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பெருந்தோட்ட மற்றும் சமூக உட்கட்டமைப்பு வசதிகள் அமைச்சு
Ministry of Plantation and Community Infrastructure



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EMPOWERING COMMUNITIES FOR SUSTAINABLE AND COMPETITIVE GROWTH

Strategic Plan & Roadmap (2026-2035)
for the Coconut Sector- Sri Lanka

DRAFT VERSION 1.2



UNITED NATIONS
INDUSTRIAL DEVELOPMENT ORGANIZATION



Draft for Public Comments

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Foreword

(By H.E. The President)

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1. Introduction

1.1. Overview

The overarching objective of the Coconut Sector Strategic Plan and Roadmap (SP&R) is to elevate the coconut industry as the most dynamic driver of Sri Lanka's national economy with wider social benefits. Through focused action and coordinated transformation, the SP&R seeks to drive the sector toward high performance, export competitiveness, and long-term resilience within the agricultural economy. In alignment with the Plantation Sector's target of achieving USD 5 billion in export revenue by 2030, the coconut SP&R will strengthen the country's economic competitiveness and stability through diversification, value addition, and market expansion of the coconut sector. Furthermore, it promotes national self-reliance and food security by improving the efficiency, sustainability, and technological advancement of coconut production systems. Through these efforts, the Coconut Sector SP&R will fuel inclusive economic growth and advance Sri Lanka's broader sustainable development and climate-resilience ambitions. It reinforces the country's commitment to the United Nations Sustainable Development Goals (SDGs), particularly those focused on reducing poverty, fostering economic advancement, and accelerating climate action.

The coconut sector SP&R outlines strategies to increase export revenue from USD 855 million in 2024 to USD 1.5 billion by 2030, and further to USD 2 billion by 2035. This growth will be driven by a combination of enhanced productivity, diversification, technology adoption, and value addition across the coconut value chain. At the production level, the roadmap targets an increase in annual nut production from 2.8 billion to 4.5 billion by 2035, ensuring a reliable and sustainable supply base for processing and export industries. Expanding processing capacity, improving logistics infrastructure, and strengthening marketing and branding will support the coconut sector's move up global value chains, shifting from raw exports to higher-value coconut-based products such as virgin coconut oil, coconut water, coconut milk, and activated carbon.

The sector growth will not only enhance overall export revenue but also create significant employment opportunities across the entire value chain, including cultivation, collection & transportation, processing, packaging, and trade. Consequently, the SP&R of the coconut industry will support strengthening its contribution to national income, improving rural livelihoods, and supporting Sri Lanka's broader export diversification strategy.

The SP&R places strong emphasis on community development to ensure inclusive and sustainable growth within the coconut sector. By strengthening rural livelihoods, the strategy seeks to enhance farmer incomes. Moreover, the targeted training and capacity-building initiatives will introduce farmers to access modern, sustainable, and

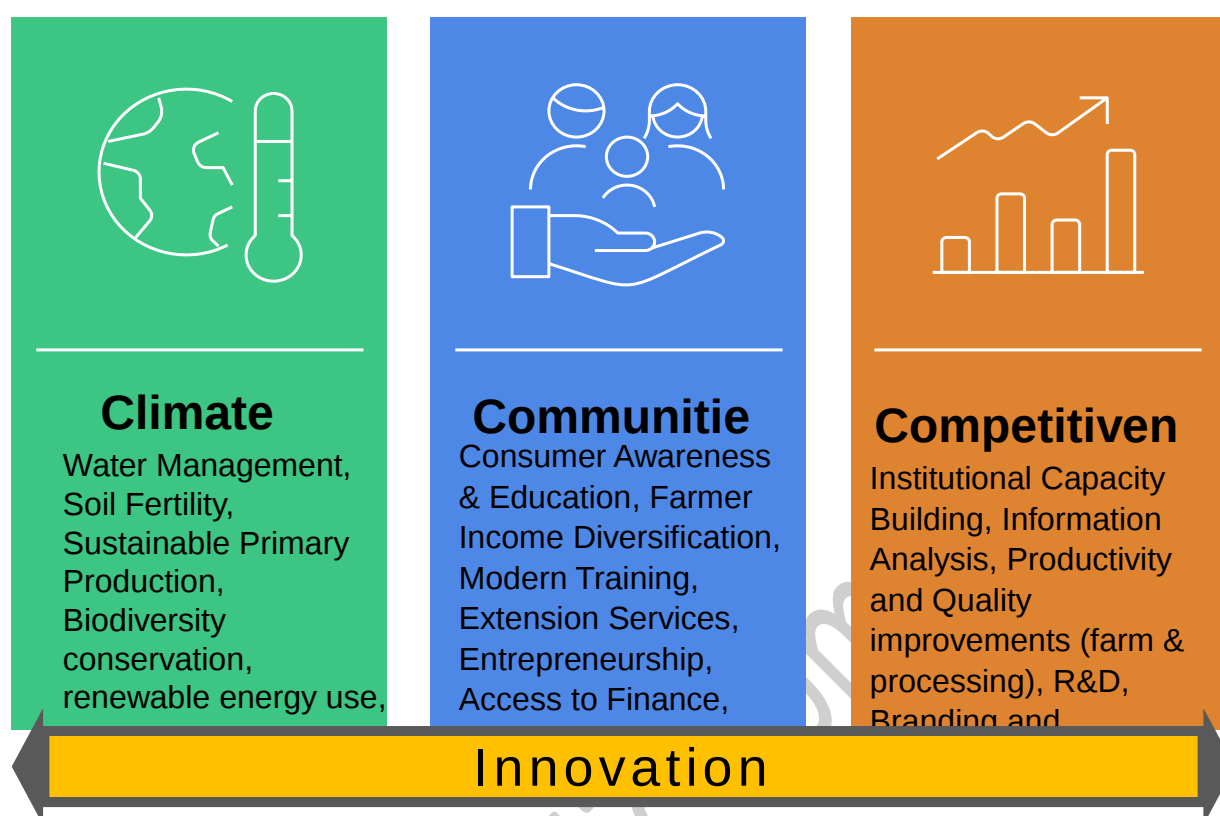
climate-smart farming practices, enabling them to improve productivity, resource efficiency, and product quality. These interventions will also promote the adoption of good agricultural practices (GAP), improved pest and nutrient management, and post-harvest handling techniques. Moreover, these initiatives are expected to strengthen the coconut value chain from production to marketing, while empowering smallholder farmers and also encouraging youth participation in the sector.

The coconut SP&R also highlights climate resilience and environmental sustainability, recognizing the vulnerability of the coconut sector to changing climatic conditions. SP&R promotes sustainable farming systems through improved water-use efficiency and responsible chemical and fertilizer management, reducing environmental impacts while maintaining soil health and long-term productivity. Moreover, the SP&R encourages innovation-driven, climate-smart farming, supported by advanced irrigation and water management systems that improve resource optimization and productivity. Together, these interventions contribute to a more efficient and sustainable coconut production system, aligned with national plantation sector targets, climate goals, and the UN Sustainable Development Goals (SDGs).

The SP&R will position the coconut industry to attract much-needed investment and support its transition from a commodity-based sector to a value-added, premium product industry. It is built on three pillars (Figure 1) — Climate, Communities, and Competitiveness — which function in unison, leveraged by innovation to develop a sustainable, inclusive, and competitive coconut sector capable of meeting both national and global goals.

As explained in Figure 1, the climate pillar focuses on strengthening environmental sustainability and resilience. It emphasizes information analysis to understand climate trends, biodiversity conservation to protect ecosystems, efficient water management to ensure resource sustainability, and responsible chemical management to minimize environmental impact. Further, the communities pillar aims to empower local communities and enhance their capacity to contribute to sustainable growth, while encouraging them to minimise the waste of coconut at household levels. This involves using information analysis to understand community needs, studying consumer behaviour to adapt to changing market trends, building human resource capacity through skills development and training, and improving community infrastructure to support livelihoods and productivity. The competitiveness pillar is designed to enhance the economic strength and global positioning of the sector in international markets. All three pillars are interlinked through innovation, which acts as the driving force behind the entire strategy. Innovation ensures the integration of new technologies, smart practices, and research-based solutions across all areas, enabling continuous improvement, sustainability, adaptability and growth.

Figure 1-Pillars for the Strategic Plan and Roadmap



Source: UNIDO

1.2. Background

The coconut sector, a vital pillar of Sri Lanka's plantation economy, contributes approximately 6-7 percent of total exports and 1 percent to national GDP, sustaining the livelihoods of more than 1,000,000 people through direct and indirect employment. Historically embedded in the island's socio-cultural and economic fabric, the coconut tree is revered as the "Tree of Life" or "Kapruka" and has played an indispensable role in household consumption, rural livelihoods, culture and industrial production.

Coconut cultivation in Sri Lanka dates back to ancient times, but large-scale commercialisation emerged under British colonial rule, when subsistence-level household production transitioned into organised plantation agriculture. A major structural shift followed the land reforms of the early 1970s, which redistributed ownership and led to the dominance of smallholders. Today, approximately 75 percent of growers operate on landholdings of less than 10 acres, collectively contributing nearly 70 percent of national output, while the remainder is produced by private and state-owned estates.

Geographically, coconut cultivation in Sri Lanka is primarily concentrated within the traditional "Coconut Triangle"—Kurunegala, Puttalam, and Gampaha—which

remains the core production region. Kurunegala alone accounts for over 36 percent of the country's total coconut-growing area, underscoring its central role in national supply.

Complementing this is the “Southern Coconut Belt”, spanning Galle, Matara, and Hambantota. This region functions as a national “Resilience Zone”, benefiting from weather patterns that differ from those of the Northwest. As a result, it helps stabilize production during periods of drought, pest outbreaks, or other climate-related disruptions affecting the Coconut Triangle, while also serving as an increasingly strategic hub for sectoral development.

In recent years, the industry has further expanded into the Northern Province through the establishment of a “Northern Coconut Triangle”, reflecting the growing recognition of coconut cultivation as a driver of economic opportunity and regional development. Structurally, the industry comprises both kernel and non-kernel sub-sectors. Kernel-based products—such as coconut oil, desiccated coconut, coconut milk powder, and copra—form the backbone of the value chain, while non-kernel products, including coir fibre, peat, charcoal, and activated carbon, support growing industrial and export demand.

In 2024, Sri Lanka produced approximately 2.75 billion nuts from 467,122 hectares under for 9 percent of nut utilisation, followed by coconut oil (6.6 percent) and coconut cream/milk powder (18.8 percent). Coconuts remain a dietary essential in Sri Lankan households, accounting for 5.4 percent of total household food expenditure according to the Household Income and Expenditure Survey (HIES) 2019.

The sector's export performance has improved considerably over the past decade. Between 2013 and 2023, coconut export earnings increased by 315 percent, driven by rising global demand for plant-based, natural, and health-oriented products. The United States remains the largest export destination, followed by Germany, the Netherlands, and China. The sector currently contributes 15.5 percent of agricultural export revenue and is the second-largest agricultural export earner after tea (Annual Report, CBSL, 2024).

Despite its economic importance and strong growth potential, the sector continues to face persistent structural, agronomic, and market-related challenges. Key constraints include pest and disease outbreaks—most notably the recent whitefly infestation—fertiliser shortages associated with shifts toward organic agriculture and geopolitical uncertainties, limited access to high-quality seedlings, rising input costs, labour shortages, land fragmentation, and cyclical yield fluctuations. Climate-related stresses, such as Cyclone Ditwah in November 2025 and macroeconomic disruptions, including the 2022 economic crisis, have further exposed vulnerabilities within processing and supply-chain operations. These challenges are compounded by underutilised export potential and the need for greater value addition, improved quality standards, and enhanced traceability.

Recognizing these issues, government agencies and industry stakeholders have initiated a range of interventions. These include integrated pest-management programmes, fuel-supply prioritisation for processing facilities, breeding trials and seed-garden development to improve planting material, hand-pollination programmes for hybrid varieties, and the introduction of advanced technologies to enhance processing efficiency and product quality. Institutional coordination has also improved with the establishment of the Ceylon Chamber of Coconut Industries (CCCI), supported by the United Nations Industrial Development Organization (UNIDO), which aims to strengthen collaboration among growers, processors, exporters, and regulatory bodies.

Emerging global market opportunities—particularly in Europe, the United States, and Asia—underscore the sector’s substantial untapped potential, especially in value-added products and branding under the “Ceylon Coconut” identity. Capturing these opportunities will require a strategic rethinking of existing practices and the adoption of globally competitive approaches to productivity enhancement, sustainability, and market expansion.

To respond to these realities, the Coconut Sector SP&R seeks to deliver an actionable, comprehensive, and evidence-based framework to guide sectoral transformation. The roadmap provides strategic direction across socio-economic development, environmental sustainability, technology adoption, institutional coordination, policy reform, and export competitiveness. Ultimately, the SP&R aims to position the coconut sector as a more dynamic, resilient, and competitive contributor to national economic growth and rural livelihoods, ensuring its continued relevance in both domestic and international markets.

1.3. Objectives

The SP&R is formulated to guide each stakeholder towards the long-term development of Sri Lanka's coconut sector by addressing key structural gaps and harnessing emerging opportunities. Its core objectives are shown in Figure 2.

Figure 2-The main objectives of the coconut sector SPRM



1. **Increase Production (through productivity improvements and new land development)**

The SP&R aims to expand national coconut output by increasing primary production through large-scale infilling and replanting, enhancing farm productivity via improved agronomy, high-quality planting materials, soil and water management, upgraded irrigation systems, and modern technologies. It also prioritises the identification of suitable new areas for cultivation, particularly within the emerging Northern Coconut Triangle. Together, this dual strategy supports a steady and sustainable increase in supply to meet both domestic needs and growing export demand.

2. **Improve Farm Profitability:** Strengthening farmer incomes is a core priority of the SP&R. It promotes cost-effective production practices, the adoption of modern technologies, and the introduction of intercropping and integrated animal husbandry systems. The plan also supports improved access to high-quality inputs, greater mechanisation, and stronger market linkages. Higher farm profitability, in turn, encourages reinvestment, expansion, and the adoption of innovations that enhance productivity and competitiveness across the entire coconut industry.
3. **Promote Export Competitiveness:** The SP&R prioritises value addition, quality enhancement, expansion of processing capacities, improved logistics, and strengthened marketing and branding—particularly through the promotion of “Ceylon Coconut” products. It also emphasises diversification into high-growth export markets. Together, these efforts position Sri Lanka as a competitive and recognised origin within global coconut value chains.
4. **Improve Extension Services:** The roadmap prioritizes strengthening government and private-sector extension, digital advisory tools, farmer training programs, and field demonstrations. Enhanced extension capacity ensures that farmers receive timely, practical guidance. Moreover, effective extension systems are essential for driving technology adoption and promoting good agricultural practices.
5. **Strengthening Consumer Awareness:** The SP&R emphasizes the importance of raising consumer awareness about coconut products, highlighting strategies to minimize wastage, adopting innovative techniques to utilize the coconut, and exploring recently developed products. Educating consumers on the nutritional and economic value of coconut products not only supports market development but also promotes consumption patterns.
6. **Enhance Food Security & Safety:** Coconut is a vital contributor to household nutrition and national food security in Sri Lanka. By stabilising production, strengthening resilient supply chains, improving the market availability of nuts and value-added products, and enforcing food quality and safety standards, the SP&R not only safeguards food security but also ensures a steady supply of coconuts for industrial use, supporting the growth of the coconut-based industry in Sri Lanka.

1.4. Key Performance Indicators (KPIs)

The performance of the Coconut Sector SP&R is assessed through a set of seven Key Performance Indicators (KPIs), which collectively measure improvements in productivity, sector expansion, profitability, and export competitiveness over the next decade. These indicators capture both current baseline conditions and the targeted outcomes for 2030 and 2035, reflecting national priorities such as increasing farm income, enhancing yield per tree, strengthening export earnings, expanding total production, accelerating replanting and new cultivation, and ensuring an adequate supply of high-quality seedlings. Together, the KPIs provide a measurable framework for monitoring implementation, assessing progress, guiding policy updates, and estimating the sector's contribution to rural livelihoods, industrial value chains, and national economic development.

Table 1 shows the KPIs of the SP&R, the baseline values and targets for 2030 and 2035, and, where necessary, provides additional narrative descriptions to clarify the background of each KPI.

Table 1 -The KPIs of the Strategic Plan and Roadmap

KPI No.	KPI	Baseline	Target*	Comments
1	Profit for a farm/farmer per hectare per year	19,200 LKR/Month per acre*	25,400 LKR (+32%) (2030) 29,300 LKR (+52%) (2035)	This includes 2 components (increasing income and reducing costs)
2	Increase in Nuts Per Tree	45 (2024)	57 (2025) 60 (2030)	Existing trees
3	Coconut sector exports (USD)	855Mn (2024)	1,500Mn (2030) 2,000Mn (2035)	All products
4	Total No of Nuts produced annually	2.8Bn (2024)	4.2Bn (2030)	Productivity improvement & new cultivation
5	Additional new Trees	0	2.4 million Trees (2027)	Mainly the Northern triangle (5 districts)
6	Land area for cultivation	484,677 Ha	500,864 Ha (2027)	16,000 additional Ha
7	Number of seedlings produced per year	2.56M	TBD with CRI Mn (2026) TBD with CRI Mn (2027)	New cultivation area requires 1.3 million seedlings, and for replanting 1.6 million.

Source: Based on the consultations with the Steering Committee and the stakeholders

*Note: 1 hectare = 2.471 acres; LKR 47,443 per hectare per month

1.5. Roadmap formulation process

The Steering Committee for the SP&R—comprising 14 representatives from the Ministry of Plantations, Coconut Development Authority (CDA), Coconut Cultivation Board (CCB), Coconut Research Institute (CRI), CCCI, the Export Development Board, the Ministry of Finance, the Land Use Policy Planning Department, and UNIDO—provided strategic direction, rigorous oversight, and continuous feedback throughout the process. Their collective expertise ensured that the SP&R is analytically robust, action-oriented, and fully aligned with Sri Lanka’s national development priorities.

The formulation approach of the SP&R used both quantitative and qualitative data and methods to ensure accuracy and analytical depth. By combining secondary and primary data sources, the process enabled a holistic understanding of institutional arrangements, policy environments, growth opportunities, and value-chain dynamics in the coconut sector. This dual-source approach strengthened the validity of the proposed actions and ensured that the roadmap was supported by both empirical evidence and stakeholder experience.

Secondary and primary data collection was carried out through an exhaustive value-chain analysis. This involved reviewing existing literature, reports, and publications from key institutions; mapping stakeholders; assessing institutional roles and mandates; and analysing legal, financial, and sustainability frameworks. Secondary data helped identify constraints, opportunities, and strategic gaps, which guided the design of the primary data-collection activities.

Primary data collection followed a participatory approach to capture stakeholder views and to fill gaps left by the secondary data. The main tools included an inception workshop with nearly 50 key stakeholders, 15 Key Informant Interviews (KIIs)¹, and 9 Focus Group Discussions (FGDs)². The inception workshop brought together members of the Steering Committee and other main stakeholders to agree on the study direction and clarify roles.

¹ The 15 KIIs were conducted with government officials, private sector leaders, trade union representatives, and industry associations to gather insights on institutional performance, regulatory barriers, export challenges, and policy alignment. Special attention was given to CDA, CCB, CRI, and CCCI

² The 9 FGDs were conducted with value chain actors, including growers, collectors, processors, and distributors from key coconut-growing districts such as Kurunegala, Puttalam, Gampaha, Jaffna, Mullaitivu, Mannar, Galle, and Matara, covering both traditional and emerging coconut zones

2. Policy Landscape and Strategic Priorities

The Coconut Sector Strategic Action Plan & Roadmap 2026–2035 has been developed to align closely with Sri Lanka’s national priorities on sustainability, modernization, inclusivity, and value addition, as outlined in the National Policy Framework of Sri Lanka - A Thriving Nation A Beautiful Life (NPF 2025) and the National Policy on the Plantation Sector (NPPS 2024). This section explains how the SP&R 2026–2035 translates the national policy priorities—especially those in the NPPS 2024—into actionable and time-bound activities. It summarizes the key policy directions, highlights their implications for the coconut industry, and shows how national goals are connected to sector-specific interventions.

2.1. National Policy Framework of Sri Lanka (NPF 2025)

The NPF strongly promotes a production-based economy built on agricultural development, sustainability, and the efficient use of resources.³ Within this broader national direction, the SP&R—long linked to rural livelihoods, exports, and food security—follows the NPF’s principles on raising productivity, managing resources well, and modernizing agriculture to improve resilience to climate change.

The NPF also provides several specific directions relevant to the coconut sector, including agricultural development, housing and land management, export strategies, planting materials, intercropping, crop management, and the introduction of new technologies. For a perennial and climate-sensitive crop like coconut, the NPF points to the need for replanting programmes, better agronomy, smart irrigation, and technology-enabled management, particularly for smallholders and mixed-estate systems.

The NPF’s emphasis on value addition, entrepreneurship, and stronger industry–agriculture linkages open new opportunities for expanding high-value coconut product industries. These opportunities can be supported through improved access to credit, skills development, and better infrastructure. The policy also highlights the importance of productive land management and addresses challenges such as land fragmentation, aging plantations, and soil degradation. Finally, the NPF’s focus on improving rural livelihoods, social protection, and farmer empowerment—together with commitments to digitalization, research, and youth engagement—creates a supportive environment for modernization and inclusive growth across the coconut sector.

³ https://www.cabinetoffice.gov.lk/cab/images/Downloads/national_policies/2025-03-03/En.pdf

2.2. National Policy on Plantation Sector in Sri Lanka (NPPS 2024)

Sri Lanka's NPPS 2024 serves as the overarching policy framework guiding the development and governance of the coconut sector in Sri Lanka.⁴ It focuses on strengthening the traditional crops like tea, rubber, and coconut and also expanding into emerging crops such as cashew, kithul, palmyrah, Ceylon Cinnamon, and other export-oriented agricultural products. Today, the plantation sector accounts for nearly 25 percent of national export earnings and provides employment to around 16 percent of the working population highlighting its continued economic and social importance as a foundation of the national economy. While acknowledging this significance of the sector, this policy addresses more pressing current challenges ranging from high production costs and labour constraints to declining soil fertility, limited availability of quality planting material and low rates of technology adoption.

With 66 percent of Sri Lanka's cropland being rain-fed and largely managed by smallholders, the plantation sector is increasingly vulnerable to the impacts of climate change. More frequent droughts, unpredictable monsoons, cyclones, and outbreaks of pests and diseases directly threaten productivity and long-term sector stability. In response to these growing risks, the NPPS 2024 places climate resilience, sustainable land-use practices, and disaster-risk management at the center of its strategic direction. The eight Policy Statements of the NPPS 2024 set out the core policy principles that will guide the transformation of Sri Lanka's plantation sector into a modern, competitive, and sustainable industry. These statements also provide a coherent strategic framework that spans the entire supply chain—from production and research to marketing, climate resilience, governance, and worker welfare.

The Coconut Sector SP&R 2026–2035 has been developed with full consideration of both the NPF 2025 and the NPPS 2024, ensuring that national priorities on modernization, sustainability, inclusiveness, and value creation are transformed into clear, sector-specific and time-bound actions. While the NPF 2025 sets the wider economic pathway toward a production-based and innovation-driven economy, the NPPS 2024 shapes this direction for the plantation sector through eight policy themes.

2.2.1. Crop Production and Resource Management:

The SP&R brings fresh energy to the foundations of coconut cultivation—strengthening seed gardens, nurseries, and seedling production while promoting better planting practices. It also encourages smarter use of water and soil, and more effective pest and crop management. Together, these

⁴ https://plantation.gov.lk/images/pdf/Policy_Division/National_Policy_on_Plantation_Sector_Sri_Lanka.pdf

actions aim to create healthier plantations, higher productivity, and more resilient farming systems across the country.

2.2.2. Research and Development:

The SP&R places innovation at the heart of sector transformation. It calls for stronger research systems, faster adoption of new technologies, and greater reliance on evidence-based decisions. By improving planting materials and fostering collaboration among research institutions, the SP&R promotes a culture of continuous learning—ensuring the sector evolves with new knowledge, modern techniques, and fresh ideas.

2.2.3. Value Chain Development and Value Addition:

To unlock the full potential of the coconut industry, the SP&R aims to elevate the entire value chain—from farm to market. It focuses on improving quality, productivity, and traceability, while encouraging more value-added processing and climate-smart production. This shift from basic raw materials to high-value products opens new opportunities for markets, jobs, and entrepreneurship, helping position the sector as a driver of modern, competitive, and sustainable growth.

2.2.4. Marketing, Trading, and Entrepreneurship Development:

The SP&R places strong emphasis on unlocking new market possibilities and strengthening the proud identity of **Ceylon Coconut**. It supports efforts to expand into high-value markets, build a stronger global brand, and nurture a vibrant culture of entrepreneurship. By simplifying cross-border procedures and improving the overall trading environment, the SP&R aims to boost export performance and ensure that Sri Lankan coconut products stand out worldwide for their quality, authenticity, and innovation.

2.2.5. Environmental Protection and Climate Resilience:

Recognizing the mounting risks posed by climate change, pests, diseases, and extreme weather, the SP&R is committed to building production systems that can withstand these challenges. It promotes integrated disaster-risk management and encourages smarter, more sustainable crop management practices. At the same time, it highlights the importance of long-term investments—such as local fertilizer production, improved water management, biochar, soil fertility enhancement, pollination support, and biodiversity conservation. Further, by incorporating forward-looking mechanisms such as early warning systems, production forecasting, and emergency allocation frameworks for domestic consumption and export utilisation, the strategic plan enables proactive and flexible responses to both

short-term shocks and long-term structural changes. Together, these actions aim to secure a resilient, future-ready coconut sector able to thrive despite growing environmental pressures.

2.2.6. Stakeholder Empowerment:

People and communities are at the heart of the SP&R. The plan recognizes that long-term transformation depends on skilled, confident, and motivated stakeholders—especially farmers, who stand at the center of the sector’s future. The SP&R therefore prioritizes capacity building, behavior change, inclusive participation, and open knowledge-sharing across the entire value chain. By empowering all actors—from smallholders to processors, researchers, and private-sector partners—the SP&R aims to build a dynamic and collaborative workforce capable of driving meaningful and lasting change.

2.2.7. Occupational Health and Social Safeguards:

The SP&R places strong importance on creating safe, healthy, and socially responsible working environments across the entire coconut value chain. It commits to upholding high standards of occupational safety, promoting social well-being, and protecting the rights and dignity of all workers. Special attention is given to plantation communities and vulnerable groups, ensuring they are supported, respected, and empowered as active partners in sector transformation.

2.2.8. Policy and Governance:

Effective governance is essential for the success of the SP&R. The plan promotes transparency, accountability, and inclusiveness through strengthened monitoring, reporting, and coordination mechanisms. It also supports improvements to institutional frameworks and encourages forward-looking policy reforms that foster a sustainable, responsible, and well-regulated plantation sector. By creating a clear and supportive governance environment, the SP&R ensures that progress is consistent, predictable, and aligned with long-term national goals.

2.3. Policy Integration through the Strategic Plan & Roadmap (2026-2035)

The coconut sector SP&R 2026-2035 serves as the practical engine that turns the policy aspirations of the NPF 2025 and NPPS 2024 into coordinated, on-the-ground action. The national policy directions are woven into the core of the SP&R, ensuring that modernization, sustainability, inclusiveness, and value creation function not just as guiding principles but as active forces shaping everyday implementation. Table 2

illustrates how these priorities are translated into clear, actionable steps across the sector. In addition, the SP&R sets out precise milestones, defines accountable responsibilities, and sequences interventions across the entire coconut value chain. Together, these elements provide a unified pathway and a shared platform for all stakeholders to move forward with confidence, clarity, and collective purpose.

Table 2- Alignment of National Plantation Policy Themes with Coconut Sector Road Map Actions (2026–2035)

National Plantation Policy 2024 – Policy Theme	Key Coconut Sector Road Map Actions (2026–2035)
1. Crop Production & Resource Management	- o Replanting & rehabilitation of ageing palms - o Intercropping & soil fertility enhancement - o Precision irrigation, fertigation, moisture conservation - o Certification of seed gardens & improved nursery standards - o Deployment of climate-resilient and high-yielding varieties - o IoT-enabled irrigation and resource-use monitoring
2. Research & Development	- o Expansion of R&D projects through setting up R&D sub-centers in the respective coconut triangle - o Development of 3 new coconut varieties by CRI/CCB for diverse agro-climatic zones - o Strengthening CRI–university–industry research collaborations - o Establishing adaptive research stations & field trial sites - o Digital platforms (e.g. GIS) for extending research findings to farmers
3. Value Chain Development & Value Addition	- o Investment in processing plants - o Upgrading quality assurance & traceability systems - o Promoting circular economic innovations (waste-to-value) - o Encouraging export diversification & niche product development
4. Marketing, Trading & Entrepreneurship	- o SME and youth entrepreneurship programs - o Facilitate Public-Private Partnerships (PPPs)

Development	- o Access to finance schemes & incubation support - o Brand building of “Ceylon Coconut” and plan for the implementation of Geographical Indication (GI) - o Blockchain-based EUDR compliant supply-chain traceability supported by GIS/RS - o Capacity-building for exporters on global standards
5. Climate Resilience & Risk Reduction	- o Climate-smart practices: mulching, agroforestry, drought-resilient management - o Climate risk mapping & vulnerability profiling - o Strengthened pest and disease surveillance & IPM systems - o Water-saving technologies and localized drought-mitigation - o Disaster-preparedness and biosecurity programs
6. Stakeholder Empowerment	- o Expanding trained extension officers from 500 → 2,000 requires immediate recruitment, supported by competitive cadre approvals and the allocation of dedicated training budgets. - o Digital learning modules for farmers, processors, and other value chain actors - o Strengthening farmer cooperatives & women’s groups - o Public–private advisory platforms & knowledge-sharing networks - o Skills development programs across the value chain
7. Occupational Health & Social Safeguards	- o OSH standards for plantations and processing plants - o Gender-responsive training & workplace safeguards - o Social protection awareness programs - o Improving worker facilities, safety equipment, and welfare services
8. Policy & Governance	- o Digital dashboards for monitoring Road Map progress - o Annual performance reviews & sector scorecards - o Strengthened institutional coordination among CRI, CDA, CCB, MPCl, CCCl and other private sector stakeholders

-
- o PPP models for investment in processing & R&D
 - o Regulatory reforms & policy feedback loops
-

3. Value Chain Overview: Present Context and Comparative Insights

3.1. Coconut Value Chain

The coconut sector has the potential to significantly transform Sri Lanka's economy by fulfilling a large share of domestic demand while also strengthening the country's export performance. With the right investments and coordinated action, the sector can expand its contribution to national employment—providing direct jobs to more than 1,000,000 people and creating an additional 350,000 indirect opportunities across the value chain. This makes the coconut industry not only an economic driver but also a powerful engine for rural development and skilled job creation.

Sri Lanka's coconut value chain is already diverse and rich in potential, supported by strong domestic consumption and a rising global appetite for high-quality, value-added coconut products. The SP&R recognizes this strength and views the value chain as a dynamic system with a wide range of stakeholders, activities, and market linkages—from agricultural input suppliers and growers to processors, manufacturers, intermediaries, and exporters. For clarity and strategic focus, these actors are grouped into five core categories: input suppliers, growers, intermediaries, processors, and exporters. In addition, the SP&R recognizes the importance of Public Institutions, Financial Institutions/ Investors, and Academia / Development Partners, as important actors that contribute to the overall progress of the sector and that are key for the deployment of the SP&R.

Building on an independently conducted value-chain analysis⁵, the SP&R identifies the specific actions required to achieve the targets set by the Steering Committee. Together, these stakeholders form an interconnected ecosystem that drives production, processing, and marketing across both local and international markets (Figure 3). The Theory of Change presented in Chapter 4 provides the framework through which these actions are transformed into coherent strategies—and ultimately into tangible results.

Input Suppliers: Growers and industry processors depend heavily on input suppliers to ensure the continuity of the production process. These suppliers play a vital role by providing the materials, services, and technologies that enable stronger cultivation practices and sustained productivity growth. In Sri Lanka, the input supply ecosystem is anchored by public sector institutions such as the CCB, CRI, and CDA, which continue to be essential partners for the sector. The private sector also contributes significantly through dynamic private nurseries, agrochemical producers

⁵ The Value Chain Analysis has been conducted by the Institute of Policy Studies (IPS) after the request of UNIDO, in the framework of the BESPFA-Food Project.

and distributors, and machinery and equipment providers—including irrigation systems and IT-based technologies—giving growers access to broader resources and more specialized technical expertise.

Looking ahead, this part of the value chain holds tremendous potential. Opportunities include the expansion of seed gardens and nurseries, wider adoption of efficient irrigation systems, and the scaled production of organic fertilizers, biochar, agrochemicals and innovative agrotechnology solutions

Growers: Coconut growers in Sri Lanka are generally classified into smallholders with less than 8 hectares and estate operators managing more than 8 hectares larger holdings. Recent statistics reported by the Coconut Development Authority (CDA) show that Sri Lanka had a total of 1,095,982 acres of coconuts, where 917,307 acres were under smallholdings and 178,675 acres in the estate sector, which is approximately 83.7% and 16.3% of total area for coconut, respectively.⁶ Furthermore, it is very clear that the landholding size shift has moved a lot from plantation to small-scale due to extensive land fragmentation.⁷ Two key opportunity areas stand out for strengthening the sector: increasing the profitability of smallholder operations and enhancing cultivation practices across all types of holdings. By introducing efficiency-driven concepts, certification schemes, modern agricultural techniques, and performance-oriented plantation management, Sri Lanka can unlock significant yield improvements. Wider adoption of appropriate technologies—coupled with stronger efforts in fertilization, moisture conservation, pest management, and intercropping—will transform grower productivity and create a more vibrant, future-ready coconut industry.

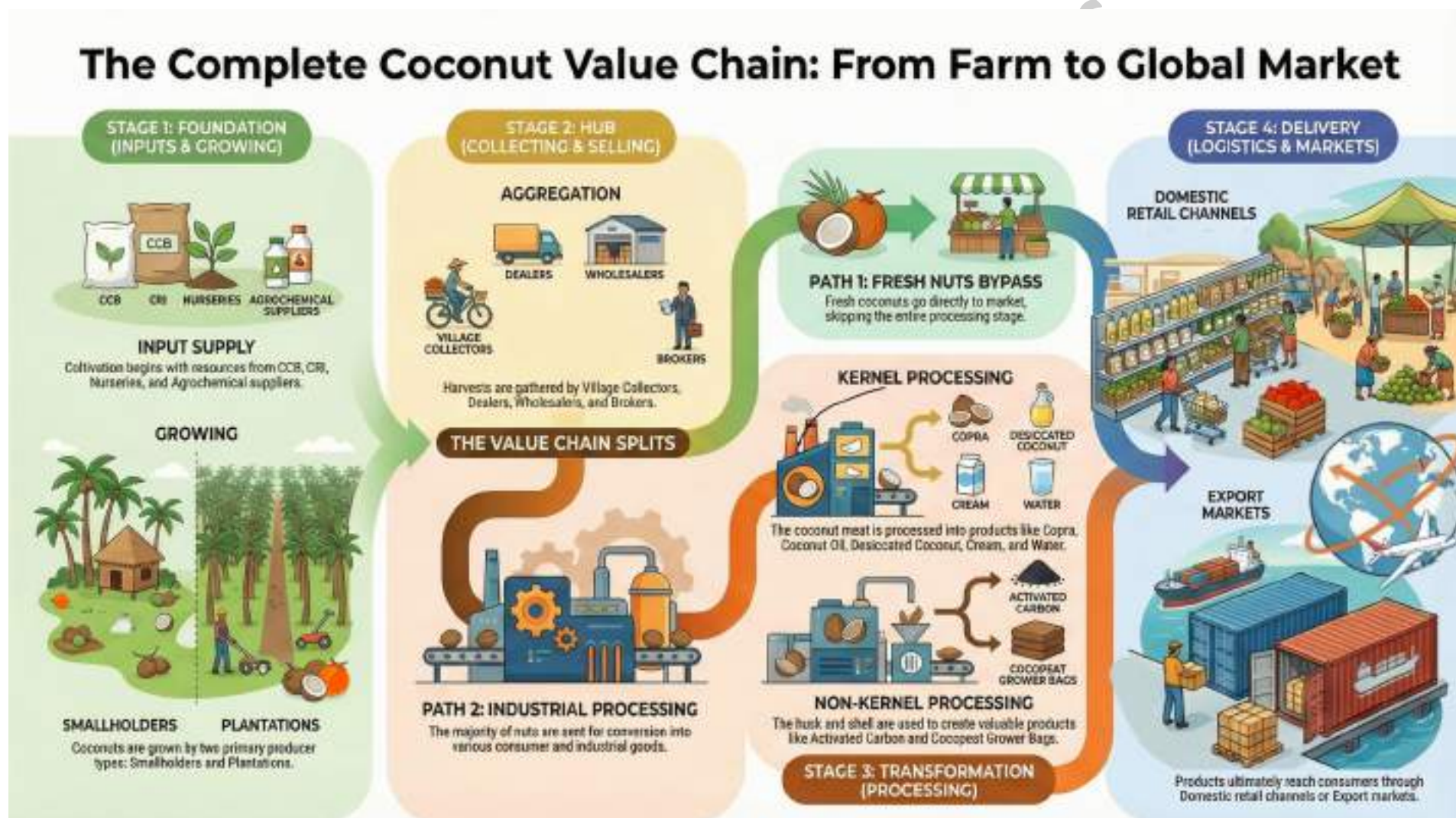
Processors & Exporters: Among Sri Lanka's agricultural crops, coconuts stand out for their high value-added production capacity, largely due to the active role of processors. Coconut processors can be classified into large-scale, medium-scale, and small or cottage-level operators. Large-scale processors are primarily export-oriented, often collecting produce from other processors and exporting in bulk. Small and cottage-level operators are typically village-based and primarily focus on meeting domestic demand.

Coconut-based value-added products can be classified into two main groups: kernel products and non-kernel products. Products derived from the edible white part and the liquid inside the coconut are classified as kernel products, while those derived from the thin outer skin, the thick fibrous husk, and the hard protective shell are classified as non-kernel products.

⁶ https://www.cda.gov.lk/web/images/pdf/export_perfo/T01.pdf

⁷ <https://sjae.sljol.info/articles/4641/files/submission/proof/4641-1-21235-1-10-20220104.pdf>

Figure 3 - Coconut Value Chain



Source: 2025 Coconut Value Chain Analysis (IPS & UNIDO)

Major kernel products include coconut oil, desiccated coconut, copra, coconut cream, and coconut milk powder. The non-kernel products, mainly derived from the husk, include bristle fiber, mattress fiber, coir peat, and several value-added products such as coir yarn, twine, brushes, brooms, rubberized pads, bedding materials, mats, rugs, husk chips, geotextiles, and molded items for horticulture. Shell-based products include shell pieces, shell powder, charcoal, and activated carbon.

Key recommendations include promoting backward linkages with integrated value chains among actors (e.g., collectors), incorporating fair pricing systems, expanding the capacity for higher value-added production, investing in quality certifications, record-keeping, introducing traceability, and IT-based technologies (e.g., GIS-based planning), contributing to the strategic promotion of the Ceylon Coconut brand internationally, and implementing consumer behaviour change campaigns.

Key Support Services. Public Institutions, Financial Institutions, Academia & Development Partners: The coconut industry in Sri Lanka operates within an established support ecosystem encompassing research, extension services, finance, regulation, and technical assistance. The CRI leads the way in pioneering research and development for both production and processing, while the CDA drives the sector forward through industrial regulation, licensing, and ambitious export-oriented market development.

Furthermore, the CCB delivers essential extension services through a comprehensive network of training and advisory channels. Financial empowerment is supported through specialized CCB–Kapruka and CDA loan schemes, complemented by an enabling policy and industry support environment provided by the CCCI for coconut exporters. Complementing this, financial institutions provide the vital resources and services necessary to catalyze investment and proactively manage risks.

Quality excellence is upheld through CDA's regulatory functions and CRI's certification systems, ensuring that the industry remains fiercely competitive on the world stage. With the services provided by Conformity Assessment Bodies (CABs), Ceylon Coconut products seamlessly enter international markets with third-party, world-recognized certification. We also celebrate the immense contributions of development partners like UNIDO, whose high-level guidance—instrumental in achieving GI recognition for Ceylon Cinnamon and the success of Ceylon Tea—now continues to empower the Ceylon coconut ecosystem toward a prosperous future.

To maintain the momentum of the (SP&R), our path forward is defined by a series of transformative actions designed to elevate the entire industry. This journey begins with empowering the value chain by providing specialized training for collectors to champion the highest standards of quality, traceability, and transparency. To fuel this growth, we should drive innovation by investing in advanced farming models and cutting-edge R&D that showcase the next generation of coconut technologies. This is complemented by the modernization of our processing sector, where targeted

technical assistance will accelerate the adoption of high-efficiency production methods. By strengthening the international prestige of the “Ceylon Coconut” brand and reinforcing robust quality and safety assurance across all logistics, we will ensure our products remain world leaders in excellence.

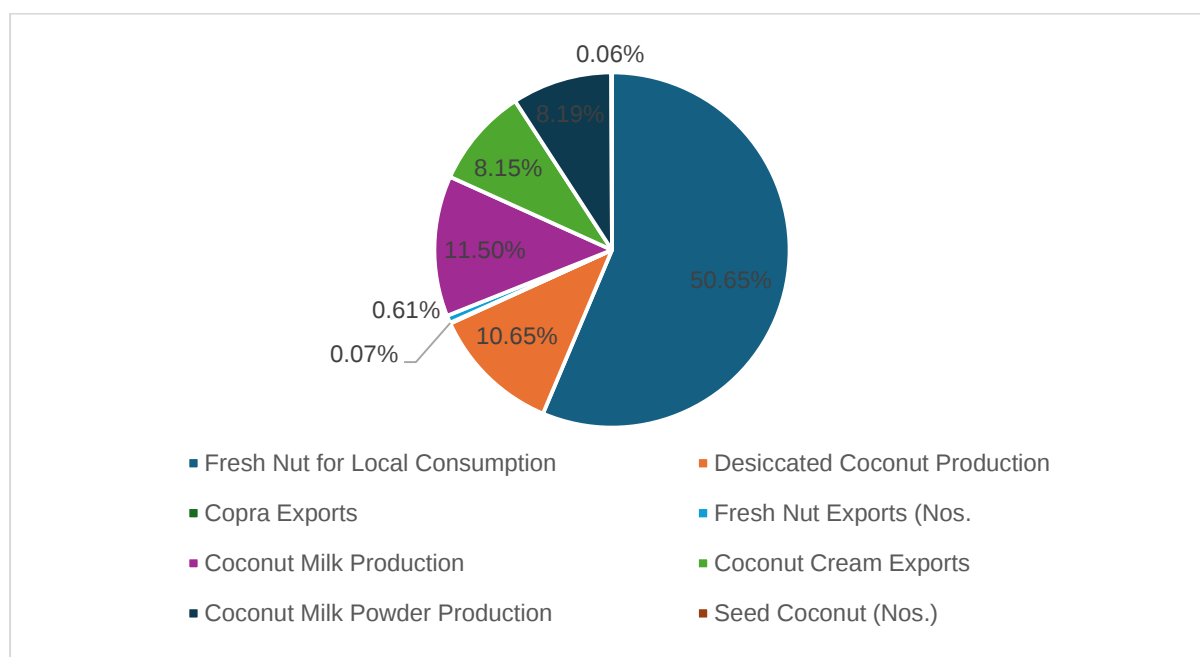
Realizing this ambitious vision requires a significant financial commitment, specifically targeted at unlocking investment through expanded finance programs and high-impact international partnerships, such as Public-Private Partnerships (PPPs). To meet the USD 1+ billion investment goal envisioned in this SP&R, Sri Lanka should implement specific access-to-finance schemes ranging from micro-credit for smallholders to large-scale investment frameworks. Similarly, alongside these financial drivers, comprehensive insurance schemes must be widely promoted to build risk resilience and safeguard investors at every level of the value chain. Finally, this progress will be sustained through deep-rooted synergy, where Academia guides the introduction of best practices and technology, while Development Partners provide the strategic momentum and technical expertise necessary to expedite the successful and full implementation of this Roadmap.

3.2. Demand

A cornerstone of our strategy is the analysis of how Sri Lanka’s annual yield of 3 billion nuts contributes to the nation and the economy. In 2024, the utilization of these nuts underscored the coconut’s dual role as a vital dietary staple and a versatile industrial resource. Domestic consumption accounted for 50.64% of the total yield (Sri Lanka Coconut Statistics, CDA, 2024), reflecting the deep-rooted importance of coconuts in meeting the daily nutritional needs of our people.

Parallel to this, the processing sector demonstrated its growing strength: 17% of the yield was transformed into high-demand products like coconut cream, milk powder, and liquid milk, serving both local households and expanding export markets. While coconut oil (14%) and desiccated coconut (9.89%) continue to be pillars of the industry, raw exports like copra (0.36%) and fresh nuts (0.42%) remain minimal. This data reveals a powerful opportunity: while the foundation of the demand is built on domestic consumption, there is immense, untapped potential to transition more of our raw supply into the high-value, processed products that the world is demanding.

Figure 4 - Utilization breakdown of coconut production for 2024

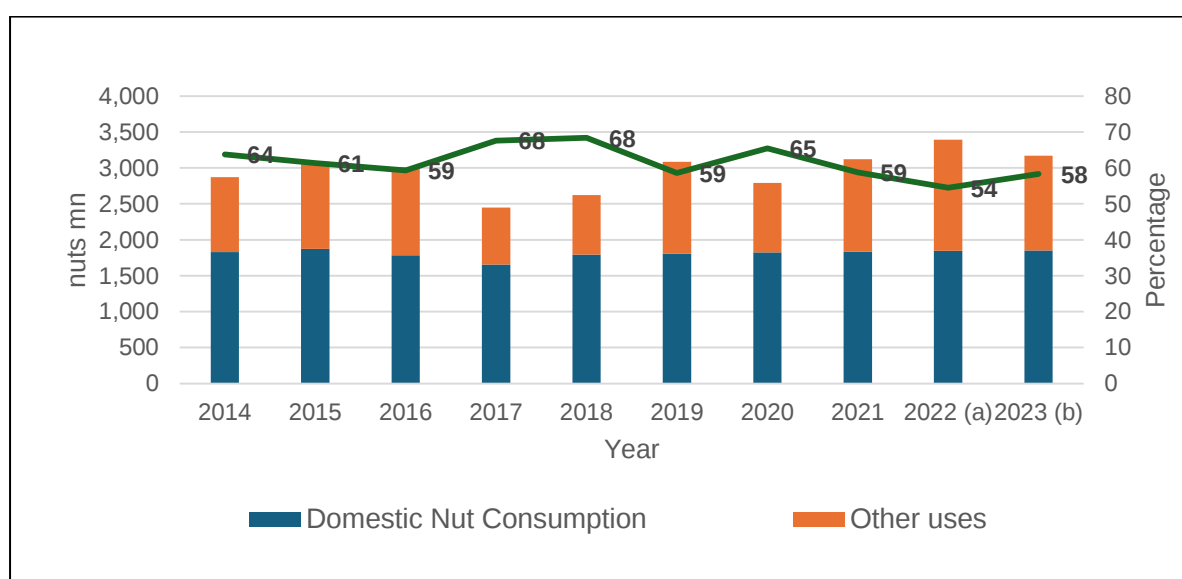


Source: Authors' Compilation using Data from Sri Lanka Coconut Statistics, CDA, (2024)

The usage of Ceylon Coconuts tells a story of consistent demand and recent, remarkable growth. In 2022, total production reached a peak of over 3,000 million nuts. As illustrated in our data, while domestic household needs consistently form the larger share of total use, we observed a striking surge in both domestic and industrial demand from 2022 to 2025.

Interestingly, while the share of domestic consumption relative to total production has historically fluctuated between 55% and 68%, it recorded its lowest relative percentage (50.64%) in 2024. This shift is a positive indicator of a diversifying sector; as total production climbs, a larger proportion is being successfully channeled into industrial and export-led growth. By 2025, the balance reached near-equal harmony, with approximately 1,414 million nuts consumed at home and 1,378 million nuts fueling the processing industry—generating an impressive US\$ 1,023.27 million in export revenue up to October 2025.

Figure 5 - Trends in domestic coconut consumption and other uses



Source: Authors Compilation using Data from CBSL Annual Report (2023)

The coconut is far more than a commodity; it is a vital contributor to national well-being. As of 2023, coconut products provided an estimated 239 kilocalories per capita daily, with total food consumption reaching 615,100 metric tons annually. According to the *Household Income & Expenditure Survey*, Sri Lankans dedicate an average of 5.4% of their household spending to coconut products—a testament to their indispensability in our traditional cuisine.

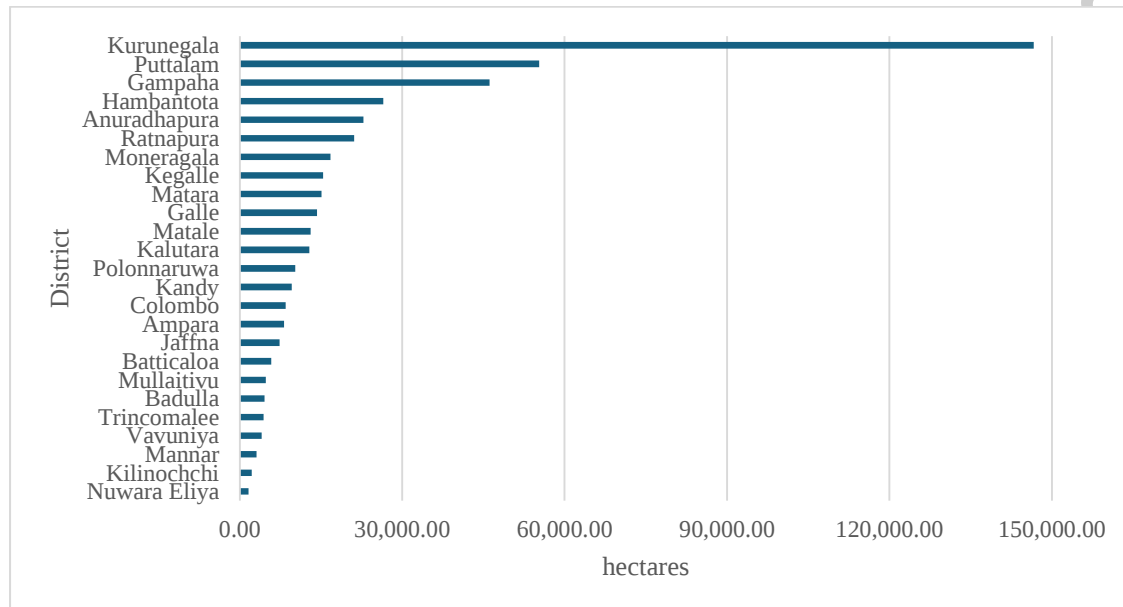
This reliance is visible across every province, showcasing a truly national market. From the Sabaragamuwa region, which leads with a 6.9% expenditure share, to the urbanized Western Province maintaining a strong 5% share, coconuts remain a staple across all socio-economic boundaries. This universal demand provides a rock-solid domestic foundation upon which we can build a more prosperous, export-oriented future. Whether in the lush Southern heartlands or the diversifying markets of the Eastern region, the coconut remains the lifeblood of the Sri Lankan kitchen and a symbol of our agricultural heritage.

3.3. Supply

Coconut producers are the heartbeat of the value chain. In 2025, our dedicated farming community produced approximately 2.75 billion nuts, delivering them to both our vibrant domestic households and our growing processing industry. The strength of this sector lies in its smallholder spirit, with small-scale farmers stewarding 83.7%

of the total coconut land area, while estate growers manage the rest⁸. The smallholders' farms are mainly scattered with few having more organised setups, whereas most estate plantations are systematically managed. Covering nearly 20% of Sri Lanka's total agricultural land, coconut cultivation is a pillar of our landscape, with a powerful and growing presence in districts like Kurunegala, Puttalam, Gampaha, and an expanding footprint in the South and East.

Figure 6 - Geographical Distribution of Coconut Cultivation Extent in 2023

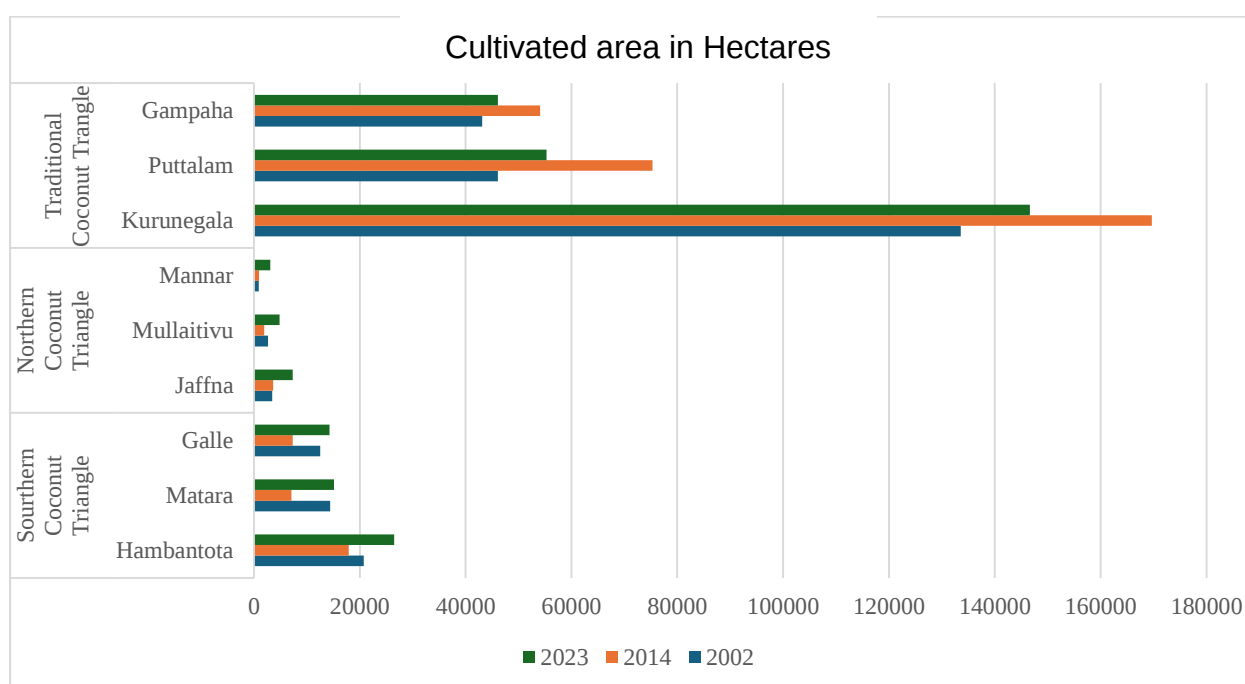


Source: Authors Compilation using CRI Data (2023)

The geographical landscape of our industry is evolving remarkably. As shown in Figure 6, while the traditional Coconut Triangle—Kurunegala, Puttalam, and Gampaha—remains our national powerhouse, accounting for 51.6% of the cultivated area, Sri Lanka's coconut map is successfully diversifying. We are witnessing steady and encouraging growth in the Southern belt, led by Hambantota, alongside a gradual yet determined effort by the Government of Sri Lanka in the Northern region (Jaffna, Mullaitivu, and Mannar) to establish and expand the emerging Northern Coconut Triangle. This geographic expansion marks a strategic success, strengthening the resilience of the national supply and ensuring that the economic and development benefits of this high-potential industry are shared more broadly across the country.

⁸ Department of Census and Statistics. (2018). GENERAL REPORT, ECONOMIC CENSUS 2013/14, AGRICULTURAL ACTIVITIES SRI LANKA. https://www.statistics.gov.lk/Economic/Final_Report_Agri.pdf

Figure 7 - District-wise overview of main Ceylon Coconut growing areas



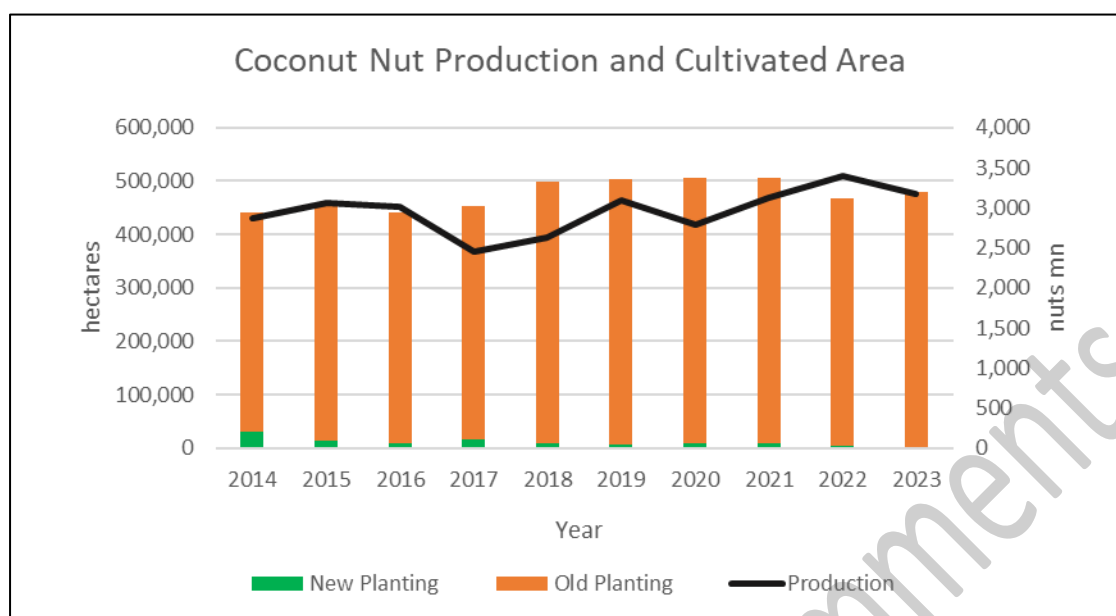
Source: Authors Compilation using (DCS 2018) and CRI Data (2023)

Our production history, detailed in Figure 8, tells a story of remarkable resilience. While our total cultivated area has remained relatively stable, production levels have navigated cyclical challenges with impressive strength. Production levels were relatively high between 2014 and 2016 and after a sharp climatic dip in 2017, the sector achieved after the pandemic a historic peak in 2022, reaching an extraordinary 3,391 million nuts cultivated over an extent of 467,122 hectares. This milestone proves the inherent capacity of our lands and our farmers to reach world-class output levels. Even amidst the fluctuations of climatic variability, the long-term trend remains one of stability and upward potential.

Looking ahead, the success of this Strategic Plan and Roadmap (SP&R) hinges on our ability to expand our horizons. With our traditional lands maintaining a stable base of over 450,000 hectares, and recognizing past low levels of new planting areas, the New Northern Coconut Triangle represents our next great frontier for economic development.

To unlock this potential, we must prioritize a robust chain of propagation. By strengthening our seed gardens, expanding our nurseries, and mobilizing a massive seedling planting effort, we will secure the future of our supply. Furthermore, this initiative will facilitate the replanting of aging, low-yielding trees and the infilling of new trees within existing coconut lands. This proactive approach is the critical factor that will allow us to meet our ambitious targets and ensure that Sri Lanka remains a global leader in the coconut industry.

Figure 8 - Coconut nut production and cultivated area



Source: Authors Compilation using Data from CBSL Annual Report (2023)

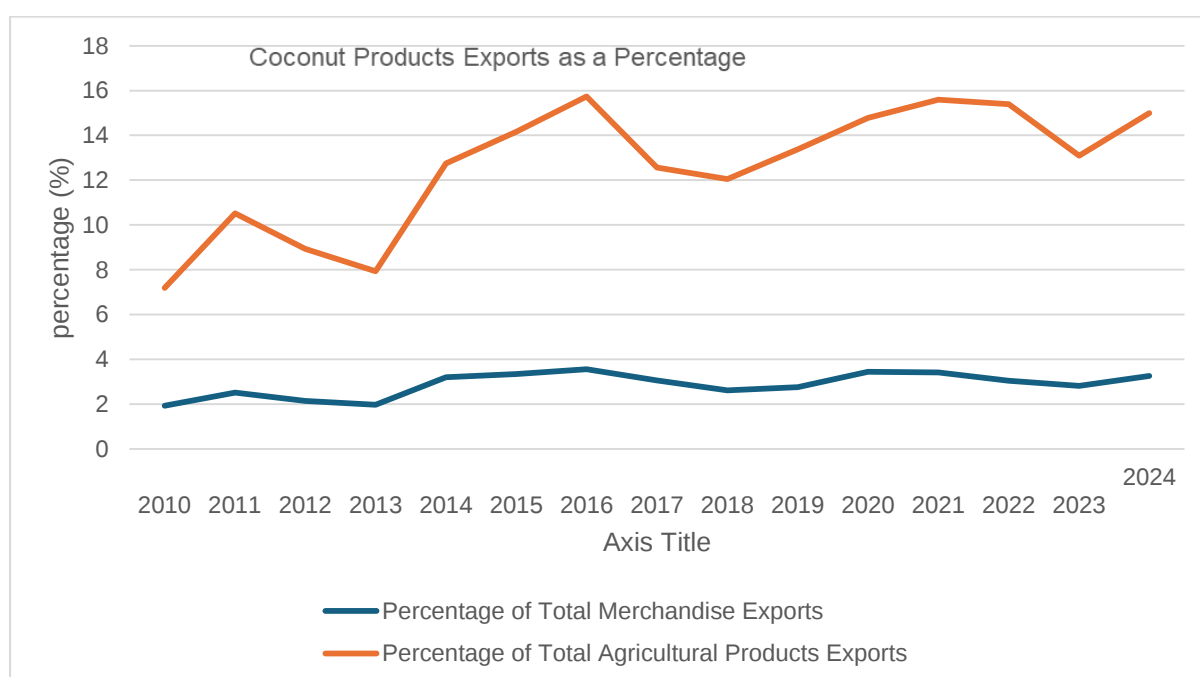
3.4. Value Addition and Exports

Processing is a vital stage in the coconut value chain, directly adding value and boosting the sector's export potential. In 2024, out of a total production of 2,792 million nuts, 1,272 million nuts (45.56%) were utilized for export processing, generating US\$ 854.94 million in revenue. (Sri Lanka Coconut Statistics, CDA, 2024).

The impact of processing is clear: the value added per nut was US\$ 0.67, which is 50.5% higher than the export price of a fresh nut⁹. This demonstrates the immense economic gain achieved through industrialization. Notably, if the entire national production had been directed toward processing, potential export earnings could have reached approximately US\$ 1,876.57 million. This highlights a significant, untapped capacity for expanding our processing footprint and further diversifying our exports.

⁹ In CDA export price of a fresh nut is taken as US\$0.458

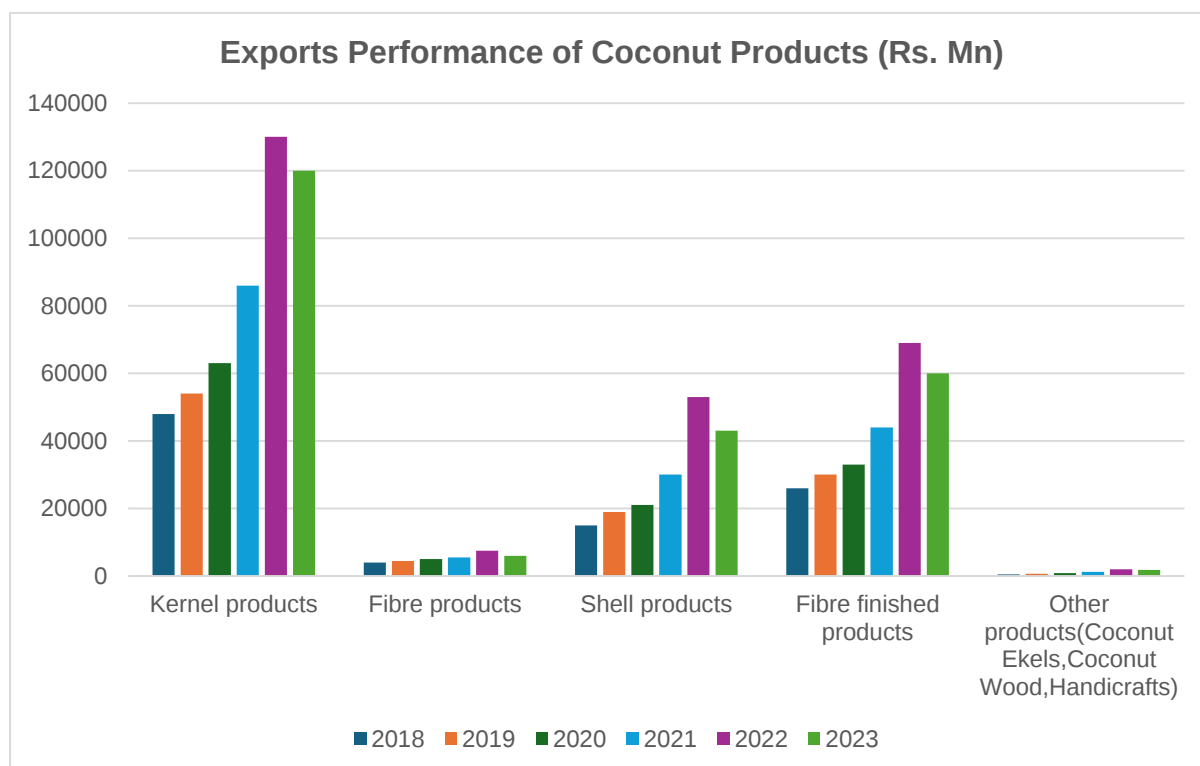
Figure 9 - Contribution of coconut-based products to Sri Lanka's exports



Source: Authors Compilation using Data from CBSL Annual Report (2023)

Coconut exports are a cornerstone of Sri Lanka's agricultural sector. As shown in Figure 9, earnings from coconut-related agricultural exports consistently contribute over 12% of total agricultural exports, peaking at nearly 16% in 2018. While the sector's share of total merchandise exports remains stable between 2% and 4%, its true value lies in its high Domestic Value Added (DVA). Unlike industries such as Apparel, which heavily rely on imported inputs, the coconut sector creates almost all its value within Sri Lanka, making its contribution to national wealth even more substantial.

Figure 10 - Export performance of Coconut products



Source: Sri Lanka Export Development Board (EDB)

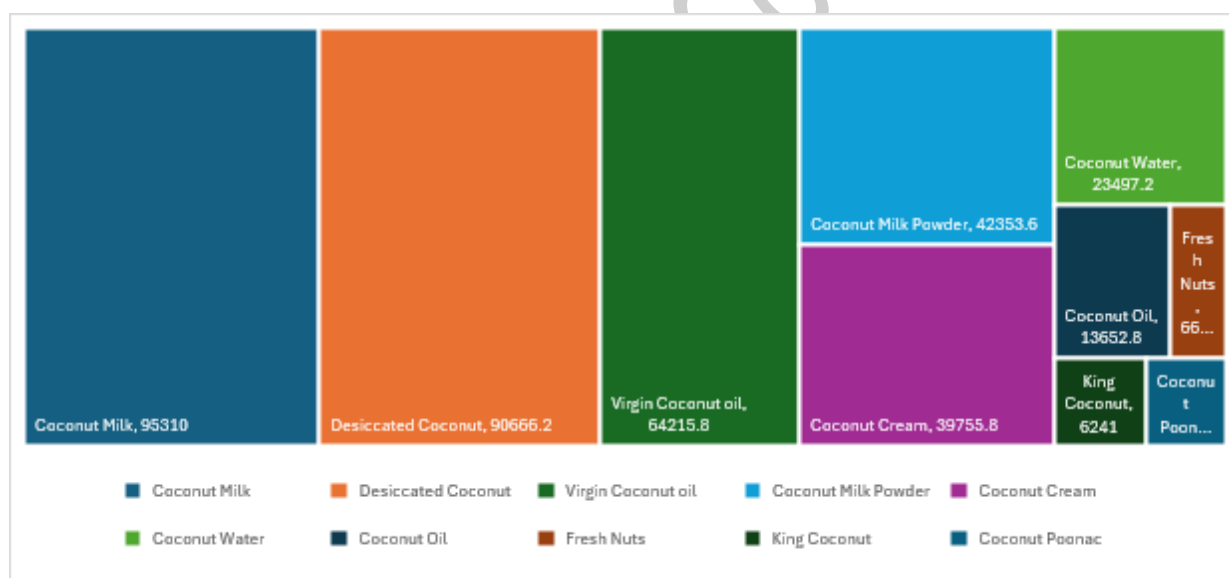
Historically, coconut oil was our primary export commodity until the mid-1970s. However, the industry has since achieved a remarkable transformation, moving away from traditional raw products like copra toward a sophisticated range of high-value items¹⁰.

¹⁰ Pathiraja, P. M. E. K., Griffith, G. R., Farquharson, R. J., & Faggian, R. (2015). The Sri Lankan coconut industry: current status and future prospects in a changing climate.

Figure 10 highlights this dynamic performance. Kernel products remain the largest contributor, with their value rising steadily and surpassing USD 370 million in 2023. At the same time, Non-kernel products are growing at an even faster rate, with the potential to surpass kernel products in the coming years. While fibre-finished products show steady growth, other categories like shell products and minor coconut items represent high value-added potential. In particular, products like MCT oil, coconut peat and activated carbon showcase our robust capacity for innovation

The kernel-based sector generated approximately US\$460 million in export revenue in 2024. Among exported kernel products, the three largest contributors are coconut milk (US\$111.22 million), desiccated coconut (Rs. US\$99.48 million), and virgin coconut oil (US\$64.75 million). Other notable products in this segment include coconut milk powder, coconut water, coconut oil, and king coconut products, which dominate both domestic and international markets (Figure 11).

Figure 11 – Distribution of Top ten Export Kernel Products by Average Export Value (2020-2025) – US\$ '000



Source: Authors Compilation using CDA Statistics (2024)

The non-kernel industry includes fibre products, shell products, and other coconut-derived items, such as coconut husks, coconut wood/handicrafts, and leaf-based products. Collectively, these accounted for approximately US\$395.31 million in export revenue. This segment is incredibly diverse, ranging from coir pith and geotextiles to specialized shell-based products like activated carbon. These figures confirm that our sector is not only stable but is actively evolving into a diverse, high-tech global competitor. (Figure 12)

Figure 12 - Distribution of Top ten **Export Non-Kernel Products** by Average Export



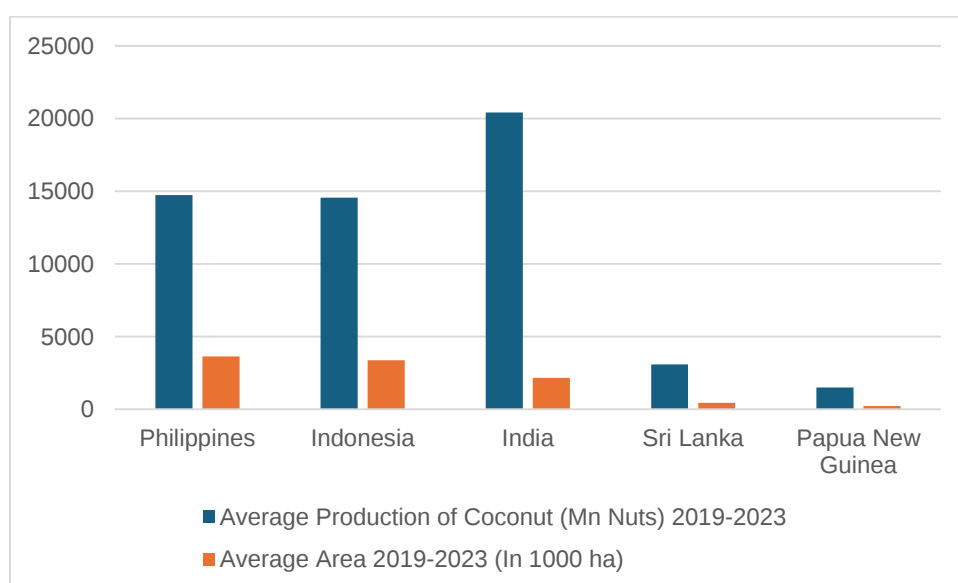
Value (2020-2025) - US\$ '000

Source: Authors Compilation using CDA Statistics (2024)

3.5. Global Position

Sri Lanka proudly maintains a prestigious standing in the global coconut value chain, consistently ranking as the fourth-largest producer in the world, following the Philippines, Indonesia, and India (Figure 13). This high ranking is mirrored in our land dedication, where Sri Lanka also holds the fourth-largest area for cultivation. As a key member of the International Coconut Community (ICC)—an intergovernmental body representing 87.7% of global production—Sri Lanka is a vital part of the collective force that shapes the future of the world's coconut industry.

Figure 13 - Average Global Coconut Production (2019-2023)



Source: Authors Compilation using CDA Statistics (2024)

Our global reach is truly vast. The "Ceylon Coconut" brand and products travel to an extensive network of international trade partners, including the U.S.A., Germany, Netherlands, U.A.E., United Kingdom, Australia, Japan, India, and China, among many others. This widespread presence across North America, Europe, the Middle East, and Asia underscores the universal appeal and high quality of Sri Lankan coconut products.

Our export success is anchored by several high-performing markets. The United States consistently remains our top buyer, demonstrating strong and steady demand, particularly for our premium coconut oil. In Europe, the Netherlands, Germany, the United Kingdom, and France serve as critical hubs, reflecting our successful integration into global supply chains that prioritize sustainability and superior quality.

Across Asia, markets like Pakistan, China, Japan, and South Korea represent significant opportunities. While these regions show fluctuating import levels due to regional dynamics, they remain essential components of our diverse export portfolio. This broad market access provides us with a resilient foundation to weather global shifts and capitalize on emerging consumer trends.

The Path to Competitive Excellence

While Southeast Asian giants like the Philippines, Indonesia, and India lead in total export volumes for major categories, Sri Lanka has carved out an enviable reputation in specialized niche markets. We are global leaders in desiccated coconut, coir products, shell charcoal, and activated carbon.

This global comparison highlights a clear and exciting strategic opportunity (Table 3). While our regional rivals rely on massive volume, Sri Lanka's strength lies in

specialization and quality. To further elevate our standing and close the gap in overall volume, we are committed to expanding our processing capacity and diversifying our product range. By tapping into emerging markets and adding even greater value to every nut, we will not only maintain our specialized dominance but also challenge our regional competitors on a broader scale.

Table 3 - Top Coconut Product Exporters by Product Type (2023)

Product	Top Five Countries					
Copra	Country	Indonesia	India	Papua New Guinea	Vanuatu	Solomon Islands
	Quantity (MT)	45669	20662	15919	6520	6375
Coconut oil	Country	Philippines	Indonesia	Malaysia	Papua New Guinea	India
	Quantity (MT)	1090418	722517	165980	31704	16201
Copra meal	Country	Indonesia	Philippines	Sri Lanka	Papua New Guinea	Vietnam
	Quantity (MT)	290147	284289	25824	18262	3252
Desiccated Coconut	Country	Philippines	Indonesia	Sri Lanka	Vietnam	Malaysia
	Quantity (MT)	156273	113671	37988	14710	10907
Coir & Coir Products	Country	India	Sri Lanka	Indonesia	Malaysia	Thailand
	Quantity (MT)	1285717	115443	26183	11642	545
Shell Charcoal	Country	Indonesia	Philippines	Vietnam	India	Sri Lanka
	Quantity (MT)	191270	118034	99201	55052	9975
Activated Carbon	Country	India	Philippines	Sri Lanka	Indonesia	Malaysia
	Quantity (MT)	141861	60188	51539	18793	18611
Coconut water	Country	Thailand	Philippines	Brazil	Sri Lanka	Indonesia
	Quantity (MT)	347464	75645	59630	29220	16826

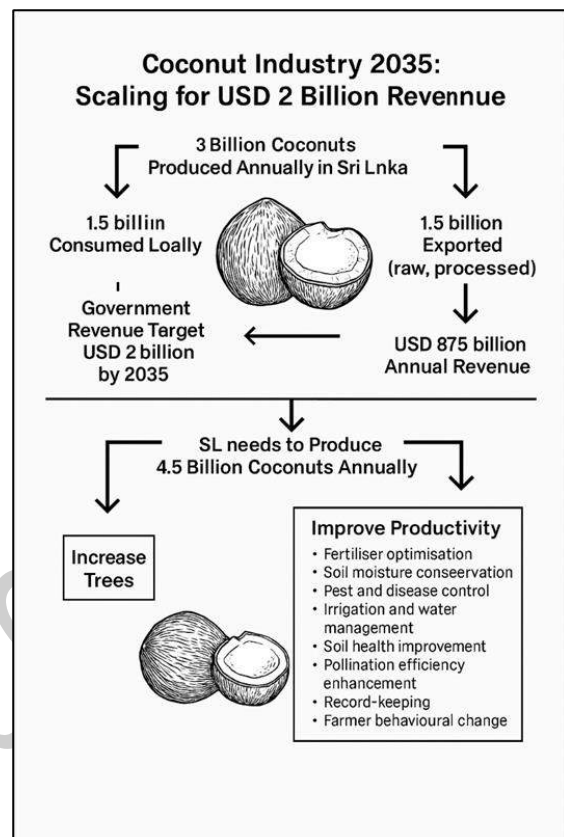
Source: Authors' Estimation Based on WITS Database¹¹

¹¹ <https://wits.worldbank.org/>

4. Theory of Change: The Blueprint for a USD 2 Billion Sector

The backbone of our SP&R to exponentially expand production and productivity is a robust Theory of Change. This framework provides the Coconut Sector Strategic Roadmap with a clear, evidence-based pathway to transform Sri Lanka's coconut industry into a USD 2 billion export powerhouse by 2035. By defining a precise causal path, this model illustrates how the nation can elevate annual production from the current 3 billion nuts to a target of 4.5 billion, all while driving higher productivity and maximizing farmer profitability. This framework is rooted in a deep analysis of the production–consumption–export dynamic and the real-world conditions of the coconut value chain.

The Theory of Change operates by visualizing our promising future where we achieve our desired targets and working backward to identify the exact actions, steps, and conditions required to reach it. By breaking down the overarching goal into smaller, measurable precursors and preconditions, we have created a strategic chain of milestones. Each step is a deliberate action that, when completed, ensures we stay on the definitive path toward our 2035 vision.



Bridging the Performance Gap

Currently, of the 3 billion coconuts produced, approximately 1.5 billion are consumed domestically. The remaining 1.5 billion are exported in various forms, generating an estimated USD 1 billion in annual export revenue. To achieve our ambitious USD 2 billion goal, we must simultaneously drive a significant increase in production and enhance our value capture through sophisticated processing and quality upgrades. The Theory of Change is specifically designed to bridge this gap between our current performance and our future potential.

Thus, our Theory of Change serves as the logical foundation for our mathematical and financial models, centred on the goal of reaching 4.5 billion nuts and USD 2 billion in revenue annually. To make this vision a reality, the model precisely calculates the necessary conditions and steps for success:

- **Planting and Infilling:** Analysing the strategic requirements for 36 nurseries, and large-scale seedling production.
- **Productive Tree Stock:** Estimating the exact number of bearing trees required to sustain national targets.
- **Cultivation Improvement:** Identifying best practices in irrigation management, moisture conservation, pest management, R&D, and soil fertility to revitalize the land.
- **Yield Optimization:** Modelling the required nuts per tree and the specific productivity improvements needed at the farm level.
- **Resource Mapping:** Defining land-use requirements and the annual input supply chain to ensure seamless operations.
- **Investment Scaling:** Quantifying the total financial inputs required to catalyse and support this national growth.
- **People-Centred Actions:** Introducing essential training, capacity building, and behaviour change campaigns, while driving innovative solutions and improved working conditions to empower the farmers and communities.

In total, **53 interlinked variables** follow the logical path of our Theory of Change within the mathematical and financial model. By explicitly modelling the steps, conditions and trajectory of growth—from the initial seedling supply to a robust productive tree stock to a final export—this framework allows policymakers and investors to see the true scale of opportunity. It provides a clear, quantified roadmap for the interventions needed to add an additional 1.5 billion nuts to our national output, ensuring a prosperous and sustainable future for the entire industry.

A Roadmap to 4.5 Bn Nuts and USD 3 Bn: Strategic Pathways and Financial Viability

Under our current baseline scenario, Sri Lanka's **65.9 million bearing trees**—spread across approximately 485,000 hectares—yield an average of 45 nuts per palm. At this level, the average farmer realizes a net profit of approximately LKR 19,000 per hectare. Our Strategic Plan is designed to transform these fundamentals. Through the targeted expansion of new planting areas, the adoption of improved technologies, and enhanced service delivery, we project a transition to almost 70 million productive trees yielding close to 65 nuts per tree by 2035. This evolution will elevate total national output to 4.55 billion nuts, driving export earnings past the USD 2 billion mark.

Accordingly, our Theory of Change presents three parallel and reinforcing pathways for success:

1. **Expanding the Resource Base:** Increasing the number of productive trees through aggressive replanting and infilling.

2. **Boosting Productivity:** Elevating the yield per tree and per hectare through advanced agronomic practices.
3. **Enhancing Farmer Prosperity:** Directly increasing the net profit per hectare for our farming community.

Both pathways are rigorously modeled as interconnected outputs in our financial projections.

The Engine of Growth: Planting and Productivity

The scaling of our planting material supply is the core of this transformation. We aim to increase annual seedling production through an expanded network of certified seed gardens and nurseries. To support this, seedling production will surge from 2.56 million in 2024 to 6.4 million by 2035. This robust pipeline allows us to replace approximately 1.1 million aging palms annually and infill 13,000 hectares of understocked land each year. While there is a natural biological lag as young palms reach maturity, these investments ensure a steady rise in the national high-yield tree population.

Alongside expansion, productivity improvements serve as a massive driver of output. Our model integrates a suite of high-impact interventions, including:

- **Soil Health & Nutrition:** Targeted application of 240,000 MT of chemical fertilizer, 800,000 MT of organic matter, and 175,000 MT of biochar annually.
- **Water Management:** Extending modern irrigation systems over an additional **20,000 hectares per year** and increasing moisture-conserved land from 121,000 to **400,000 hectares**.
- **Risk Mitigation:** Reducing pest-affected areas from 40,000 to 20,000 hectares by 2030 through timely surveillance and advisory services.
- **Pollination Services:** Implementing managed beekeeping over a minimum of 40,000 hectares to enhance fruit set and nut retention.

Economic Rationale and Financial Viability

To realize these agronomic commitments, the financial model outlines a detailed investment profile. By 2035, the total investment in replanting, irrigation, soil health, and pest control will reach approximately **USD 1.28 billion**.

While the early years (2024–2026) reflect negative net free cash flows due to high upfront costs and the biological growth cycle of the trees, the long-term returns are exceptional. By the late 2020s, rising yields and a maturing tree population will provide significant positive returns, amounting to several hundred million dollars annually. With a **Net Present Value (NPV) of roughly USD 1.2 billion** and a remarkable **Internal Rate of Return (IRR) of 61%**, the model demonstrates powerful financial viability over the 10-year period.

By anchoring our financial model in these causal linkages, we provide a credible and compelling economic rationale to reposition Sri Lanka's coconut industry as a **globally competitive, USD 2 billion powerhouse**

The Human and Institutional Shift: Social Equity and the Smallholder Future

Recognizing that 83.7% of our land (Sri Lanka Coconut Statistics, CDA, 2024) area is managed by smallholders, this strategy is fundamentally people-centered. Sustainability in this context means ensuring that the move toward a technologically enabled system does not leave the small-scale farmer behind. Through our "People-Centered Action" pillar, we are investing in:

- **Capacity Building:** Providing the training necessary for farmers to become agri-entrepreneurs. Further, include "Farmer Financial management Training" to the extension syllabus.
- **Safe and Decent Work:** Improving working conditions to attract the next generation of youth to the sector.
- **Fair Value Distribution:** Enhancing farmer net profit to USD-benchmarked targets, ensuring that the prosperity generated by high-value exports flows directly back to the rural heartlands.

Our Theory of Change recognizes that physical and agronomic investments alone are insufficient; they must be paired with human progress. The model explicitly incorporates the costs for essential behavioral and institutional shifts, including modernized record-keeping, stronger extension services, and farmer-led innovation. This ensures that our projections reflect the real-world requirements for transitioning from traditional farming to a technologically enabled, commercially oriented production system.

The impact of this shift on the rural economy is profound. By introducing diversified farming models—such as intercropping and animal husbandry—alongside new technologies and specialized finance and insurance schemes, we are securing the farmer's future. After discounting all additional costs and investments, our model projects that **farmers will experience a 47.6% increase in their net profit** at the optimal conditions. This is more than a productivity gain; it is a fundamental elevation of the quality of life for the people who are the backbone of the Ceylon Coconut industry.

Climate-Smart Resilience and Risk Mitigation

Finally, we give the upmost importance to Sustainability, which is not merely an adjunct to the Coconut Sector Strategic Plan and Roadmap (SP&R); it is the core philosophy that ensures the industry's longevity and global prestige. As we transition

toward a **USD 2 billion export sector**, our growth model is built on a "triple bottom line" approach—prioritizing environmental stewardship, social equity, and economic resilience.

The roadmap champions a shift toward **regenerative agriculture**. By integrating the application of 800,000 MT of organic fertilizer and 175,000 MT of biochar annually, we are not only boosting yields but also actively restoring soil health and enhancing carbon sequestration. Our focus on **moisture conservation** and the expansion of efficient irrigation systems across 400,000 hectares is a direct response to climate variability, ensuring that our coconut lands act as resilient carbon sinks while protecting local watersheds. Furthermore, the emphasis on non-kernel products—such as coir pith and shell-based activated carbon—exemplifies a **circular economy**, where every part of the nut is utilized, and waste is virtually eliminated.

In an era of global climate uncertainty, the SP&R incorporates sophisticated risk-mitigation strategies. The geographical diversification into the **New Northern Coconut Triangle** and the expansion of the **Southern Mini-Triangle** reduces the national industry's vulnerability to localized weather shocks. By reducing pest-affected areas by 50% through biological controls and enhancing natural fruit set via managed pollination, we are building a "Climate-Smart" ecosystem that is inherently more stable and productive.

Our commitment to sustainability serves as the ultimate value proposition for the **"Ceylon Coconut"** brand. By aligning our production with global standards for traceability, organic certification, and ethical sourcing, we are securing a premium position in the most discerning international markets. This roadmap ensures that when the world buys a Sri Lankan coconut product, they are investing in a system that respects the planet and empowers its people.

Table 4 - Detailed Financial and Economic projections and Investment Profile

	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
PROFIT for farm/farmer per hectare	20363	21258	22022	22920	24076	25441	26250	26867	27636	28359
TOTAL EXPORTS (USD Mn)	987	1090	1207	1345	1502	1602	1702	1797	1927	2003
NUMBER OF NUTS (Mn)	3250	3398	3548	3738	3949	4131	4249	4379	4509	4548
NUMBER OF NUTS PER TREE	49	50	52	55	58	60	62	63	65	65
NUMBER OF TREES (Mn)	66	67	68	68	68	68	69	69	69	70
Land area cultivated (Hectares)	494389	500864	500864	500864	500864	500864	500864	500864	500864	500864
Seedlings produced (Mn)	3	3	4	4	4	5	5	6	6	6
CUMULATIVE INVESTMENT (\$ Mn)	178	327	447	614	780	942	1028	1104	1201	1275
INVESTMENT per year (\$ Mn)	178	149	120	167	166	162	86	76	97	75
RECURRENT COST (\$ Mn)	51	78	116	166	216	252	280	311	352	374
ADDITIONAL EXPORTS (\$ Mn)	82	185	302	440	597	697	798	893	1022	1099
NET FREE CASH FLOW (\$ Mn)	-147	-42	66	107	215	282	432	506	574	650

Source: Authors calculation using the mathematical financial model based on the Theory of Change, considering the baseline figures and in line with the KPIs and target values

5. Value Chain Actors: Actions, Investment Opportunities, and Benefits

The successful implementation of the Coconut Sector Strategic Action Plan and Roadmap (2026–2035) depends on synchronized, coordinated actions by all value chain stakeholders. From input suppliers and farmers to processors, exporters, financial institutions, and government agencies, every actor plays a unique and indispensable role in increasing productivity, driving value addition, boosting market competitiveness, and ensuring long-term sustainability.

This section details the proposed responsibilities and activities for each stakeholder group, outlining the transformative steps required to align with national policy priorities and achieve our shared sectoral vision. A more detailed list is presented in **Annex 1: Stakeholders: Responsibilities, Actions and Benefits Matrix**

5.1. Proposed Activities and Actions – Input Suppliers

Input suppliers, CRI, and CCB are the architects of our supply-side transformation. Their primary mission is to strengthen the planting material supply system to facilitate massive cultivation expansion in both traditional and emerging regions.

Strengthening the Supply Pipeline

To meet future planting demands, input suppliers—in close collaboration with government institutions and extension officers—will provide the necessary support to:

- **Expand Nursery Infrastructure:** Establish **20 additional certified nurseries** nationwide to increase the national capacity for high-quality seedling production. Additionally, upgrade the existing 36 CCB nurseries by strengthening their infrastructure, workforce capacity, and funding.
- **Scale Seedling Production and Planting:** Increase annual seed and seedling production by an **additional 4 million seedlings per year**. This acceleration in replanting and infilling will serve as the foundation for long-term productivity growth
- **Introduce Specialized Varieties:** Develop and distribute an estimate of 3 new improved coconut varieties optimized for diverse agro-climatic zones and stress-prone environments.

Input suppliers are strategic partners in promoting climate-smart agriculture. Their role involves:

- **Moisture Conservation:** Scaling up the production and distribution of coir-based mulching materials and soil amendments to cover an additional **300,000 hectares**.
- **Advanced Irrigation:** Making efficient micro and drip irrigation systems accessible across an additional **120,000 hectares**, ensuring water security in drought-prone areas.
- **Regenerative Nutrition:** Coordinating a massive increase in soil nutrition products to maintain fertility and boost yields. This includes an additional annual supply of 220,000 MT of chemical fertilizers, **900,000 MT of organic fertilizers**, and **175,000 MT of biochar**.
- **Managed Pollination:** Forging collaborations with beekeeping businesses and community networks to provide managed pollination services for 40,000 hectares, a critical factor for increasing nut retention.

A core responsibility for suppliers is assisting farmers in managing biological risks. By providing timely access to chemical and bio-pesticides, traps, and monitoring equipment, suppliers will help reduce the area impacted by pests and diseases from 40,000 hectares to 20,000 hectares by 2035.

Beyond material supply, input suppliers will evolve into knowledge partners. By engaging in cooperative planning platforms with government agencies and producer organizations, they will share vital data on input adoption and offer field-level technical demonstrations. This ensures that the sector is equipped not only with technology but with the expertise needed to utilize it effectively.

Stakeholder Benefits: From Suppliers to Partners

By investing in expanding supply for fertilizer, biochar, irrigation & water management systems, and digital IT-based solutions, cultivation technology, equipment and machinery, input suppliers can expect:

- **Market Stability:** A more predictable, high-volume demand for fertilizers, other agri-inputs, technology, services and mechanization.
- **Business Diversification:** Opportunities to launch new product lines in emerging fields such as **solar-powered irrigation** and **precision agriculture**.
- **Enhanced Loyalty:** Stronger relationships with farmers through repeat business and the provision of value-added extension services.

5.2. Proposed Activities and Actions-Smallholder Farmers

Smallholder farmers are the foundational pillars of the coconut industry. Their daily management decisions directly dictate the sector's productivity, sustainability, and long-term resilience. Under the SP&R, smallholders are called to take on a proactive leadership role in the revitalization of the industry.

Revitalizing the Productive Base

To maximize land utility and close the gap between current output and our 2035 targets, smallholders will lead the effort to:

- **Scale Planting and Infilling:** Plant at least **4 million seedlings annually** to optimize density across the landscape.
- **Renew Tree Stock:** Systematically remove and replant approximately **1.1 million aging or unproductive trees** per year.
- **Maximize Land Use:** Conduct infilling across **13,000 hectares annually** to ensure every acre of coconut land is reaching its full potential. Infilling should be conducted in a phased implementation approach, supported by enhanced field resources and digital infrastructure. Further, enhance productivity in existing lands by using improved irrigation, moisture conservation, and balanced fertilization.

Farmers are encouraged to adopt better and more sophisticated agronomic techniques that restore soil health and build a defense against climate change. Key actions include:

- **Integrated Plant Nutrient Management (IPNM):** Applying a balanced package of 1.5 MT of chemical fertilizer, 5 MT of organic fertilizer, and 0.75 MT of biochar per hectare for sustained soil nutrition.
- **Water Stewardship:** Utilizing mulching, cover crops, and irrigation and micro-irrigation to conserve moisture and improve water-use efficiency.
- **Integrated Pest Management (IPM):** Engaging in rigorous field inspections, sanitary pruning, and the use of pheromone traps and biological controls. These collective actions are critical to reducing the national pest-affected area from 40,000 to 20,000 hectares by 2030.

Beyond technical tasks, the SP&R fosters a culture of ongoing innovation. Smallholders are encouraged to:

- **Diversify Income:** Adopt **intercropping and livestock integration** to maximize revenue per hectare and reduce market risk.

- **Embrace Lifelong Learning:** Actively participate in training programs, laboratory demonstrations, and exposure visits to model farms.
- **Shift Practices:** Receiving training is a key component of our strategy. Transition from obsolete methods to evidence-based practices, such as beekeeping and modern crop management to enhance productivity while lowering farming costs.

Modern farming requires precision. Smallholders are expected to maintain accurate records of inputs, costs, and yields to support national monitoring systems. By collaborating closely with extension staff and sharing data through local coordination mechanisms, farmers ensure the SP&R is implemented effectively at the grassroots level.

Farmer Benefits: Prosperity, Stability, and Respect

The actions outlined for smallholders provide a definitive path toward more secure, respectable, and stable livelihoods. The benefits include:

- **Enhanced Profitability:** Replanting and better fertilization lead directly to higher yields, more consistent harvests, and a projected **47.6% increase in net profit**.
- **Reduced Vulnerability:** Income diversification through intercropping and improved irrigation minimizes the impact of weather and market shocks.
- **Empowerment through Knowledge:** Training and digital advisory services provide the confidence needed to adopt new technologies and make superior management choices.

Together, these advancements transform farming from a traditional labor into a highly resilient, profitable, and technologically enabled business, significantly improving the quality of life for farming families across Sri Lanka.

5.3. Proposed Activities and Actions – Farm Owners

Large-scale farm owners, including private estates and state-owned plantation businesses, are the engines of technological advancement and commercial innovation in the coconut industry. Under the SP&R, these organizations are expected to lead by example, acting as the primary catalysts for best practices and industrial-scale adoption.

Leading the Technological Frontier

To drive national gains, large-scale farm companies are responsible for:

- **Best Practice Implementation:** Ensuring at least **92,000 farm workers** adopt professionalized cultivation standards, including rigorous soil fertility management, moisture conservation, and IPM.
- **Technology Upscaling:** Spearheading the transition of innovations—such as **micro-irrigation, fertigation, digital monitoring, and mechanized operations**—from pilot projects to full-scale implementation across **50,000 hectares**.
- **Estate Rejuvenation:** Identifying areas for systematic infilling and tree replacement to maintain a continuous, high-yielding cycle of rejuvenation across their estates.
-

Investment in Modern Agronomy

Large-scale operations possess the resources to implement high-level agronomic standards. Their duties include:

- **Resource Commitment:** Fully financing and applying the necessary inputs, including chemical and organic fertilizers and biochar, to meet the Roadmap's high-productivity targets.
- **Modern Equipment Procurement:** Investing in the machinery required for planting, land rehabilitation, and field operations to expedite the modernization of the landscape.
- **System Diversification:** Investing in the startup costs for intercropping and animal husbandry, creating robust models for stable income and superior nutrient cycling.

Knowledge Leadership and Data Transparency

As the sector's "reference models," large estates play a vital role in national knowledge sharing. They are expected to:

- **Host Experiential Learning:** Facilitate exposure visits and share evaluation data on new farming models to support smaller players in the industry.
- **Comprehensive Record-Keeping:** Maintain sophisticated digital records on production volumes, input costs, and revenue streams. This transparency supports internal benchmarking and is essential for **national-level monitoring** under the SP&R.
- **National Coordination:** Participate fully in coordination mechanisms, sharing data on adoption rates and challenges to ensure the roadmap remains responsive to real-world conditions.

Strategic Benefits for Estate Owners

By aligning with the SP&R, estate owners stand to achieve a new level of operational excellence and profitability. The benefits include:

- **Operational Efficiency:** Mechanization and advanced irrigation resolve labor bottlenecks and significantly reduce long-term operational costs.
- **ESG and Investor Confidence:** Adoption of sustainable, **ESG-aligned practices** (Environmental, Social, and Governance) enhances brand value and attracts international investment.
- **Predictable Profitability:** Improved data-driven management and enhanced pollination systems lead to greater land-use efficiency and more predictable revenue streams.
- **Global Competitiveness:** Modernized management ensures that Sri Lankan estates remain competitive in a global market that increasingly demands transparency and sustainability.

5.4. Proposed Activities and Actions – Collectors

Collectors occupy a strategic position in the coconut value chain, serving as the essential link between rural production and industrial processing. Under the SP&R, their role evolves from traditional gathering to becoming high-efficiency logistics and data partners.

Professionalizing Logistics and Reducing Loss

To enhance the efficiency of moving nuts from the field to the factory, collectors are expected to:

- **Upgrade Logistics Infrastructure:** Invest in modern transport vehicles, calibrated weighing equipment, and crates that ensure safe handling.
- **Improve Storage and Quality Control:** Establish small-scale storage structures and moisture & humidity-controlled facilities to maintain nut integrity.
- **Reduce Post-Harvest Losses:** Implement systematic collection routes and improved handling techniques to decrease spoilage and ensure consistency in the quality of the raw material entering the next stage of the chain.

Strengthening Traceability and Market Transparency

In a global market that increasingly demands to know the origin of its products, collectors play a vital role in transparency:

- **Data-Driven Sourcing:** Maintain rigorous records of nuts collected, processed, and forwarded. This systematic data capture is vital for both internal business management and national production forecasting.

- **Digital Traceability and Marketing:** Share information—manually or through digital platforms—regarding volumes, sourcing locations, and delivery timelines with public institutions and processors. As an example, establish a centralized digital auction system (e-auction platform) for coconut products to streamline trading processes, ensure fair pricing, and increase competition within the market
- **Fair Trade Practices:** Foster trust through transparent pricing behaviors and improved communication with both farmers and processors, reducing transaction costs and ensuring predictable market interactions.

Driving Circular Economy Principles

Collectors are key to maximizing the value of the "whole nut." Their responsibilities include:

- **By-Product Recovery:** Improving the collection and recovery of **husks and shells**. This ensures that these valuable materials flow effectively into high-growth industries such as fiber, coconut peat, coir, and activated carbon manufacturing.
- **Waste Elimination:** By organizing the collection of these by-products at the farm level, collectors directly support **circular economic principles**, transforming potential waste into national export revenue.

Link Between Local-Regional-National Coordination

Collectors must actively participate in local and national coordination mechanisms. By cooperating with farmer organizations, exporters, public agencies, and national authorities they ensure the supply chain remains resilient and responsive to market demands.

Strategic Benefits for Collectors

Modernizing the collection and distribution system offers significant commercial advantages:

- **Higher Profitability through Efficiency:** Better record-keeping and stronger collection hubs result in predictable supply flows, significantly less spoilage, and higher quality margins.
- **Stable Business Relationships:** Increased transparency builds trust with both buyers (processors) and sellers (farmers), leading to price stability and long-term contracts.
- **Core Market Position:** By investing in improved storage and digital tools, collectors position themselves as indispensable partners at the heart of Sri Lanka's USD 2 billion coconut economy.

5.5. Proposed Activities and Actions – Processors (Local Market & International Market)

Processors are the primary drivers of value addition and export competitiveness in Sri Lanka's coconut sector. Under the SP&R, they are expected to anchor the industry's transition from raw-material dependence to a high-value, diversified, and globally integrated product base.

Quality-Driven Sourcing and Value Addition

Processors serve as the link between farm-gate quality and market premium. To ensure a steady supply of high-grade raw materials, they will:

- **Implement Quality-Based Pricing:** Acknowledge and incentivize superior farming by offering competitive price differentials for premium nuts. This encourages farmers to adopt better harvesting and handling techniques.
- **Diversify the Product Portfolio:** Expand production beyond traditional commodities into high-growth areas such as coconut water beverages, kernel-based premium derivatives, activated carbon, and specialized coir/peat products.
- **Anchor the Global Pivot:** Shift focus toward meet global demands for plant-based, dairy-free, and health-focused alternatives.

Quality Assurance and Global Compliance

Maintaining the prestigious reputation of "Ceylon Coconut" requires rigorous adherence to international standards. Processors are responsible for:

- **Certification Excellence:** Obtaining and upholding world-class certifications, including ISO 22000, HACCP, BRCGS, and Organic (USDA/EU) standards.
- **Continuous Improvement:** Integrating sophisticated food safety management and quality assurance systems to ensure 100% compliance with stringent international export regulations.
- **Traceability Integration:** Collaborating with collectors and farmers to maintain transparent documentation, ensuring every batch can be tracked from the tree to the shelf.

To achieve our 2035 targets, the processing sector will prioritize strategic investments in new infrastructure and technology:

- **Ceylon Coconut Water Expansion:** Establishing or upgrading **25 dedicated facilities** for the collection, ultra-high temperature (UHT) processing, and sterile packing of coconut water—a category seeing explosive global growth.
- **Functional Food & Nutraceuticals:** Investing in R&D and production lines for nutraceuticals, cosmetics, and functional food innovations to diversify export revenues and create high-skill employment.
- **Efficiency & Sustainability:** Modernizing factories to improve energy efficiency and capacity utilization, reducing the industry's carbon footprint while increasing profitability.
- **Streamline Regulatory Procedures:** Reduce entry barriers for new firms in the coconut industry, thereby promoting greater competition and improving overall efficiency.

Market Development and National Coordination

Processors play a crucial role in shaping consumer behavior both locally and abroad:

- **Consumer Education:** Co-financing behavioral change campaigns to promote the uptake of value-added products domestically, reducing the waste of raw nuts in households.
- **Strategic Collaboration:** Actively sharing production data and participating in public-private platforms to inform national policy and investment decisions.
- **Brand Positioning:** Aligning with the "Ceylon Coconut" global branding strategy to move Sri Lankan products into higher price segments and niche markets.

Strategic Benefits for Processors

By modernizing operations and aligning with the SP&R, processors can secure a dominant position in the global market:

- **Market Resilience:** Diversified product lines—ranging from activated carbon to coconut milk—protect businesses from the price volatility of any single commodity.
- **Premium Access:** Certifications and high-quality standards open doors to the most lucrative international retail chains and specialized industrial buyers.
- **Optimized Supply Chains:** Reliable access to raw materials through managed supply chains leads to higher capacity utilization and lower unit costs.

- **Global Reputation:** Stronger quality management systems enhance a processor's reputation, fostering long-term, stable B2B partnerships worldwide.

5.6. Proposed Activities and Actions – Exporters

Exporters are the global ambassadors of the Sri Lankan coconut industry. Their primary mission under the SP&R is to transform the international perception of "Ceylon Coconut" from a bulk commodity into a premium, ethically sourced, and high-value global brand. This effort will contribute beyond the sector by attracting high-end tourism that will be interested in having a first hand experience of the Ceylon Coconut gourmet delicacies while seeing and drinking directly Ceylon Coconut Water from a Thambili King-Coconut.

Strategic Branding and Global Positioning

To elevate Sri Lanka's commercial appeal in highly competitive markets, exporters will lead the following initiatives:

- **Premium Brand Promotion:** Differentiate Sri Lanka from global competitors by perpetually promoting **Ceylon Coconut** as a mark and national brand of exceptional quality, purity, and sustainability.
- **Global Market Engagement:** Secure a dominant presence at major international trade fairs and foster long-term strategic partnerships with high-value retail chains and industrial buyers.
- **Country-of-Origin Excellence:** Implement superior labeling and storytelling that highlights the unique sensory qualities and ethical production standards of Sri Lankan coconuts.

A critical task for exporters is the strategic pivot away from bulk raw materials toward consumer-ready, premium categories. Exporters are tasked with identifying and securing markets for the massive increases in forecasted export volumes, including:

- **36,000 MT of Coconut Water:** Targeting the rapidly growing natural hydration and wellness segments.
- **440,000 MT of Kernel-Based Products:** Focusing on premium milk, cream, and virgin oils for the plant-based dairy-alternative market.
- **75,000 MT of Husk-Based Products:** Expanding into high-performance horticultural and industrial fiber markets.
- **70,000 MT of Activated Carbon:** Capitalizing on the rising global demand for sustainable air and water filtration solutions.

Market Intelligence and Agile Strategy

Exporters serve as the "eyes and ears" of the value chain. Their role in information flow is vital:

- **Intelligence Sharing:** Providing regular reports on global trends, trade barriers, and evolving regulatory requirements (such as EU-standard traceability) to inform upstream production and processing.
- **Market-Entry Programs:** Co-financing international marketing and brand-building campaigns to ensure sustained visibility in emerging and high-growth markets.
- **Policy Dialogue:** Actively contributing to national coordination platforms by identifying constraints and helping shape the policy and investment decisions needed to remain competitive.

Strategic Benefits for Exporters

By aligning with the SP&R, exporters secure a more resilient and profitable business future:

- **Risk Mitigation:** Diversifying into a wider range of high-value products and new geographical markets reduces vulnerability to price fluctuations in traditional commodities.
- **Enhanced Buyer Trust:** Stronger national brand recognition and transparent, digital traceability systems increase confidence among foreign buyers, leading to more stable, long-term contracts.
- **Improved Margins:** Transitioning from bulk to consumer-ready products allows exporters to capture a larger share of the retail price, significantly improving profit margins.
- **Responsive Growth:** Better market intelligence allows for faster reactions to shifts in consumer demand, ensuring Sri Lankan exports always lead the trend rather than follow it.

5.7. Proposed Activities and Actions – Public Institutions

Public institutions—including ministries, provincial authorities, research institutes, and extension services—form the backbone of an enabling environment for our Ceylon Coconut sector. Under the SP&R, these institutions will pivot from traditional regulation to **strategic facilitation**, guiding policy, stakeholders collaboration,

coordinating investments, and providing the technical foundation for a \$2 billion export coconut industry.

Land, Governance and Strategic Expansion

Effective land management is the starting point for sectoral growth. Public agencies are tasked with:

- **Strategic Land Allocation:** Identifying and allocating **40,000 acres of suitable land** for new cultivation, specifically targeting the expansion of the Northern and Southern Coconut Triangles.
- **Bureaucratic Simplification:** Streamlining the processes for coconut land inheritance and transfers to remove roadblocks for private investment. (As an example: restrictions on land ownership ceilings, converting coconut lands into other businesses, etc.)
- **Integrated Planning:** Ensuring smooth replanting cycles and the establishment of integrated farming models across diverse agro-ecological zones.

Technical Leadership and Innovation

Modernizing a national industry requires high-level R&D and robust extension support. Key institutional actions include:

- **R&D Pipeline:** Launching new research projects to develop five- six improved coconut varieties optimized for climate resilience and high yield.
- **Demonstration Complexes:** in collaboration with large estates, establishing **40 farm model complexes** to showcase best practices in intercropping, livestock integration, and advanced water management.
- **Pest and Risk Management:** Rolling out district-level rapid response mechanisms for Integrated Pest Management (IPM) and promoting community-based pollination initiatives, such as beekeeping.

Financial Mobilization and Global Branding

To de-risk the sector for stakeholders, public institutions will:

- **Enable Smart Financing:** Mobilize low-cost capital, facilitate soft loans, and advance **Public-Private Partnerships (PPPs)** for infrastructure (establishing a seedling unit etc.) and processing.
- **Risk Mitigation:** Implement specialized insurance schemes for farmers and exporters to buffer against climate shocks, pest outbreaks, and price volatility.
- **"Ceylon Coconut" National and International Strategy:** Lead the global promotion of the Ceylon Coconut brand, with the support of the private sector

and CCCI, coordinating **30 international marketing campaigns** to ensure a cohesive and premium global identity.

Evidence-Based Monitoring and GIS Integration

Decision-making will be driven by data rather than estimates. Institutions are responsible for:

- **Real-Time Surveillance:** Establishing a **multi-scale, GIS-based monitoring system** to track tree populations, land-use patterns, and near real-time pest risks.
- **Forecasting and Transparency:** Maintaining accurate monthly production forecasts and tracking farmer profitability to ensure the SP&R remains on target.
- **Accountability:** Convening stakeholders regularly to resolve bottlenecks and ensure total transparency at every link in the value chain.
-

Institutional Benefits in the Public Sector: Efficiency and Impact

By moving toward a well-resourced, data-driven environment, public institutions and extension officers gain:

- **Enhanced Service Delivery:** Digital tools and GIS platforms allow extension officers to provide timely, location-specific advice to more farmers with less effort.
- **Proven Results:** Improved monitoring systems enable government agencies to demonstrate clear, data-backed results to policymakers and international development partners.
- **Strengthened Community Ties:** A proactive, successful support system fosters deeper trust between state institutions and the farming communities they serve.
- **Professionalization and Global Career Benchmarking:** By adopting international standards such as **GIS-based surveillance** and **Big Data analytics**, extension officers and researchers transition from traditional roles to specialized "Agri-Tech" professionals.
- **Enhanced Financial Sustainability and Resource Autonomy:** The SP&R emphasizes a self-sustaining financial ecosystem through the transparent reinvestment of **CESS and sectoral levies**. For public institutions, this reduces the "budgetary uncertainty" often associated with general treasury allocations. It allows departments to have dedicated funds for modernizing their own physical infrastructure—such as high-tech labs and training centers—ensuring that institutions are as modern as the private estates they oversee.

- **Elevated Institutional Status and Strategic Partnership:** An affluent and well-resourced public sector shifts from being a traditional regulator to a **central orchestrator** of the value chain. With high-tech command centers and robust funding, institutions can interact as **authoritative peers** with high-end exporters and global investors, while simultaneously delivering "last-mile" support to smallholders. This professionalized environment allows officers to facilitate high-level trade summits and R&D collaborations, transforming the public sector into an indispensable, elite partner that commands respect across the entire \$2 billion industry.
- **Reduced Occupational Stress and Proactive Crisis Management:** The shift from "reactive" to "proactive" governance through the **District-level Rapid Response Mechanisms** significantly lowers the occupational stress on field officers. Instead of managing widespread pest outbreaks or climate disasters after they occur, officers are empowered by **predictive analytics and early-warning systems**. This leads to a more fulfilling work environment where success is measured by the *prevention* of crises rather than the exhaustion of managing them.

5.8. Proposed Activities and Actions – Financial Institutions and Investors

Financial institutions and investors are the primary enablers of the coconut sector's modernization. Their role is to unlock the capital necessary for large-scale replanting, technological adoption, and the transition toward high-value processing. Under the SP&R, they are expected to move beyond traditional lending to offer sophisticated, accessible, affordable and sector-specific financial solutions.

Tailored Financing for Perennial Growth

Coconut cultivation is a long-term commitment that requires patience from capital providers. Financial institutions (FIs) are tasked with:

- **Customized Loan Products:** Developing long-tenure loans and grace periods (moratoriums) that align with the **5–7 year gestation period** of new coconut plantations.
- **Blended Finance Mechanisms:** Creating arrangements that combine private capital with market-competitive funding to support the development of **200,000 hectares** of cultivation and new value-addition centers.
- **Microfinance for Smallholder Empowerment:** Launching concessional financial schemes in **conjunction with** extension services. By pairing targeted funding with training in modern agricultural practices, these initiatives will unleash the full potential of small-scale **Ceylon Coconut** cultivation and production.

- **Technology-Specific Facilities:** Providing exclusive credit lines for high-impact technologies, including micro-irrigation, fertigation, and solar-powered mechanization, which are essential for climate resilience.

De-Risking the Value Chain

To encourage wider participation and protect investments from external shocks, FIs and investors will prioritize:

- **Risk-Reduction Instruments:** Rolling out **Weather-Index Insurance** and crop insurance schemes that protect both the lender and the borrower against droughts, pests, and market volatility.
- **Alternative Credit Scoring:** Utilizing digital data from farm management apps and traceability systems to assess creditworthiness, reducing the heavy reliance on traditional land collateral.
- **Warehouse Receipt Financing:** Implementing systems that allow processors and collectors to use their inventory as collateral, improving liquidity across the supply chain.

Inclusive Outreach and Digital Integration

Modern finance must be accessible at the grassroots level. Institutions are expected to:

- **Simplify Procedures:** Streamline loan application processes and reduce bureaucratic conditions to encourage smallholder participation.
- **Expand Digital Finance:** Leverage mobile banking and digital wallets to enhance financial inclusion in underserved rural regions.
- **Collaborative Monitoring:** Participate in public-private coordination platforms to share data on lending uptake and identify financial bottlenecks in real-time.

Strategic Benefits for Financial Institutions and Investors

Investing in the coconut sector's transformation is not just a developmental goal; it is a significant commercial opportunity:

- **Green Portfolio Growth:** The coconut industry offers immense potential for **Green Financing** and ESG-aligned investments, allowing banks to meet international sustainability mandates.
- **High-Yield Opportunities:** As the sector shifts to high-value products like **activated carbon and nutraceuticals**, investors gain access to high-growth industrial segments with strong global demand.
- **Healthy Portfolios:** The use of insurance and risk-sharing models leads to higher repayment rates and lower Non-Performing Loan (NPL) ratios compared to traditional agricultural lending.

- **Rural Market Penetration:** Developing specialized products for the coconut sector allows FIs to capture a loyal and growing customer base in the rural heartlands of Sri Lanka.

5.9. Proposed Activities and Actions – Academia and Development Partners

Academia and development partners are the primary knowledge generators, catalysts for innovation, and capacity-building agents in the coconut sector. Under the SP&R, their contributions ensure that the industry's transformation is evidence-based, technologically advanced, and aligned with global best practices.

Science-based technical cooperation and Development Partnerships

To move the sector beyond traditional methods, academic and development partners are tasked with:

- **Refining Farming Models:** Providing the technical expertise to develop, test, and validate farming models, including agroforestry, integrated livestock systems, and climate-smart production.
- **Economic & Social Validation:** Ensuring that new models are not only scientifically sound but also economically viable and socially acceptable for widespread adoption by smallholders and estates alike.
- **Technological Innovation:** Proposing and testing breakthroughs in soil fertility, digital agriculture, precision mechanization, and post-harvest handling to drastically reduce production costs.

Scaling Research and Farm Models

The transition from pilot models to the field is bridged by these partners through:

- **Farm Model Documentation:** Supporting the creation of **Demonstration Centers** (Farm Models) and rigorously documenting the results of behavior-change interventions and technology adoption.
- **Advanced Analytics & GIS:** Utilizing high-level data analytics and GIS-based assessments for accurate vulnerability mapping, land-use planning, and production forecasting. This will further enable traceability throughout the production line, which ensures the product quality and compliance, while supporting evidence-based decision-making, enhancing supply chain transparency, and facilitating adherence to international standards for sustainability, safety, and quality assurance.
- **R&D Acceleration:** Partnering with government research institutes (CRI) to generate high-quality scientific evidence that accelerates the development of **high-yield, drought-resistant coconut varieties**.

- **Socioeconomic Impact Validation:** Conducting longitudinal studies to measure the actual increase in farmer net profit (targeting the projected 47.6% increase) and household resilience while providing rigorous evidence of the "Return on Investment".
- **Standardization and "Tech-Transfer" Toolkits:** Developing simplified, step-by-step technical manuals and digital blueprints based on successful Farm Models.

Capacity Building and Knowledge Transfer

Ensuring that every actor in the value chain is "future-ready" requires:

- **Technical Training:** Leading the training for farmers, processors, and exporters on new technologies, international quality standards, and emerging market requirements.
- **Adaptive Management Support:** Actively participating in the SP&R's coordination mechanisms to monitor results and provide the "feedback loops" necessary for adaptive management and policy refinement.
- **Knowledge Leadership:** Promoting innovation and closing information gaps to ensure that sectoral interventions are sustainable, scalable, and inclusive.
- **Institutional Strengthening (Train-the-Trainer):** Empowering the national extension system by training government officers and lead farmers as certified master trainers. This ensures that sophisticated technical knowledge—such as precision irrigation and genomic selection—is decentralized and remains accessible at the village level long after specific projects conclude.
- **Youth and Vocational Integration:** Developing specialized curricula and internship programs with vocational institutes and universities to attract young talent to the coconut sector. By framing "Ceylon Coconut" as a high-tech, profitable career path, academia ensures a steady pipeline of skilled managers, digital agronomists, and value-addition specialists needed to sustain the industry through 2035.

Strategic Benefits for Academia and Development Partners

The SP&R creates a high-impact environment for researchers and international partners, offering:

- **Applied Research Opportunities:** Access to a vast network of field data and industry partners to test, refine, and scale real-world solutions.
- **Intellectual Property and Innovation Leadership:** Opportunities to co-develop and proprietary technologies, such as novel coconut-based nutraceuticals, advanced bio-pesticides, or specialized digital diagnostic tools.
- **Global Visibility and Funding:** Increased opportunities for international research grants and collaborative projects with global bodies (e.g., FAO,

World Bank, IFAD) as the sector becomes a "Global Case Study" for agricultural transformation.

- **Policy Influence:** A direct avenue to influence national development goals and shape evidence-based policy through high-level participation in government platforms.
- **Stronger Industry Alliances:** Enhanced prestige and institutional standing through visible, successful partnerships with the private sector and government agencies.
- **Long-term Institutional Resilience and Sustainability:** Participation in the SP&R allows development partners to align their country-specific programs with a high-priority, government-backed national roadmap. This synergy ensures that their interventions are not isolated projects but are integrated into a long-term, self-sustaining ecosystem that continues to deliver measurable social and economic impact well beyond the initial funding cycle.

6. Implementation / Coordination / Governance Mechanism (feedback mechanisms)

6.1. Introduction

A well-structured implementation and monitoring system is essential for the smooth execution and easy tracking of progress towards the targets set in a Strategic Plan & Roadmap. Regular reviews help identify obstacles to implementation and suggest corrective actions to address them, while establishing a clear process for effective delivery, monitoring, and evaluation. Hence, this section outlines the proposed implementation mechanism and the Monitoring & Evaluation (M&E) arrangements for the SP&R (2026-2035).

According to the National Plantation Policy (NPP), the Ministry of Plantation and Community Infrastructure (MPCI) is the primary authority responsible for supervising the execution of the NPP 2025 in Sri Lanka. A well-organised institutional framework supports the successful execution of the policy.

The plantation sector includes the traditional triple—tea, rubber, and coconut—as well as crops like cashew, Kithul, Palmyra, and other export-oriented agricultural products. The Ministry works closely with the management of relevant government agencies to guarantee thorough coverage and effective enforcement of the policy provisions. NPP 2025 recognises the crucial role of growers and industry-specific bodies in regulating and promoting best practices within their respective sectors as a second layer in the implementation structure. Moreover, designing the institutional framework to foster coordination, monitoring, and evaluation, thereby enhancing the overall success of the Plantation Policy in Sri Lanka, is recognised in the NPP 2025. Additionally, to ensure successful implementation, the policy involves collaborating with international organisations and the industrial sector to access expertise, funding, and best practices.

The coconut sector in Sri Lanka is supported by a comprehensive institutional framework operating at the national level. The figure below shows the key institutes governing the coconut sector under the purview of the MPCI. These institutions operate under the strategic guidance of the MPCI, which is responsible for policy development, programme execution, and sector-wide coordination. Key agencies include the CDA, CCB and CRI, which perform specialised roles. The CCCI is a company limited by guarantee, with its shareholders representing associations across diverse sectors of the coconut industry. They collaborate closely with the government and other stakeholders to support the development of the coconut

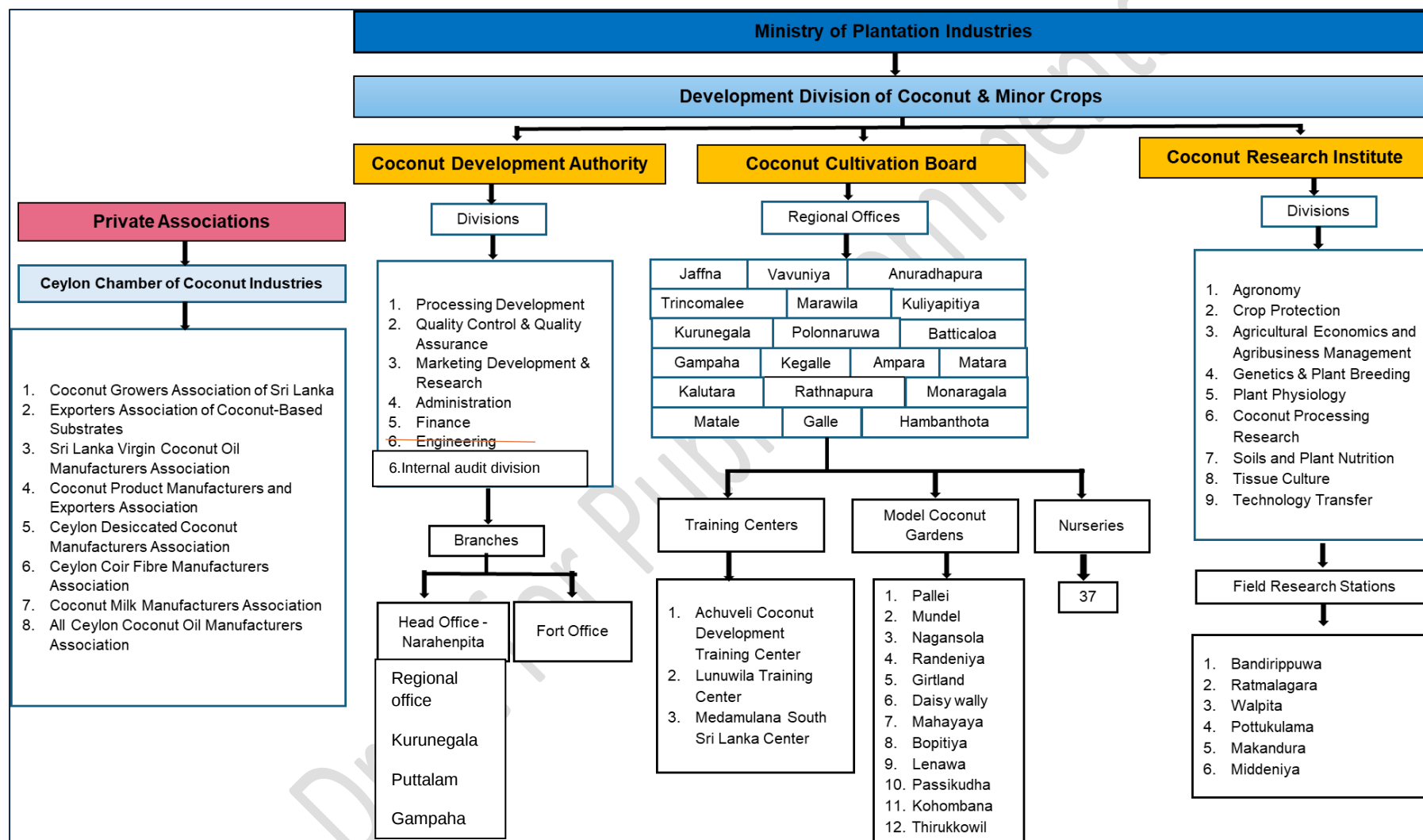
industry. There are two Regional Plantation Companies (RPCs) operating under the MCPI (The Chilaw Plantations Limited and Kurunegala Plantations Limited).

Additionally, the Export Development Board (EDB), the Ministry of Industries (MOI), and the Ministry of Foreign Affairs (MFA) contribute to export promotion, industrial growth, and market facilitation. The Department of Agriculture (DOA), Sri Lanka Standard Institute (SLSI), Consumer Affairs Authority (CAA) the Central Environment Authority (CEA), National Engineering Research and Development Centre (NERD), and Industrial Technology Institute (ITI) provide services related to the coconut sector, such as plant quarantine, fertiliser importation, environment certification, product and technology standards, food safety and research collaboration. Together, these entities significantly contribute to boosting productivity, promoting value addition, and underpinning the overall growth and competitiveness of the coconut industry in Sri Lanka.

The NPP 2025 outlines the strategy for implementing the plantation sector policy through eight key strategies: (i) Crop Production & Resource Management, (ii) Research and Development, (iii) Value Chain Development and Value Addition, (iv) Marketing, Trading and Entrepreneurship Development, (v) Climate Resilience and Risk Reduction, (vi) Stakeholder Empowerment, (vii) Occupational Health and Social Safeguard, (viii) Policy and Governance. The Strategic Plan & Roadmap (2026-2035) for the Sri Lanka Coconut Industry also outlines the activities to be implemented, aligning with the NPP 2025 thematic areas.

Considering the existing institutional structure and the provisions in the NPP 2025 for the implementation mechanism, the following arrangement is proposed for overall implementation, monitoring, and evaluation of the SP&R (2026-2035) for the Sri Lankan Coconut Industry.

Figure 14 - Institutional Framework of the Coconut Sector



Source: Institutional Report, IPS

6.2. Strategy Implementation Process

The activities of the SP&R (2026-2035) will be carried out by the respective organisations as assigned according to their mandates in the SP&R. These actions will be included in the respective institutes' action plans. Resource mobilization responsibilities are also outlined for the activities identified under the eight themes. The MCPI will act as the primary authority responsible for overseeing these activities, including implementation, coordination, monitoring, and evaluation. The Coconut Development Division of the MCPI is the focal point. To facilitate implementation, monitoring, and evaluation, a steering committee (SC) will be formed. The chair of the committee will be the secretary of the MCPI. The figure below shows the schematic diagram of the implementation and monitoring, and evaluation (M&E) arrangements.

The proposed composition of the SC will be as follows.

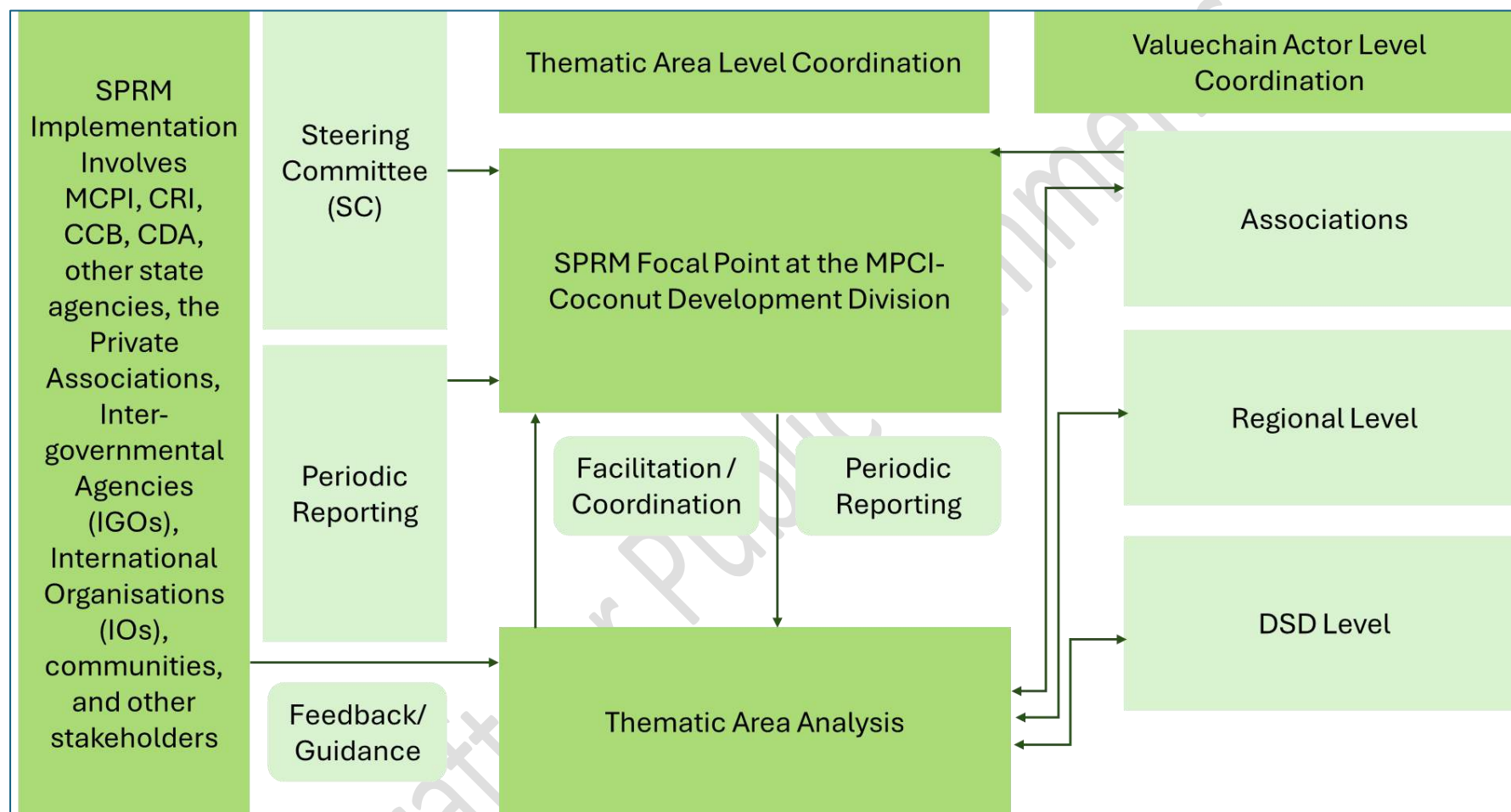
- a) Additional secretary, MCPI
- b) Key officials of the agencies responsible for implementing SP&R actions (CDA, CRI, CCB, EDB, MOI).
- c) Stakeholder representation (CCCI – covering different stakeholder groups-growers association (estate sector), kernel products (DC, oil, milk), non-kernel products (fibre, finished fibre, shell products and water)^[1]
- d) Representation from the Department of National Planning.
- e) Recognised experts in the relevant subject areas
- f) International organisations relevant to specific subject areas (financing, technical assistance)
- g) Private sector representation (public-private partnerships, banking sector)
- h) Other state agencies, when necessary, (depending on the need).
- i) UNIDO & IPS

The chair of SC^[2] and the representatives listed from “a” to “d” may decide on inviting members to the committee listed from “e” to “h”.

Key functions of the committee include the following.

1. SC to meet periodically (quarterly) and review the progress of implementing the SP&R activities under the thematic areas.
2. Identify any constraints or hindrances to the smooth implementation of SP&R actions through relevant agencies or line agencies, and provide guidance and support as needed to overcome them.
3. Guiding resource mobilisation in areas lacking resources for implementing actions in the SP&R.
4. Identifying critical new issues that require new or different policies, regulations, or legislative approaches compared to those mentioned in the SP&R.
5. A comprehensive annual review of the progress at the end of each year and approval for the following year's plan.
6. Review the SP&R five years after its implementation (in 2030).

Figure 15 - Schematic representation of implementation, coordination, and M&E



^[1] Unorganised sectors, such as smallholder farmers, specific product groups (handicrafts, fresh nut exports, sap products, vinegar, and consumers), may not be represented here. When necessary, measures need to be taken to ensure their representation. For instance, the Housewives Association often voices concern over the soaring retail price of coconut. Additionally, representation from women, youth, and vulnerable groups/communities should be considered.

^[2] The secretary of the MCPI

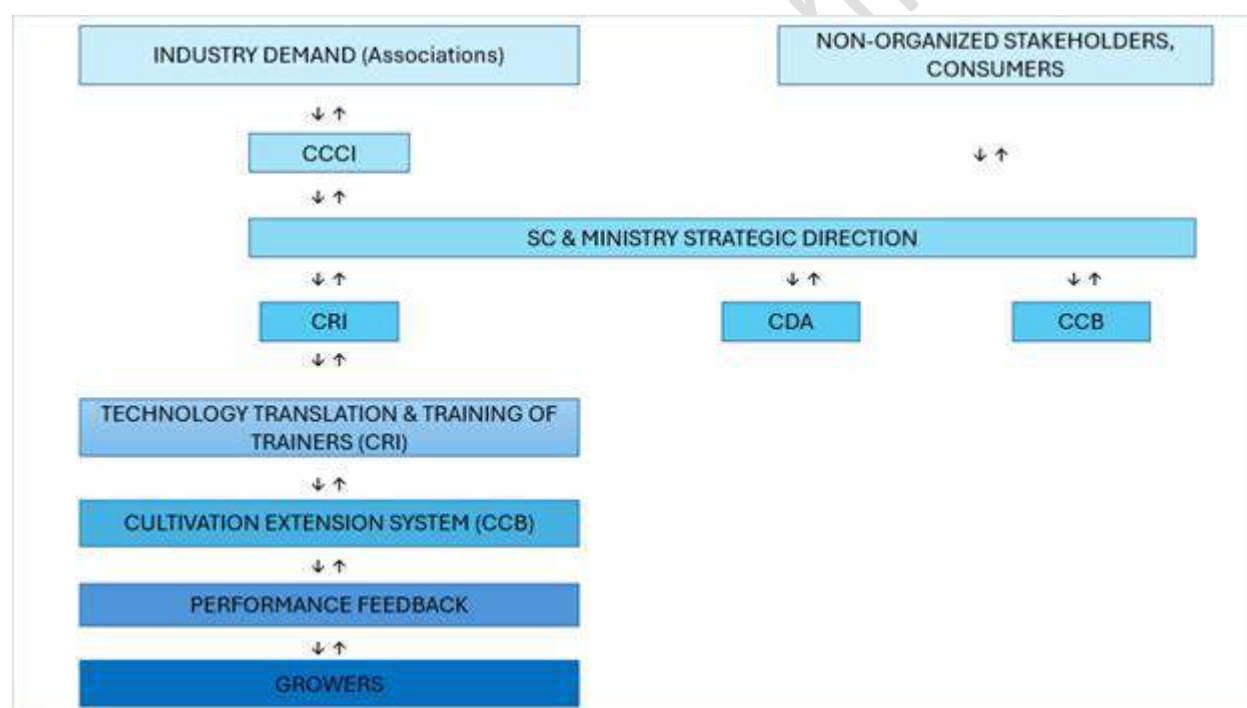
6.3. Functional Consolidation

Institutional mapping revealed overlaps and gaps in the implementation of specific activities. Therefore, it is advisable to amalgamate functions with high overlap rather than merging institutions with distinct and specialised skill structures. This will facilitate the integration of essential functions, either physically or administratively. Therefore, the mechanisms proposed below will assist with functional consolidation and coordination.

Overlaps and coordination gaps: The Coconut Processing Research Division of the CRI, the Processing Development Division, and the Quality Control & Quality Assurance Division of the CDA serve the needs of the coconut processing sector, including consumer food safety. The CCCI serves as an intermediary, strategically bringing industry stakeholders' needs to the attention of the Ministry. Therefore, research by the CRI and the CDA's functions in the coconut processing sector should be coordinated and aligned with industry and consumer needs. The MCPI and the SC should coordinate to ensure that information communicated through the CCCI and other stakeholders reaches these divisions. Moreover, the decisions should be guided by the MCPI and the SC.

Duplication & Fragmentation: The Marketing Development & Research division of the CDA and the Economics & Agribusiness Management Division of the CRI share some overlapping activities in isolation. These can be coordinated, such as the industry and consumer surveys, to avoid duplication and improve their outcomes through collaboration. Data-sharing platforms will help avoid duplicate data collection from Sri Lanka Customs and other stakeholders. Economists from the CRI can support evidence-based policymaking through their research skills with necessary collaborations. For instance, the two different approaches for forecasting annual production by the CRI and the CDA should be compared and used in policy decisions. The MCPI and the SC should identify, coordinate, and facilitate the necessary areas for collaboration (or programme-based coordination). When necessary, they can designate one institution as the lead for overlapping functions while others play supporting roles through formal coordination mechanisms. Sometimes, MOUs between institutions may be required.

From demand to adoption: Industry needs shape research, and research is translated into usable technologies that effectively reach stakeholders (processors, consumers, and growers). The Ministry enforces coordination and accountability. Needs come from a two-way process, as illustrated in the diagram below. First, the processing and estate sector (industry demand) comes through the CCCI. Other non-organised stakeholders (not represented by the CCCI membership) can contact the MCPI. Second, the growers (smallholding sector and the estate sector) are linked through the cultivation extension system implemented by the CCB, which effectively delivers and applies the cultivation technologies developed by the CRI (demonstration & implementation). The feedback loop helps improve and streamline the technologies developed for scale-up and commercialisation. This avoids the common issue of researchers trying to “do extension” or extension staff misinterpreting research. A technology transfer protocol might be helpful in this. The researchers can train the trainers and approve or assist in translating the research outcomes into farmer-usable formats. Defining a clear role chain is important to avoid overlaps and gaps.



Summary of responsibilities: Integrated Coordination

Level	Responsibility
Ministry	Governance, policy, accountability
SC	Strategic coordination & prioritisation
Research	Innovation & development
Tech Transfer	Translation & validation
Extension (CCB)	Field dissemination & feedback
CCCI/Industry	Demand articulation & market feedback
CDA	Industry development & export promotion

Industry–Research collaboration: When funding constraints arise, guidelines need to be prepared to facilitate demand-driven research in response to industry needs. This can be a public-private partnership (PPP) arrangement that is encouraged to address funding constraints and incorporate industry needs.

Digital Coordination Platform: A single platform managed by the Ministry is recommended. This will facilitate the industry problem submission (portal), the current research (dashboard), the tracking of technology validation, the monitoring of extension activities, and technology adoption. The availability of real-time data from the Cultivation Extension System is helpful for researchers in the Technology Transfer division of the CRI to evaluate technology adoption and validation, thereby reducing resource needs for conducting separate field surveys.

7. Monitoring and Evaluation

As explained in the schematic diagram above, monitoring is primarily confined to quarterly implementation progress reviews by the Steering Committee under the respective thematic areas. Since the activities of the SP&R are embedded in the action plans of the respective institutions, the quarterly progress reports can be used to analyse the activity progress. The coconut development division of the MPCCI can collect and analyse the data and share the progress with the SC. A shared database would improve efficiency and transparency. Since it covers institutional-level progress, some degree of monitoring and evaluation at the thematic area and stakeholder level (value chain actors) is also recommended. Such monitoring might require input from subject matter experts and M&E specialists. KPIs, baselines, and targets for specific activities outlined in the SP&R activities can be considered for this. Bi-annual reviews are recommended for thematic area and value chain actor-level M&E.

Appropriate thematic area level KPIs, baselines, and targets should be identified to measure outcome-level impacts before the formal implementation of the SP&R begins. Input from an M&E specialist is necessary before the implementation. Bi-annual reviews should be conducted based on monitoring results, and the SP&R review should take place after five years of implementation (in 2030).

8. Financing of the Roadmap

The SP&R for the coconut sector in Sri Lanka will be operationalised through a comprehensive and diversified resource mobilisation framework, positioning the SP&R as a structured investment programme rather than a conventional public-sector plan. The total financing requirement will be determined following the preparation of detailed, bankable business plans for each thematic programme and project, including clear costing of interventions, valuation of economic, social, and environmental returns, and the identification of appropriate financing instruments, delivery models, and risk-sharing mechanisms. Resource mobilisation will adopt a multi-source financing architecture that combines traditional public financing with a broader spectrum of capital sources. These include government budgetary allocations, programme- and project-based financing, private sector investments, development finance, and internally generated revenues within the sector.

This approach is designed to progressively reduce reliance on public funds while crowding in private and international capital. It is anchored in an innovative systems approach, ensuring coordinated participation of government institutions, producer organisations, research bodies, financial institutions, and private enterprises, thereby strengthening both sector-wide impact and institutional financial sustainability. The SP&R is expected to establish a pathway to transform Sri Lanka's coconut sector into a globally competitive, investment-driven industry, leveraging partnerships with leading institutions such as the World Bank, Asian Development Bank, and International Finance Corporation, alongside a strengthened domestic financial system.

8.1 Investment Case for the Coconut Sector

The coconut sector in Sri Lanka provides a strong investment opportunity because it generates high export potential and creates more chances to develop new products while possessing natural protection against climate change impacts. The sector is positioned to benefit from emerging market trends because global consumers now prefer products that are both natural and sustainable and based on plant materials while the sector continues to boost national economic progress.

The sector is particularly attractive to a diverse range of investors. The group includes investors who want to access international markets with high-value products and those who want to support environmentally sustainable and socially inclusive value chains together with ESG-aligned capital. The coconut sector creates new pathways for climate and green financing because its operations follow low-carbon production systems and circular economy practices and its systems maintain operations during climate changes.

8.2 Financing Architecture

The financing architecture which we propose establishes three interconnected tiers which enable resource mobilization while safeguarding investments and attracting private funding for the coconut industry.

TIER 1 Public & Concessional Capital	TIER 2 Development & Blended Finance	TIER 3 Commercial Capital
Key Institutions • Government of Sri Lanka • JICA, USAID, GIZ, EU • Green Climate Fund • Global Environment Facility	Key Institutions • World Bank • IFC • Asian Development Bank • IFAD • Islamic Development Bank	Key Institutions • Bank of Ceylon • People's Bank • Other government and Private Banks
Primary Role • Grants & technical assistance • First-loss capital • Credit guarantees & risk-sharing	Primary Role • Concessional loans • Blended finance vehicles • Anchor financing • Technical support	Primary Role • Senior debt & working capital • Trade & export finance • SME lending • Co-financing with DFIs

The first tier consists of “public and concessional capital”, which serves as the de-risking layer. The funding sources for this project include Government of Sri Lanka funding which comes through Treasury and line ministries, and international development partners who include Japan International Cooperation Agency, United States Agency for International Development and GIZ and European Union. The global climate financing mechanisms include Green Climate Fund and Global Environment Facility which provide crucial funding support to this tier. The organization provides grants and technical assistance while serving as first-loss capital in blended finance structures and offering credit guarantees and risk-sharing instruments which enable private investors to enter the market.

The second tier comprises “development and blended finance”, which major international financial institutions support as its foundation. The World Bank and International Finance Corporation and Asian Development Bank and International Fund for Agricultural Development and Islamic Development Bank serve as main organizations in this sector. These institutions provide concessional and semi-concessional financing while they create blended finance vehicles and function as

primary investors in extensive programs. The organization provides essential technical assistance which supports project development and financial planning and operational execution while it connects public sector funds with private sector investments.

The third tier requires “commercial capital” because it serves as vital funding needed to increase investment levels while maintaining operations across the entire value chain. Domestic financial institutions which include Bank of Ceylon, People’s Bank, DFCC Bank, National Development Bank, Commercial Bank of Ceylon, Sampath Bank and Hatton National Bank provide essential services through their delivery of senior debt and working capital and SME lending solutions. The two institutions function together with international and regional banks, which include Standard Chartered and HSBC because they provide trade finance and export financing together with co-financing agreements that development finance institutions use. This tier enables businesses to make investments while providing financing for their value chains and maintaining operational cash flow for large companies and small businesses in the industry.

The three-tiered financing system establishes a unified framework which uses public and concessional funding to decrease risk while development finance institutions create financial solutions, and commercial capital enables businesses to achieve lasting growth.

8.3 Development of a Bankable Project Pipeline

In order to successfully attract investments for the coconut sector, we will create a new Project Preparation Facility (PPF). The World Bank, Asian Development Bank and International Finance Corporation can provide funding support for this facility. The PPF will establish investment-ready projects through its processes which help develop project concepts into ready-to-attract financing projects. The PPF will execute three main tasks which include creating complete feasibility studies and developing investment models which can generate profits and creating documentation which investors will find acceptable. The facility will provide technical and financial assistance which will help decrease project hazards and increase project viability and boost investor trust which will lead to faster capital investments in the industry.

The coconut industry will receive funding through priority investment areas which will direct capital investments to enhance all segments of the value chain. These include replanting and productivity enhancement initiatives to ensure a sustainable and reliable supply base for the future. Processing facilities will receive investment priority to enable value addition which will boost export earnings through increased raw material value extraction. In addition, targeted investments will be directed towards improving logistics and supply chain infrastructure to reduce inefficiencies and operational delays. Strategic programmes will also be undertaken to develop new export markets and expand existing ones. Overall, these priority investment

areas are aimed at enhancing the competitiveness of the coconut sector, strengthening its resilience, and generating greater value across the industry.

8.4 Priority Financing Instruments

The coconut sector will receive investment support through specific financing instruments which will provide suitable funding solutions for every stage of the value chain.

Instrument	Description
Coconut Sector Blended Finance Facility	Pooled vehicle anchored by IFC and ADB, with participation from local banks.
Replanting & Productivity Credit Line	Long-tenor funding via World Bank / IFAD, on-lent through domestic banks.
Credit Guarantee Scheme	Backed by World Bank and ADB to de-risk lending.
Climate Financing Instruments	Leveraging Green Climate Fund, GEF, and JEFF.
Export Financing Facilities	Delivered via HSBC, Standard Chartered, and domestic commercial banks.

A key instrument is the establishment of a “*Coconut Sector Blended Finance Facility*”, designed as a pooled financing vehicle anchored by development finance institutions such as the International Finance Corporation and the Asian Development Bank, with participation from domestic financial institutions. The facility will use both concessional and commercial financing methods to create safer investment conditions which will bring private sector funding into the industry.

The introduction of a dedicated “*Replanting and Productivity Credit Line*” will support long-term productivity enhancements. The facility will provide long-term financing solutions which may receive backing from World Bank and International Fund for Agricultural Development institutions, and the funds will be distributed through domestic banks to benefit producers and enterprises. The “*Credit Guarantee Scheme*” which the World Bank and Asian Development Bank will possibly support will assist in decreasing lending dangers while motivating financial institutions to provide loans to the sector with a special focus on serving smallholders and SMEs.

The sector will establish “*climate financing instruments*” to finance sustainable development and climate resilience projects. The organization will secure funds

through global mechanisms which include the Green Climate Fund and the Global Environment Facility and the Joint Environment Finance Facility (JEFF) to finance climate-smart projects and environmentally sustainable initiatives. “*Export financing facilities*” will receive enhanced support through partnerships which will involve international banks like HSBC and Standard Chartered and domestic commercial banks to provide trade finance and working capital and export-oriented investment support. The financing instruments which exist in this system create an all-encompassing financial network that supports growth and resilience and competitive advantage in the coconut industry.

8.5 Public–Private Partnership (PPP) Models

Development partners including Asian Development Bank and World Bank will support Public–Private Partnership (PPP) models which will drive investment growth while improving productivity throughout the coconut industry. The partnerships will concentrate on essential areas which need major financial backing together with organized execution to establish processing zones and industrial clusters and develop export infrastructure. Through their combined capabilities public and private sectors will achieve capital mobilization and better operational efficiency while creating conditions that boost value creation and international competitiveness for exports.

8.6 Inclusive Financing Mechanisms

The development partners International Fund for Agricultural Development and World Bank will support the implementation of inclusive financing mechanisms which provide fair financial service access to both smallholders and value chain actors. The programmes will develop financial products which meet the specific needs of smallholders while advancing aggregator-based lending systems which use farmer groups and value chain connections and developing digital finance solutions which improve operational efficiency and financial transparency and accessibility. These different approaches will work together to decrease financial barriers and increase market participation and promote coconut sector development.

8.7 Climate and Environmental Financing

Sri Lanka's coconut sector has gained recognition as a nature-positive industry which helps the country meet its Paris Agreement climate goals. Coconut farms deliver three environmental benefits through their ability to sequester carbon and protect biodiversity and decrease soil erosion which makes them suitable for international climate finance. The sector needs to connect its investments with Sri Lanka's Nationally Determined Contributions (NDCs) because this connection will enable access to large-scale concessional climate funding. The two main multilateral funding systems which will support climate-aligned investments operate through the Green Climate Fund (GCF) and the Global Environment Facility (GEF) which receives technical assistance from UNIDO.

Green Climate Fund	Global Environment Facility	UNIDO Technical Support
• Climate-resilient replanting • Adaptation to extreme weather • Water & irrigation management • NDC-aligned programmes	• Ecosystem services • Sustainable land management • Agrobiodiversity conservation • Co-financing with GCF	• GCF/GEF proposal structuring • Capacity building • Low-carbon processing tech • Cleaner production standards

The Green Climate Fund (GCF) will support large-scale adaptation and mitigation programmes which will focus on climate-resilient replanting and water management and post-harvest loss reduction from extreme weather events. The Global Environment Facility (GEF) will provide funding for projects which focus on ecosystem services and sustainable land management and agrobiodiversity protection in coconut-growing areas. The United Nations Industrial Development Organization (UNIDO) will offer technical design and implementation support because it possesses established expertise in developing green agro-industrial projects.

8.8 Risk Management Framework

The process of investing in agricultural value chains presents multiple risks because of two main factors which include unpredictable weather patterns that affect crop production and changing market prices, and the financial risks associated with smallholder farming operations and the international trade activities of businesses. The coconut sector will implement a risk management system which development finance organizations establish through their financial resources and expert knowledge to help investors gain trust. The World Bank and Asian Development Bank will serve as the primary DFI anchors for risk mitigation, deploying a combination of partial credit guarantees, first-loss protection mechanisms, and political risk insurance to crowd in private and commercial financing that would otherwise be deterred by sector uncertainty. These financial instruments enable processing companies and exporting businesses and organizations that work with smallholder farmers to borrow money at reduced costs, which allows lenders to provide extended loan periods and larger credit amounts.

The risk management system will establish technical assistance as its third essential component which enables both borrowers and financial intermediaries to develop their financial management and data reporting capabilities together with expertise in environmental and social protection measures. The combination of these financial

instruments will establish an operating environment which banks can rely on to secure continuous funding for their operations throughout all three financing categories.

8.9 Institutional Arrangements

The Coconut Sector Investment Facilitation Unit (CSIFU) will function as the main body that manages all investment activities for the coconut sector. This unit will serve as the central platform for mobilizing, coordinating, and managing investment flows into the coconut sector, while also acting as a bridge between public institutions, development partners, and private investors.

CSIFU will enable outreach to multiple financing partners through its operations. The organization will work with development finance institutions which provide concessional and blended funding; commercial banks which deliver enterprise-level financing and working capital support; and climate funds which allow sustainability and resilience investments. The unit will work directly with private investors who operate both domestically and internationally to generate funding for critical value chain segments.

CSIFU will create better coordination between different groups by establishing investment priorities and developing project plans which will lead to increased investor confidence and faster financial investments in the sector. The organization operates as an essential institutional system which implements the funding structure while ensuring successful execution of the coconut sector investment plan.

8.10 Phased Financing Strategy

The coconut sector financing strategy will be executed through multiple phases which will establish investor confidence until the sector reaches its goal of sustainable market-based funding. The initial phase will use donor and concessional finance to fund investments which international development institutions like the World Bank and Asian Development Bank and International Fund for Agricultural Development will use to create essential systems through de-risking efforts. The second phase introduces blended finance which development finance institutions will use to partner with International Finance Corporation and local banks and private investors for project financing and investment expansion. The sector will enter its final phase when commercial financing becomes the primary funding source, as domestic banks and corporates and capital markets take charge of investment activities, which will secure long-term funding stability while decreasing reliance on concessional financing.

Phase	Stage	Primary Finance Type	Lead Actors
Phase 1	Foundation	Donor & Concessional	World Bank, ADB,

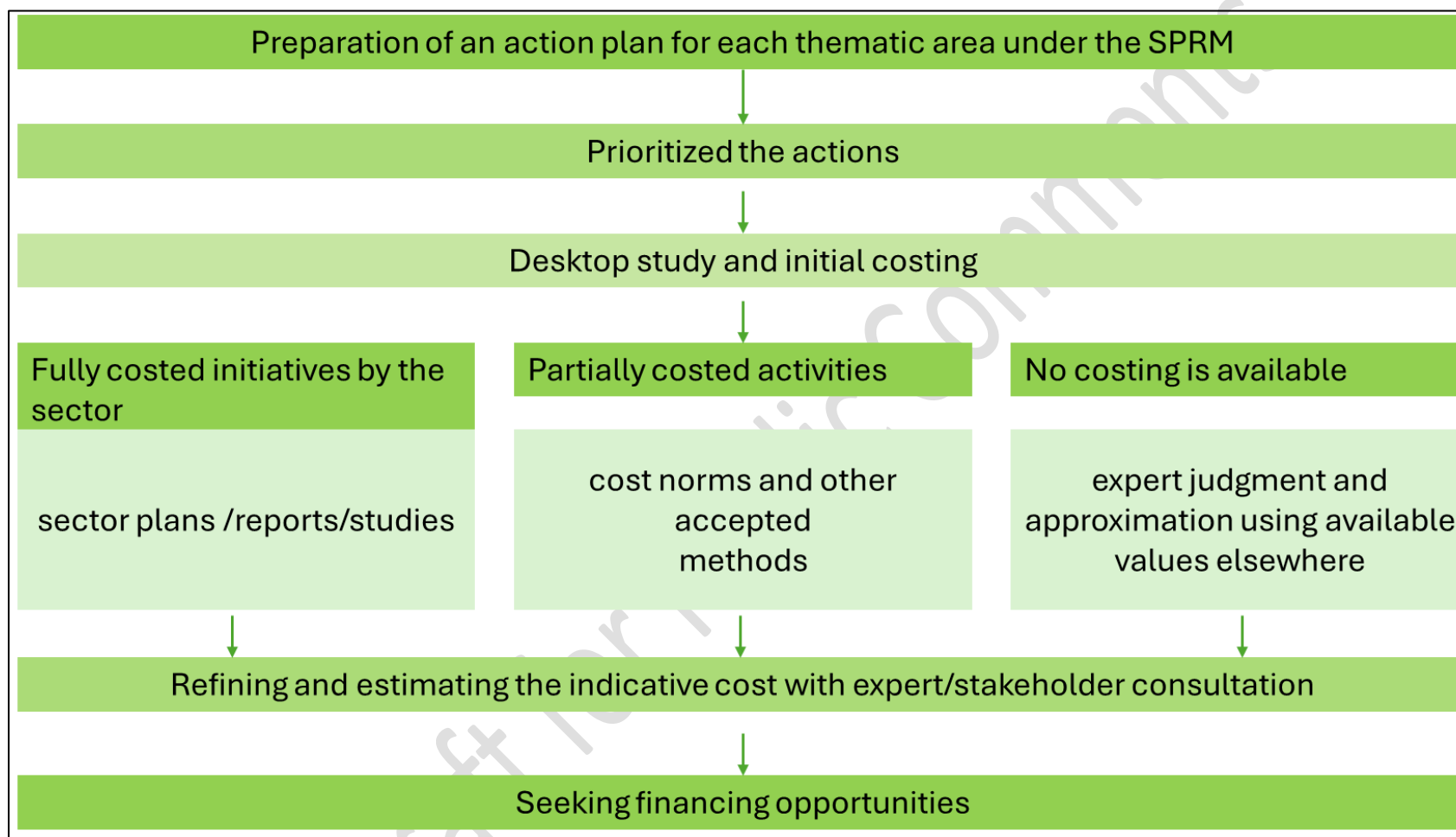
		Finance	IFAD
Phase 2	Scaling	Blended Finance	IFC, Private Investors, Local Banks
Phase 3	Maturity	Commercial Financing	Banks, Corporates, Capital Markets

8.11 Financing Targets (Indicative)

The proposed financing structure requires private sector participation because private investors will provide approximately 50 to 60 percent of total funding according to market-based development needs and value chain growth requirements. Development finance institutions (DFIs) and climate funds are projected to account for 25 to 35 percent of funding which will provide concessional financing and risk protection while enabling investors to enter the market. The Government will contribute between 10 and 15 percent of funding to support investments in public goods and strategic initiatives which will help develop the entire sector. The coconut sector financial plan uses these three targets to achieve operational funding through risk management procedures and external financial resources while maintaining long-term viability.

Private Sector	50–60%
DFIs & Climate Funds	25–35%
Government	10–15%

Figure 16 - Schematic representation of Financing of the SP&R



9. Annexures

9.1. Annex 1: Stakeholders: Responsibilities, Actions and Benefits Matrix

Stakeholder	Key Activities / Responsibilities	Responsible Agency	Expected Benefits
Input Suppliers	• Introduce 10 new improved coconut varieties • Increase annual seed production by 2.5M nuts • Upgrade the existing 36 CCB nurseries, including improvements in physical infrastructure, skilled manpower, and financial allocations • Expand 20 new certified nurseries • Produce 2M additional seedlings annually • Rehabilitation and expansion of the mother palm pool • Supply mulching materials, soil amendments & moisture conservation inputs for 300,000 ha should be implemented with PPP • Provide micro/drip irrigation systems for 120,000 ha • Supply additional 220,000 MT chemical fertilizer, 900,000 MT organic fertilizer, 175,000 MT biochar annually (This will be done through a phased, demand-aligned ramp-up strategy.)	Lead • Coconut Research Institute (CRI) – varieties, pollination, IPM technologies • Coconut Cultivation Board (CCB) – nursery certification, seedling standards Supporting • National Fertilizer Secretariat (NFS) – fertilizer coordination • Department of Agriculture (DOA) – soil health, IPM alignment • Private input suppliers & certified nurseries	• Stable and predictable demand for inputs • Growth in business opportunities and product lines (e.g., precision tools, irrigation systems) • Stronger long-term relationships with farmers and estates • Entry into high-value markets like climate-smart irrigation and biofertilizers • Enhanced role as strategic partners in national productivity improvement

	Expand managed pollination services to 20,000 ha• Provide pest monitoring tools, IPM inputs and early-warning technologies• Participate in planning, monitoring, and data sharing under the Road Map		
Smallholder Farmers	• Plant 4M seedlings annually• Replant 1.1M old/unproductive trees annually with the support of CDOs• Infill 13,000 ha annually• Apply 1.5 MT chemical fertilizer, 5 MT organic fertilizer & 0.75 MT biochar per ha• Adopt IPM practices: field scouting, pheromone traps, biological control• Adopt soil moisture conservation techniques• Participate in training, farm models & exposure visits• Adopt intercropping, livestock integration, and new technologies• Improve pollination practices (habitat management/bee-keeping)• Maintain accurate farm records; share data for monitoring and also provide financial literacy programmes	Lead • Coconut Cultivation Board (CCB) – extension, farmer mobilisation • Coconut Research Institute (CRI) – technical guidance Supporting • Department of Agriculture (DOA) • National Fertilizer Secretariat (NFS) • Sri Lanka Standards Institution (SLSI) – quality standards (limited role) • Coconut Growers' Associations / Cooperatives (CCCI) • Media institutions (for awareness only) • National Fertilizer Secretariat (NFS) • Accreditation Board • CCCI • Ministry of Mass Media • Civil Security Department	• Higher yields & improved revenue stability• Reduced vulnerability to drought, pests, and market shocks• Diversified income from intercropping & livestock• Better decision-making through training and advisory services• Strengthened resilience and improved household food security• Greater confidence and dignity in farming livelihoods

		Ministry of Youth & Sports	
Farm Owners (Private & State Plantations)	• Implement improved cultivation practices across 20,000 farms • Deploy new technologies on 50,000 ha (micro-irrigation, fertigation, mechanization, digital tools) • Purchase required fertilizers and soil amendments • Invest in machinery for planting and land management • Identify and undertake replanting and infilling • Invest in intercropping and animal husbandry • Maintain detailed records of production, inputs, costs & revenue • Implement pollination improvement (e.g., beekeeping) • Share knowledge; host exposure visits • Participate in Road Map coordination systems	Lead • Plantation companies / State plantation entities • Coconut Cultivation Board (CCB) Supporting • Coconut Research Institute (CRI) • Department of Agriculture • Sri Lanka Standards Institution (SLSI) • Accreditation Board • Private technology providers ICT Agency (ICTA, etc.) (for traceability systems)	• Increased productivity and profitability • Reduced labour bottlenecks via mechanization and using the latest technologies in viable value chain activities, • Automation and digitalisation of extension services • Improved ESG profile attracting investors • More predictable and professional farm management • Greater operational efficiency and reduced costs • Stronger competitiveness in domestic and export markets
Collectors / Distributors / Primary Processors	• Keep accurate records of nuts collected and processed • Improve scheduling, communication & price transparency • Invest in logistics (crates, storage, moisture-controlled facilities, vehicles) • Improve traceability via digital/manual data sharing • Increase collection of husks and shells • Engage with farmers, processors & public institutions • Share data for Road Map	Lead • Coconut Development Authority (CDA) – market regulation • Collector Associations (under CCCI) Supporting • Coconut Cultivation Board (CCB) • Sri Lanka Standards Institution (SLSI) • Accreditation Board • ICT Agency (ICTA, etc.) (for	• Reduced spoilage & post-harvest losses • Improved consistency & quality of collected nuts • Higher operational efficiency and reduced costs • Greater trust among farmers and buyers • More stable prices and long-term business partnerships • Stronger position as key connectors in the value chain

	monitoring	traceability systems)	
Processors (Local & Export-Oriented)	• Pay fair/raw material quality-based prices • Maintain and improve food safety systems (ISO, HACCP, Organic) • Increase capacity for processing: kernel, husk, activated carbon, peat, DC, coconut water • Invest in 25 new/adapted coconut water facilities • Diversify into nutraceuticals, cosmetics, plant-based products • Co-finance domestic behaviour change campaigns • Participate in Road Map monitoring & data sharing	Lead • Coconut Development Authority (CDA) • Industry Associations (CCCI, CMA) Supporting • Sri Lanka Standards Institution (SLSI) • Accreditation Board • Coconut Research Institute (CRI) – product R&D • Ministry of Trade, Commerce & Food Security	• Access to high-quality raw materials • Entry into premium global markets • Higher profits through value addition • Stronger global brand reputation & compliance • More efficient supply chains • Increased resilience by diversifying product portfolios
Exporters	• Promote Ceylon Coconut as a premium brand • Shift marketing toward higher value-added products • Report global market trends, barriers & opportunities • Secure buyers for expanded production: 205,000 MT coconut water; 400,000 MT kernel products; 38,000 MT husk products; 28,000 MT activated carbon • Co-finance global marketing campaigns • Participate in Road Map coordination & policy dialogue	Lead • Export Development Board (EDB) • Coconut Development Authority (CDA) Supporting • Sri Lanka Standards Institution (SLSI) • National Plant Quarantine Service (NPQS) • National Institute of Post Harvest Management (NIPHM) • Industry Associations (CCCI) • ICT Agency (ICTA, etc.) (market intelligence platforms)	• Greater access to high-income global markets • Higher export earnings and better profit margins • Reduced dependence on volatile commodity markets • Stronger brand visibility & trust among buyers • Improved competitiveness due to market intelligence • Ability to match global demand trends faster

Public Institutions & Extension Services	• Allocate 40,000 acres for new cultivation • Strengthen extension systems & advisory services • Implement 9 R&D projects; develop 10 new varieties • Establish 40 model farms • Lead IPM programs & district-level responses • Run 20 farmer behaviour change campaigns, 50 SBCC campaigns, 30 global marketing campaigns • Provide funding, PPPs, and insurance schemes • Improve policy environment, tech introduction, water access, fertilizer production • Establish GIS and national data systems, establish digital units in main 3 institutes (CCB,CRI,CDA) • Ensure Road Map coordination	Lead • Coconut Research Institute (CRI) • Coconut Cultivation Board (CCB) • Coconut Development Authority (CDA) Supporting • Department of Agriculture • Ministry of Plantation Industries • ICT Agency of Sri Lanka (ICTA, etc.) • Ministry of Mass Media (campaign dissemination only)	• Stronger national planning & sector governance • Improved evidence-based policy making • Enhanced farmer trust in government services • Higher sector productivity and sustainability • Better monitoring of risks, yields & profitability • Improved international reputation for coordination & transparency
Financial Institutions / Investors	• Provide financing for 200,000 ha investments • Offer loans for new technologies (micro-irrigation, mechanization, digital tools) • Ensure affordable credit availability • Introduce insurance & risk-sharing schemes • Simplify loan procedures & expand digital finance • Participate in Road Map coordination	Lead • Ministry of Finance, Economic Stabilisation & National Policies • State & private banks Supporting • Agricultural and Agrarian Insurance Board • Development Partners • ICT Agency (ICTA, etc.) (digital finance platforms) - CDA / CCB (pipeline coordination)	• Expanded rural lending opportunities • Healthier loan portfolios with lower default rates • New markets in green financing and agri-tech investment • Reduced lending risk due to insurance and PPPs • Stronger financial inclusion in rural areas
Academia &	• Provide technical assistance for	Lead	• Real-world impact of research

Development Partners	farming models• Develop proposals for new cost-reducing technologies• Support R&D projects• Document and analyse behaviour change & technology adoption• Analyse data & GIS information• Train farmers, collectors, processors, exporters• Participate in Road Map coordination & evaluation Establishing a National Coconut Innovation Centre	• Universities / Faculties of Agriculture • Coconut Research Institute (CRI) Supporting • National Institute of Post Harvest Management (NIPHM) • Department of Agriculture • ICT Agency (ICTA, etc.) Development Partners (FAO, World Bank, IFAD, ACIAR, etc.)	and innovation• Stronger partnerships with government & industry• Greater access to funding & collaborative projects• Leadership positioning in agricultural innovation• Enhanced capacity building & knowledge transfer roles.
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9.2. Annex 2: Mathematical Model Definitions, Assumptions and Calculations

The image displays a comprehensive financial model for coconut cultivation in Sri Lanka, organized into several interconnected sections:

- PARAMETERS (Top Left):** Lists key inputs such as "In 2024 cultivation area (hectares)", "In 2024 number of nuts", "Average weight of 1 coconut (kg)", "Average unit of labour cost (Rs/kg)", "Average unit of fertilizer cost (Rs/kg)", "Trunk 1 ton built -> 1 ton built-bound", "Trunk 1 ton deleted -> 1 ton lost", "Trunk 1 ton deleted -> 1 ton lost", and "Exchange rate LKR/USD".
- Assumption of better tree productivity (%) (Top Center):** Details improvements in "Irrigation & Water management", "Success rate of seedling plant", "Pest, Diseases, Viable Pests", "Optimal density of trees per ha", and "Improved Pollination (bees/keeps)".
- DASHBOARD (Top Right):** Provides a high-level overview of "TOTAL EXPORTS (USD)", "NUMBER OF NUTS PER TREE", and "NUMBER OF NUTS PER HECTARE" across years 2024 to 2030.
- MODEL (Bottom Left):** A central hub for various actions and their costs, including:
 - A1: NUMBER OF SEED GARDENS / NURSERY PER YEAR**
 - A2: IRRIGATION & WATER MANAGEMENT**
 - A3: FARMERS HAVING BETTER CULTIVATION PRACTICES**
 - A4: BEHAVIOUR CHANGE CAMPAIGN FOR FARMERS**
 - A5: RESEARCH AND DEVELOPMENT**
 - A6: MORE BETTER ADVISORY SERVICES BY GOV. INSTITUTES**
 - A7: NEW VARIETIES & PRACTICES**
 - A8: FARMING MODELS (pilots + examples)**
- EXPORTS (Bottom Right):** A detailed breakdown of export products and their values, including:
 - H2: TOTAL EXPORT**
 - FUTURE**
 - G2: PRICE OF EXPORTED NUT TON**
 - G3: EXPORT PRICE HUSK-BASED**
 - G4: Exp. PRICE OF Activated Carbon from SHELLS**
 - G5: EXPORT PRICE OF KERNEL PRODUCTS**
 - G6: EXPORT PRICE OF PROCESSED WATER**
 - G7: Strategic market: "Ceylon Coconut" Campaign**
- Other Sections:**
 - COCONUT CULTIVATION (Middle Left):** Details the process from "SEEDLING" to "PLANTING" and "CULTIVATION".
 - COCONUT PROCESSING (Middle Right):** Details the process from "NUTS COLLECTED AND DEHUSKED" to "EXPORTS".
 - COCONUT UTILIZATION (Bottom Center):** Details the use of coconut products, including "COCONUT OIL", "COCONUT MEAL", "COCONUT FIBRE", and "COCONUT WATER".

The model uses a color-coded system to categorize different types of costs and revenues, and includes a "TOTAL CASH FLOW" section at the bottom right, showing the net profit for farmers over time.

9.3. Annex 3: Institutional Mapping

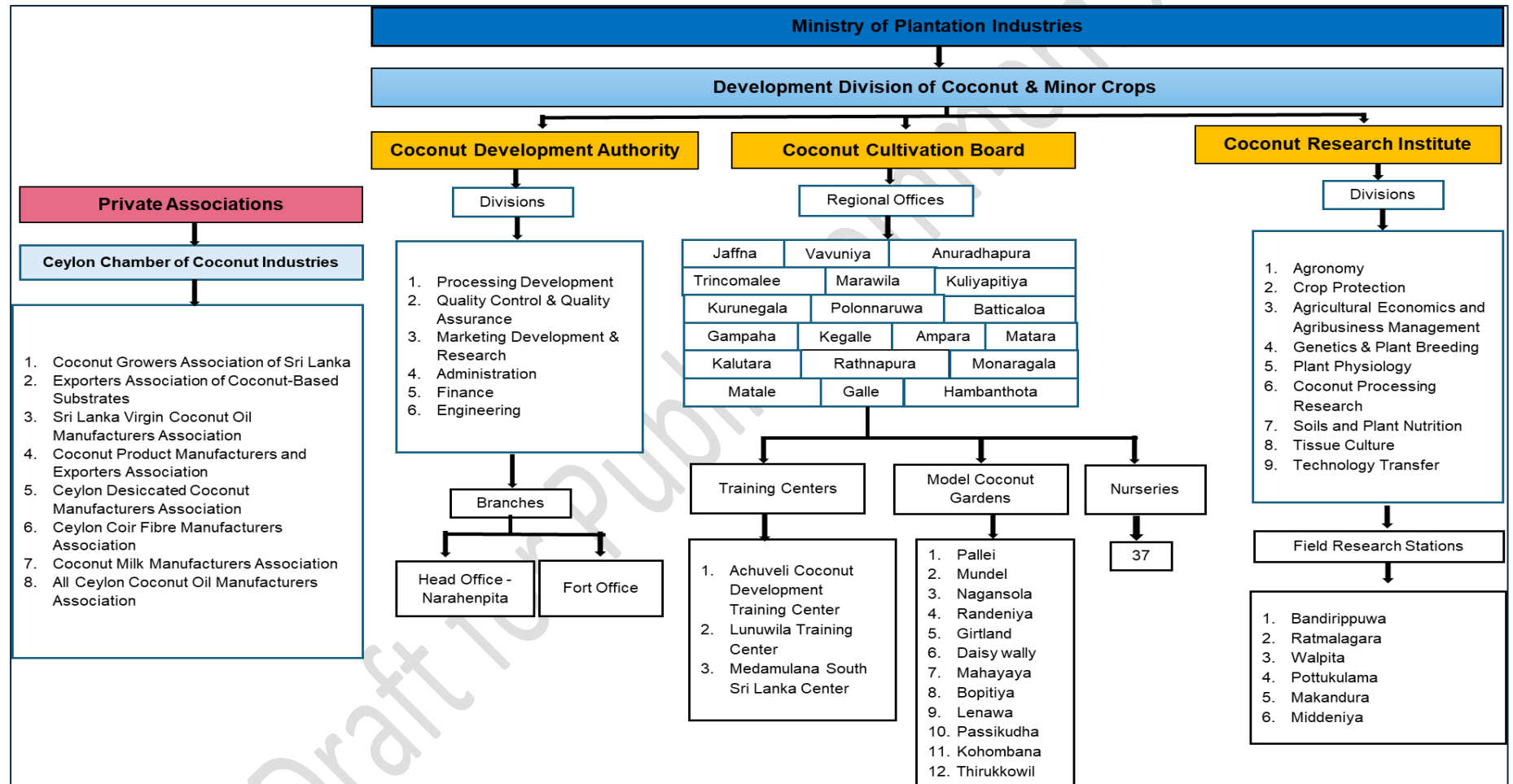
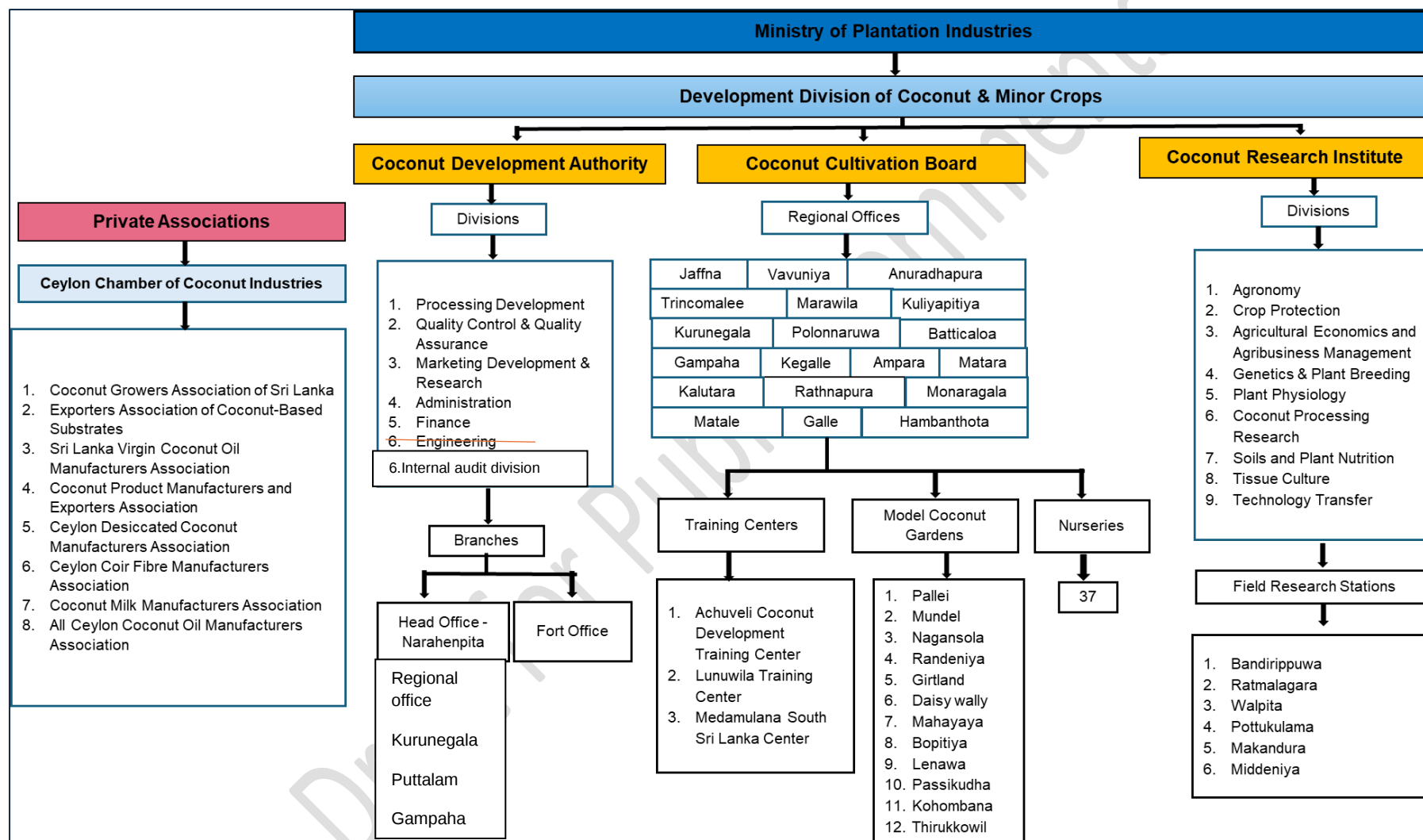


Figure 17 - Institutional Framework of the Coconut Sector



Source : Institutional Report, IPS

9.4. Annex 4: Stakeholder Group / Consulted people, Inception workshop participants, Steering Committee (lists)

9.4.1 : Members of the Steering Committee

No.	Name	Organization - Designation
1	Mr. B. K. Prabath Chandrakeerthi (New Secretaries details to be included)	Ministry of Plantation and Community Infrastructure - Secretary
2	Mr. K. S. Wijayakeerthi (New Ad. Secretaries details to be included)	Ministry of Plantation and Community Infrastructure - Additional Secretary (Coconut and Allied Crops Development)
3	Mrs. P.P. Champika	Ministry of Finance - Additional Director General
4	Mr. W. A. S. Iroshan	Ministry of Finance (Department of National Planning) - Director
5	Mrs. Jayani Galegedara	Assistant Director- Division of Export Agriculture, Sri Lanka Export Development Board
6	Dr. Nayanie Aratchige	Coconut Research Institute (CRI) - Director
7	Dr. Sunimal Jayakody	Chairman, Coconut Cultivation Board
8	Mr. Shantha Ranathunga	Chairman, Coconut Development Board
9	Mr. K.S. Deepal	Coconut Cultivation Board (CCB) – Assistant General Manager (Planning and Monitoring)
10	Mr. Sampath Senanayake	UNIDO - National Agribusiness Specialist
11	Mr. Jason Samaranayake	Ceylon Chamber of Coconut Industries (CCCI) - Director
12	Mr. Chamara Munasinghe	Ceylon Chamber of Coconut

		Industries (CCCI)
13	Mr. Cryshantha Jayawardhene	Ceylon Chamber of Coconut Industries (CCCI) - Director
14	Mr. Shakila Wijewardene	Ceylon Chamber of Coconut Industries (CCCI) - Secretary
15	Mr. Randeewa Malalasooriya	Ceylon Chamber of Coconut Industries (CCCI)
16	Mr. Dinesh Fernando	Ceylon Chamber of Coconut Industries (CCCI) - Director

9.4.2 : List of Participants at the Inception Workshop held on 15 January 2025 at the IPS Auditorium.

No	Name	Designation	Organization
1	Dr. Sunil Jayakodi	Chairman	Coconut Cultivation Board (CCB)
2	Mr. S.K. Deepal	Assistant general manager	Coconut Cultivation Board (CCB)
3	Dr. Nayanie Aratchige	Director	Coconut research institute (CRI)
4	Mr. Shantha Ranathunga	Chairman	Coconut Development Authority (CDA)
5	Mr. Jason Samaranayake	Chairman	Ceylon Chamber of Coconut Industries (CCCI)
6	Mr. Chamara Munasinghe		Ceylon Chamber of Coconut Industries (CCCI)
7	Mrs. P.P. Champika	Additional Director General	Ministry of Finance
8	Mr. W.A.S. Iroshan	Director	Ministry of Finance (Department of National Planning)
9	Mrs. Jayani Galagedara	Assistant Director	Export Development Board
10	Mr. Shalika Wijewardena	Secretary	Ceylon Chamber of Coconut Industries (CCCI)
11	Mr. Randeewa Malalasooriya	Director	Ceylon Chamber of Coconut Industries (CCCI)
12	Mr. Dinesh Fernando	Director	Ceylon Chamber of Coconut Industries (CCCI)

13	Mr. S.H.S. Senewirathne	Director	Ministry of Plantation, Development Division (Coconut Sector)
14	Dr. Chandi Yalgama	Head/ Coconut processing	Coconut Research Institute (CRI)
15	Mr. N.S. Jayalath	Deputy General Manager	Coconut Cultivation Board (CCB)
16	Mr. Ashoka Pushpakumara	Additional Director	Coconut Development Authority (CDA)
17	Mrs. Sujanthi Mayadunne	Deputy General	Ministry of Plantation and Community Infrastructure
18	Mrs. Shalani Jayasekera	Assistant Director	Ministry of Plantation and Community Infrastructure
19	Mrs. Theeshya Dulmini	Coordinator	Ministry of Plantation and Community Infrastructure
20	Mr. M.M. Pushpakantha	Deputy Director	Coconut Development Authority (CDA)
21	Mr. Vilaja Ramyadasa	Additional Director	Coconut Development Authority (CDA)
22	Dr. Anjana Athapattu	SRO	Coconut research institute (CRI)
23	Mr. Lalith Rathnayake	Secretary	Milk Manufacturers Association
24	Mr. Jayantha Samarakoon	President	Ceylon Chamber of Coconut Industries (CCCI)
25	Mr. Ranil De Saram	Secretary General	Ceylon Chamber of Coconut Industries (CCCI)
26	Ms. Krishanthi Dabare	Project Officer (Rural Development)	ADB
27	Mr. Juan Forero	Activity Team Lead	PSD
28	Mr. Suneth Bandara	Agri Manager	PSD
29	Mr. Pradeep Liyanamana	Project Director	IESC
30	Dr. Johann Hesse	Head of Cooperation	EU
31	Mr. Chandana Hewawasam	Program Manager	EU
32	Mr. Dennis Wesner	Deputy Director (Office of Economic Growth)	USAID
33	Mr. Deepal Udukubure	Head of Agri Business	HNB
34	Mr. Pradeep Alwis	Vice President	DFCC
35	Mr. Chandana Wanigasena	Vice President, Head of MSME	DFCC

36	Mr. Shafraz Farook	National Communications and Visibility Officer	UNIDO
37	Dr. Jairo Villamil- Diaz	International Senior Specialist	UNIDO
38	Mr.Nalaka Siriwardana	Deputy Project Director	IESC
39	Mr.K.S. Wijayakeerthi	Additional Secretary	MPCI
40	Mr.Sandeepa Gunarathna	National Value Chain Committee	UNIDO
41	Mr.Suneth Bandara	Manager Agriculture	USAID
43	Mr.Gominda Gunasadha	General Manager	CCCI
44	Mr. Mahen Madugelle	Director	CGASL
45	Ms. Anuradhi Hathurusinghe	Director Marketing	Coconut Development Authority
46	Mrs. Tharagani Wickramasinghe	Additional Secretary	MPCI
47	Ms. Gayani Pannala	Manager Planning	CCB
48	Dr.Manoj Thibbotuwawa	Research Fellow	IPS
49	Dr.Erandathi Pathiraja	Research Fellow	IPS
50	Ms. Dilani Hirimuthugodage	Research Economist	IPS
51	Mr. Chandula Idirisinghe	Research Officer	IPS
52	Ms.Nishamini Ihalagedara	Research Officer	IPS
53	Ms. Sulochana Silva	Research Officer	IPS

9.4.3 : List of Key Informant Interviewees

Name	Designation	Institute
Mrs. W. M. D. T. Wickramasinghe	Additional Secretary	Ministry of Plantation and Community Infrastructure
Mr. K.S. Wijayakeerthi	Additional Secretary	Ministry of Plantation and Community Infrastructure
Mr. W. M. B. A. Wijesinghe	General Manager	Coconut Cultivation Board (CCB)
Mr. N.S. Jayalath	Deputy General Manager	Coconut Cultivation Board (CCB)
Mr. S.H.S. Senewirathne	Director	Ministry of Plantation and Community Infrastructure – Development Division
Mr. Shakila Wijewardena & Mr. Cryshantha Jayawardhana	ExCo Member	Ceylon Chamber of Coconut Industries (CCCI)
Mr. Jason Samaranayake	Director	Ceylon Chamber of Coconut Industries (CCCI)
Dr. Nayanie Aratchige & the team, including Prof.Ajith Jayaweera-Chairman CRI Dr. Sarath Idirisinghe & Dr. Yalgama	Director	Coconut Research Institute (CRI)
Mr. Ashoka Pushpakumara	Deputy Director	Coconut Development Authority (CDA)
Mr. M.M. Pushpakantha and Ms. Oushadi	Deputy Director	Coconut Development Authority (CDA)

9.4.4 : List of Participants at the Focus Group Discussions held in Coconut-Growing Districts

Focus Group Discussion held at Makola, Gampaha, on 11th June 2025

No	Name	Position in Value Chain
Field Organizers		
1	Mr. M.A.C.K. Vijaya Gunarathne	Assistant Regional Manager
2	Mr. K.H.M.D.N. Bandara	Coconut Development Officer- CCB

3	Ms. H.P. Tharanga	Coconut Development Officer- CCB
Participants		
4	Mr. L.L.W.N.R.K. Wikramasingha	Agriculture Instructor -Udupila
1	Mr. M.J.A. Perera	Grower
2	Mr. S.S. Mayadhunna	Grower
3	Ms. Mangalika Ranasingha	Grower
4	Ms.H. Nilanthi Perera	Coconut Industry- Manufacturer
5	Mr.L.A.W.D. Liyana Arachchi	Grower
6	Mr.E.A. Hemachandra	Grower
7	Mr.Prasanna W	Grower
8	Mr. Kasun Wakirigala	Exporter
9	Mr. Somathilaka Adhikari	Grower
10	Mr. Dhananjaya Mannayake	Grower
11	Mr. Daminda Mannayake	Grower
12	Mr.K.D. Perera	Grower
13	Mr.W.A.C. Kumara	King Coconut Water Exporter
14	Mr.P.K.B.D. Mayura Dheshapriya	Grower
15	Mr. R.A.C. Kumara	Coconut Oil Producers
16	Mr. N.M. Ganesh Kularalu	Coco Chip Exporter
17	Mr. Sarath Mayadunna	Coco production
18	Mr. K.J. Surendran	Grower
19	Mr. Lakshman Ranasingha	Industry-Cocopeat
20	Mr. Rohana Ariyapala	Exporter – Coco Agro

Focus Group Discussion at Labuduwa, Galle on 25th June 2025

No	Name	Position in the Value Chain
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Field Organizers		
1	Mr. H.G. Hemantha	Regional Manager
2	Ms.L.N. Madavi Dhedunu	Project Manager
3	Ms. K.M.G. Nishanthi	Development Officer
4	Ms. W.V. Nadeesha Yasangika	Development Officer
Participants		
5	Mr. Thilakarathna Gamage	Grower
6	Mr. Indika Sanjeewa De Silva	Grower
7	Mr. B.G. Nandasena	Grower
8	Mr. H.J. Harichandra	Grower
9	Mr. N.A. Chinthaka Gunarathna	Coconut Oil Producer
10	Mr. B.D. Darmasena	Grower
11	Mr. W. Jayathilaka	Grower
12	Mr. D.D. Sooriyaarachchi	Collector
13	Mr. V.C. Dissanayake	Grower
14	Mr. V.A. Jayathilaka	Collector
15	Mr. W.V. De Silva	Grower
16	Mr. M. Samarasekara	Grower
17	Ms. R.P. Thilakshi De Silva	Grower
18	Mr. P.L.D. Pushpakumara	Grower

Focus Group Discussion at Vehera, Kurunegala on 12th June 2025

No	Name	Position in the Value Chain
Field Organizers		
1	Mr. R.A.L.C. Ranasinghe	Officer, Coconut Development Board
2	Mr. R.A.P. Mahilal	Extension Officer, CCB, Kurunegala
3	Mr.Y.M.U.D.K. Yapa	Extension Officer, CCB, Kurunegala
4	Mr. R.I.B. Senarathna	Extension Officer, CCB, Kurunegala
5	Ms. P.R.T. Dilhani	Extension Officer, CCB, Kurunegala
Participants		
6	Mr. B.M.K.D. Wanninayake	Industry
7	Mr. M.M. Priyantha Kumara	Grower
8	Mr. A. Senadheera	Grower
9	Mr. S.D.S.C. Sumararathna	Grower
10	Mr. R.M. Mahindha Rasayake	Grower
11	Mr. L.M.S. Sisira Kumara	Coaltech Industries Pvt. Ltd
12	Mr.D.S.L.B. Doloswala	Grower
13	Mr. U.D.N.N. Udawaththa	Grower
14	Mr. Janaka Pathirana	Grower
15	Mr. Kanishka Prabbath	Grower
16	Mr. Samantha Wijesiri	Grower
17	Mr. Lalith Gunawardhana	Grower
18	Ms. P.D. Kalyani	Grower
19	Mr. P. Weerackody	Grower
20	Mr. W.C.A. Caldera	Grower
21	Mr. Ranjith Balasooriya	Grower
22	Mr. E.M. Siriwardhana	Grower

23	Ms. W.M.S.B. Wijekoon	NDC Exports (Pvt) Ltd
24	Mr. S.P.D.C.S. Pathirana	Grower
25	Mr.Indika Priyantha	Grower
26	Mr.Samantha Pradeep Warnakula	Grower
27	Mr.S.P.D.S.Pathiraja	Grower
28	Mr.Thilina Bandaranaike	Grower

Focus Group Discussion at Puttalam, 16th June 2025

No	Name	Position in the Value Chain
Field Organizers		
1	Mr. S.G.V.J.N. Senarath	Regional Manager, Marawila
2	Ms.S.M.M.K. Pushpitha	Extension Officer-Marawila
3	Mr. D.M.S. Dissanayake	Development Officer - CDA
4	K.M.N.S. Wijewardana	Development Officer- CDA
Participants		
5	Mr. K.S. Newton	Grower
6	Mr. S.A. Upali Ranasingha	Grower
7	Mr. M. Chanuka Fernando	Grower
8	Mr. Derrick Symons	Grower
9	Ms. Sandeya Wijewardana	Grower
10	Mr. W.B.J. Thissera	Grower
11	Mr.P.A.D.A.S. Santha Appuhamy	Grower
12	Mr. L. Kalana Geesara Perera	Desiccated Coconut Producer
13	Mr. M.A.H.K. Marasingha	Grower
14	Mr. Charaka Mangala	Cultivator
15	Mr. K. Hettiarachchi	Officer
16	Ms. Rohana Saraswathi	Officer
17	N.M. Dhulhi Kameera	Officer – M. A
18	K.H.R. Wijayakeerthi	Officer – M.A
19	M.L.D.N. Roland	M. A
20	J.A.D. Vimantha Ginan	Extension Officer
21	W.A. Nishani Kanjana	Extension Officer

Focus Group Discussion in Mannar on 17th June 2025

No	Name	Position in the Value Chain
Field Organizers		
1	Mr. S. Antony Prathees	Development Officer
2	Ms.M.H.F. Safana	CDO
3	Mr.A. Thananjayen	CDO
4	Mr. Sandan Manjula	Regional Manager-CCB

Participants		
1	Mr.S.A. Rahuman	Grower
2	Mr. A.K.M. Siyath	Grower
3	Mr. A.R.M. Mohammad	Grower
4	Mr. C.A. Nalenthana	Grower
5	Mr.A. Nitharshan	Grower
6	Mr. Saiyathu Nayimpillai	Grower
7	Mr. S. Yogarajah	Grower
8	Mr. A.M. Musthakeem	Grower
9	Mr. M.S.M.Ahubar	Grower
10	Mr. S.M. Rasith	Grower
11	Mr. J. Wajeeth	Grower
12	Mr. S.M.Z. Haq	Grower
13	Mr. S. Kathirkamanathan	Grower
14	Mr. A.L. Mohammad	Grower
15	Mr. Y. Kaleel	Grower
16	Mr. S.M. Imaam	Grower
17	Mr. P. Rajendran	Grower
18	Mr. B.M. Hussain	Grower

Focus Group Discussion in Jaffna on 18th June 2025

No	Name	Position in the Value Chain
Field Organizers		
1	Mr. K. Swagunanathan	Development Officer
2	Ms. P. Subashini	Officer – Coconut Development Authority
3	Mr. E. Sathunan	Regional Manager
Particnts		
4	Mr. S. Sivaraja Singam	Grower
5	Mr. K. Rameesa Begam	Grower
6	Mr. S. Yathusan	Industry participant
7	Mr. J. Pirinthan	Grower
8	Mr. Siloojan	Grower
9	Mr. K. Pirabakaran	Grower
10	Mr. S. Sivakaran	Grower
11	Mr. B. Kugajanan	Grower

12	Mr. S. Thevarajan	Grower
13	Mr. M. Vakeesan	Grower
14	Mr. P. Sasi Roopan	Grower
15	Mr. S. Bamika	Grower
16	Ms. S. Yasotha	Grower
17	Mr. T. Selvaraj	Grower
18	Mr. V. Pirabakaran	Grower
19	Ms. K. Kamala Dhevi	Grower
20	Mr. K. Anuraaj	Grower
21	Mr. K. Mahinthan	Grower
22	Mr. S. Mathivathanan	Grower
23	Mr. P. Sermini	Grower
24	Ms. J. Jayanthi	Grower
25	Ms. E. Kumutha	Grower
26	Ms. V. Sathukala	Grower

Focus Group Discussion in Mullaitivu on 19th June 2025

No	Name	Position in the Value Chain
1	Mr. P. Thavamohan	Grower
2	Mr. S. Pirabakaran	Grower
3	Mr. M. Piratheepan	Grower
4	Mr. K. Kunaseelan	Grower
5	Mr. P. Ramesh	Grower
6	Mr. M. Amutharasa	Miller
7	Mr. V. Thurairasa	Grower
8	Mr. N. Jayakaran	Grower
9	Mr. S. Thuvaragan	Grower
10	Mr.K. Mageswaran	Grower
11	Mr. S. Krishnaraja	Grower
12	Mr. S. Ganesalingam	Miller
13	Mr. S. Jayakaran	Grower
14	Mr.T. Thayakaran	Grower
15	Mr. K. Kedilla	Grower
16	Mr. K. Kesawan	Grower
17	Mr. S. Kaladharan	Grower
18	Ms. S. Sujenthini	Grower

19	Ms. T. Kasitha	Grower
20	Ms. N. Yasothini	Grower
21	Ms. K. Rathinavalli	Grower
22	Ms. S. Vasantha Kumari	Grower
23	Ms. S. Pushpamala	Grower
24	Ms. S. Pushparani	Grower
25	Ms. A. Vijaya Nandhini	Grower

Focus Group Discussion at Nupe, Matara, 25th June 2025

No	Name	Position in the Value Chain
Field Organizers		
1	Mr. A.G.S. Rangaji	Officer, CDA
2	Ms. A.A.T. Lakmini	Management Assistant
3	Mr. P. Abesingha	Development Officer, CCB
4	Mr. C.R. Gunawardana	Development Officer, CCB
Participants		
1	Mr. R.K.C. Niroshan	Charcoal Producer
2	Mr. K.K. Karunarathna	Kapruk Society
3	Mr. M.B. Nimal Piyathilaka	Charcoal Producer
4	Mr. A.P. Liyanage	Coconut Oil Producer
5	Mr. Sampath Buddhika	Grower
6	Mr. C.H. Jagathpriya	Grower
7	Mr. W.P. Sumanasena	Coir Producer
8	Mr. Samith Gunasekara	Grower
9	Mr. Ashoka Indika Wikramage	Producers
10	Ms. Maleesha Withanage	Grower
11	Mr. Damith Samarakoon	Grower
12	Mr. Wijitha Siriwardana	Grower
13	K. Ariyadrasha	Grower
14	Ms. S.P.A. Lasanthi	Development Officer
15	Ms. G. Sumudu Nirmala	Development Officer
16	Ms. B.K. Gimhani	Development Officer
17	Ms. H.W.S. Sewwandi	Development Officer
18	Ms. W. Priyanka	Development Officer
19	Mr. D.L.A. Wasantha	Development Officer
20	Mr. Chamara	Development Officer

Focus Group Discussion in Kurunegala, 7th of August 2025

No	Name	Position in the Value Chain
1	Mr. Sujith Bandula	Collector
2	Mr. Rohan Herath	Collector
3	Mr. M.M.K. Kumarathunga	Collector

Draft for Public Comments



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