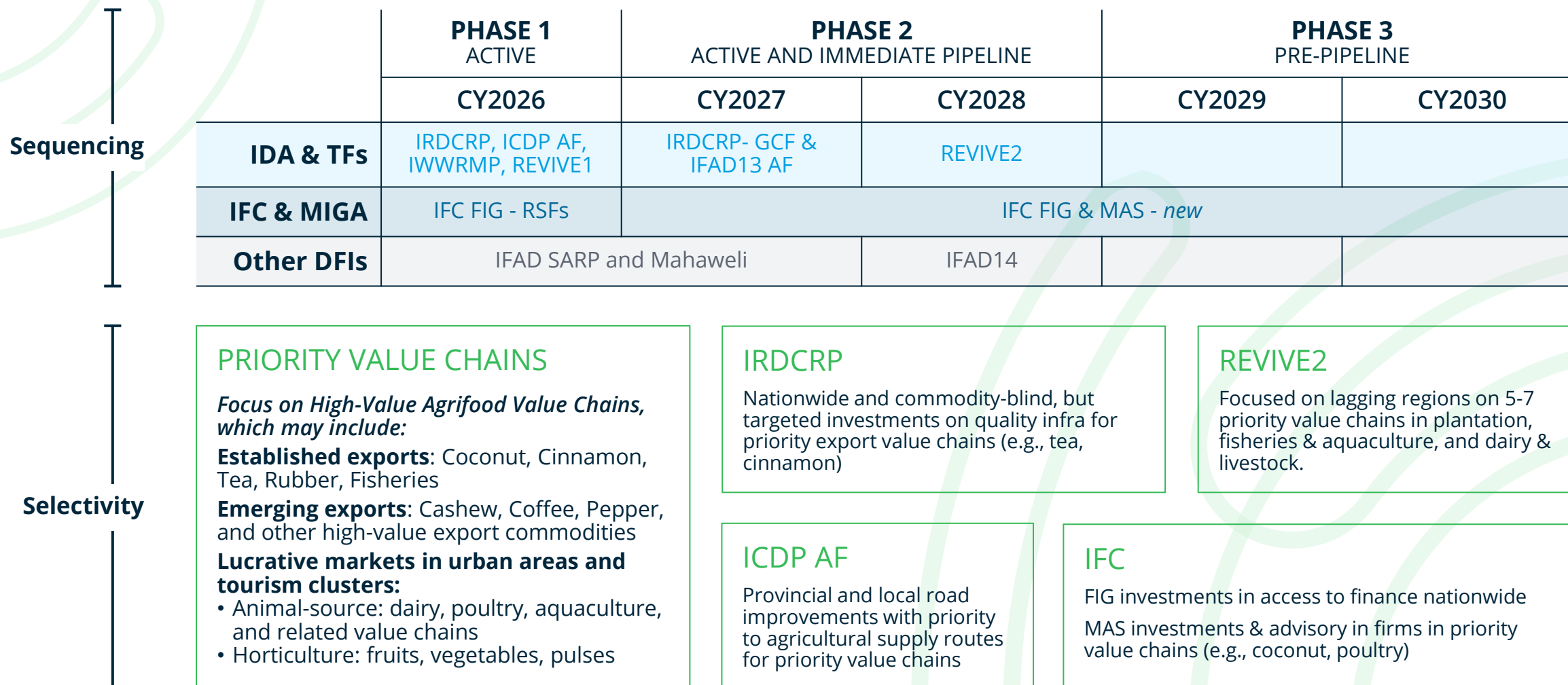
will support the JIP by connecting its innovators and policymakers with regional counterparts and generating the policy and investment signals that attract private capital.

World Bank Group-Knowledge Bank will support the JIP by serving as a global platform to share innovations with Sri Lanka and from Sri Lanka

Note: Consultations were held with Ministry of Finance, Ministry of Agriculture, Development Partners, Agribusinesses, and Financial Institutions from May to September 2026.

Sequencing and Selectivity

Sequenced approach for projects and selectivity in value chains where relevant



World Bank Group: Key Targets

900,000
FARMERS REACHED*

Number of farmers benefiting from activities that improve production, value addition, and market linkages.

US\$550

million

in World Bank Group Investments

US\$170

million

in Private Capital Leveraged

US\$450M

in IPF

US\$70M

in PCM/PCE

US\$100M

in IFC investments

US\$100M

in PCM

**Notes:*

Cumulative sum of beneficiaries from IDA IPF and IFC, with corrections for double counting across projects. WBG only number, excludes IFAD.

Measured & reported in: (i) **Corporate Scorecard**- Food and Nutrition Security (FNS) sub-indicator; and (iii) **SL Country Partnership Framework 2026-2030** indicator outcome #3.

Abbreviations

ADB: Asian Development Bank

AF: Additional Financing

AgTech / Ag Tech: Agricultural technology

CPF: Country Partnership Framework

CSA: Climate-Smart Agriculture

CY: Calendar year

DFIs: Development finance institutions

EFAA: Enhancing Fertilizer Access and Allocation for Asia

FAO: Food and Agriculture Organization of the United Nations

FIG: Financial Institutions Group

FNS: Food and Nutrition Security

FSSP: Farmer Systems Sustainability Programme

GCF: Green Climate Fund

GDP: Gross domestic product

GoSL: Government of Sri Lanka

GW: Gigawatt

IBRD: International Bank for Reconstruction and Development

ICDP: Inclusive Connectivity and Development Project

IDA: International Development Association

IFAD: International Fund for Agricultural Development

IFAD13 / IFAD14: 13th / 14th replenishment of IFAD resources

IFC: International Finance Corporation

IFIs: International financial institutions

ILO: International Labour Organization

IPF: Investment Project Financing

IPS: Institute of Policy Studies of Sri Lanka

IRDCRP: Integrated Rurban Development and Climate Resilience Project

IWRMP: Integrated Watershed & Water Resources Management Project

JIP: Joint Implementation Plan

LKR: Sri Lankan rupee

MAS: Manufacturing, Agribusiness and Services

MIGA: Multilateral Investment Guarantee Agency

MoALLI: Ministry of Agriculture, Livestock, Land and Irrigation

MSME: Micro, small and medium enterprise

NBFIs: Non-bank financial institutions

NCGI: National Credit Guarantee Institution

PCM: Private capital mobilized

PCE: Private capital enabled

PCM/E: Private capital mobilized / enabled

PIP: Public Investment Programme

PMU: Project Management Unit

PPP(s): Public-private partnership(s)

R&D: Research and development

REVIVE (1/2): Regional Empowerment for Vibrant, Inclusive & Viable Economies Project (phases 1/2)

RPC: Regional Plantation Company

RSFs: Risk Sharing Facilities

SAPLING: South Asian Policy Leadership for Improved Nutrition & Growth

SAPP: Smallholder Agribusiness Partnerships Programme

SARP: Smallholder Agribusiness & Resilience Project

SL: Sri Lanka

SME(s): Small and medium enterprise(s)

TFs: Trust funds

UNDP: United Nations Development Programme

UNIDO: United Nations Industrial Development Organization

US\$: United States dollar

WBG: World Bank Group



காசிகரல், சலு சலிசல், ஓலி சல லாரிலரல் அலாைகாண்ட
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Ministry of Agriculture, Livestock, Land and Irrigation



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This plan is a living document, last edited in October 2026.