



**Food and Agriculture
Organization of the
United Nations**

Sri Lanka

**Sida's contribution to the
Special Fund for Emergency and
Rehabilitation Activities (SFERA) –
Anticipatory Action window**



Protecting the livelihoods of smallholder farmers to mitigate the impacts of the economic crisis

Sri Lanka is witnessing an unprecedented economic crisis, with the situation further worsening due to the effects of the war in Ukraine. Challenges in public finance and the significant reduction in agricultural production compounded by rising prices and limited availability of fuel are disrupting livelihoods. The depreciation of the national currency by more than 70 percent since March is reducing households' purchasing power. This may lead to food shortages in the upcoming months, severely affecting populations' food security.

In April 2021, the import of chemical fertilizers was banned without adequate preparation and training for farmers, and with limited availability of organic fertilizer. Although the ban was lifted in November 2021, crop production of the 2021/22 Maha agricultural season (October–March) was nearly halved. Due to insufficient and increased costs of inputs, only few farmers were able to cultivate their fields for the 2022 Yala season (May–September), leading to further production declines.

As a result, 4.9 million people (22 percent of the population) in Sri Lanka currently require food security and livelihoods assistance. If immediate support isn't provided, households will be unable to cover their basic food needs.



Pooling efforts to support Sri Lankan farmers now is critical. With 40 percent of the population engaged in agriculture or livestock, providing vulnerable households with livelihood support will quickly help boost food production and improve their food security. Thanks to the Swedish International Development Agency's (Sida's) contribution to the SFERA – Anticipatory Action window, the Food and Agriculture Organization of the United Nations (FAO) is not waiting for the worst but acting now. Unconditional cash transfers will be provided to 8 750 of the most vulnerable smallholder farmers to protect their agricultural livelihoods and ensure access to food. Cash transfers enable families to buy farming inputs as well as food to consume while their crops are growing.

The intervention will benefit green gram (or mung bean) farmers in seven of the main green gram-growing districts. This type of bean grows at the end of the Yala season and does not require much fertilizer nor land preparation, and is a staple household cooking item for many Sri Lankans. Enhancing its production will help farmers and communities meet their protein requirements, as costs of animal-based protein sources rise. Furthermore, green grams fix nitrogen in the soil thereby supporting farmers' transition into the upcoming Maha season in the context of limited access to fertilizer. The project will prioritize female-headed households given their greater vulnerability, to help them move out of poverty. It will also target households owning less than 0.5 ha of land, who are among the hardest hit by the crisis.

Acting early, through the provision of cash transfers, can keep farmers in their fields, protect food security and build resilience.

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