



PROJECT PROGRESS SHEET

SUSTAINABLE PRODUCTION FOR SMALL AND MEDIUM ENTERPRISES IN THE FOOD AND BEVERAGE INDUSTRY IN SRI LANKA



Legend

- Eligible countries where SWITCH-Asia projects are implemented
- Eligible Asian countries for the SWITCH-Asia programme
- Non-eligible Asian countries for the SWITCH-Asia Programme

Project implementation area

- City
- Region
- Country

The boundaries shown on this map do not imply on the part of the European Union any judgment on the legal status of any territory or the endorsement or acceptance of such boundaries.



**BRIEF PROJECT
DESCRIPTION**

The main objective of the project is to improve the environmental performance of the food and beverage (F&B) sector in Sri Lanka through promotion of best practices of sustainable production among SMEs.

The institutional strengthening element of the project (phase 1) had progressed well. The project team members had enhanced their knowledge on how to apply sustainable consumption and production practices (SCP) to industry and to continuously gain practical know-how via regular training.

The implementation part of the project (phase 2) – SCP in SMEs in the F&B industry – had started but was progressing slowly. Obtaining sufficient numbers of SMEs interested and committed to participate had become a challenging process.

More than 100 SMEs were selected and trained on SCP utilising the cleaner production concept.

About 40 SMEs were trained on food safety standards and on certification.

PROJECT PARTNERS

Ceylon Chamber of Commerce (CCC), Sri Lanka; IVAM UvA BV, The Netherlands; Confederation of Indian Industry (CII), India; Industrial Technology Institute (ITI), Sri Lanka; Industrial Services Bureau (ISB), Sri Lanka; Industrial Development Board (IDB), Sri Lanka.

PROJECT IMPACT

The project is making an impact in the North Western Province, North Central Province, Southern Province, Western Province, North Eastern Province, Northern Province and Eastern Province, Sri Lanka.

PROJECT ABBREVIATION

SCP in F&B Industry (Sri Lanka)

PROJECT WEBSITE

<http://www.chamber.lk/switchasia>

PROJECT DURATION

January 2009 – December 2012

TARGET GROUPS

Small and medium-sized enterprises (SMEs) in the food and beverage sector who are the main receivers on best practices for sustainable production by optimisation on the usage of natural resources (raw materials, energy and water).

**PROJECT MANAGER
ORGANIZATION
ADDRESS**

Mr S.M. Sathiacama
The Ceylon Chamber of Commerce
C/o CCC Solutions (Pvt.) Ltd.,
3rd Floor, IBM Building, No. 48, Nawam Mawatha, Colombo 2, Sri Lanka

**E-MAIL
TELEPHONE
FAX**

smsathi@cccsolutions.org
+ 94 11 5588897
+ 94 11 5588866

OUTPUTS TO DECEMBER 2009 TO BE SHARED WITH WIDER AUDIENCE



One hundred and sixty SMEs were selected for training out of which 122 took a two-day training programme on SCP and 205 participants attended the programme. Training programmes on food safety standards and certification were conducted to 42 SMEs and 104 participants participated in the programme.

Hands-on support for SCP was given to 25 SMEs where a total of 42 factory visits were undertaken. Gap analysis for certification was done for 20 SMEs after visiting their facilities.

Two SMEs had already obtained Certification (for ISO 22000:2005 and for GMP certificate).

There are success stories from three SMEs who made a full commitment to this programme.

Further details can be obtained from the Project office. Contact person:

Mr. S.M. Sathiacama

Project Director SWITCH-Asia programme

Address:

C/o CCC Solutions (Pvt.) Ltd.

3rd Floor, IBM Building, No. 48,

Nawam Mawatha, Colombo 2, Sri Lanka

Telephone: + 94 11 5588897

Fax : + 94 11 5588866

Email: smsathi@cccsolutions.org

RESULTS ACHIEVED TO JANUARY 2010

It is interesting to note that most of the SMEs who have undergone the 2-day class room training on SCP and received hands-on support at their factory sites are in the process of getting involved in implementing the feasible options generated for improvement.

The SMEs who took the opportunity of gaining knowledge on food safety standards and certification have shown interest in complying with food safety standards and are in the process of obtaining HACCP / ISO certification.

The three SMEs who are fully committed to

this programme have reduced their consumption of energy and water. Over a three-month period following implementation of the options the gains were averaging reductions in consumption of electricity by 18%, of fuel by 13% and of energy by 16%. The replication mechanism of SCP is based on showing success stories in the project training programmes.

Dialogue was initiated with officials of the relevant Ministry and environmental authorities for conducting round table meetings on policy reforms.

LESSONS LEARNT SO FAR

The process of selection of the SMEs for the training is being changed by conducting an awareness programme through a local partner (IDB) with its relevant network across the country.

The agenda of the two-day training programme was amended to encourage SMEs to actively participate. Suggestions for improvements in environmental performance are being generated through the employee participation in the brain-storming session at the plant sites for effective implementation.

The challenges encountered in the project are:

- Lack of available data to analyse inefficiencies due to inadequate internal monitoring systems;
- Financial constraints to investing in feasible options,
- Lack of properly defined incentives for the optimal usage of natural resources (water, energy and raw materials) and therefore no stimulus for enterprises to become more efficient;

- Lack of an appropriate "polluter pays principle" in place in Sri Lanka e.g. an adequately enforced licensing system;
- Lack of customised financial mechanisms to support SMEs (with limited collateral) via (soft) loan programmes to overcome the financial hurdles;
- The Ministry of Environment and Natural Resources in Sri Lanka is a major stakeholder, which could play a prominent role to enforce laws on SCP for sustainability gains.
- Initially it was difficult to get participation for the programme but this was overcome by conducting awareness programmes.

OUTREACH AND SYNERGIES

The lead applicant (the Ceylon Chamber of Commerce) is involved in two other SWITCH-Asia projects:

1) as a project partner since the beginning of 2009 of the ITI project on Enhancing Environment Performance in Key Sri Lanka Exports; and

2) as the lead applicant in the recently started project Greening of Sri Lanka Hotels. Some synergistic impacts are evident and contacts have been made with the relevant project officers to communicate with each other on a regular basis and share experiences and lessons learned.



With regard to the ITI project, the most relevant potential synergy will be to share some best practices and technologies applied in F&B industries and thereby upgrade the supply element of the current project. In regard to the greening of Sri Lanka Hotels, the most relevant potential synergy will be that large hotels could play an influential role in purchasing green food and beverages giving leverage for the demand component of the project. The project continuity is through promotion of networking through Green Clubs,

which are being promoted by the All Ceylon Bakery Association, Sri Lanka Coconut Development Authority, Agri-Business Council and the Rotary Club.

Through an awareness-raising programme the local population is getting to know the project. The authorities (Ministry of Environment and Natural Resources and Ministry of Industrial Development) are also aware of the project as their Ministers inaugurated the training programme.



PROJECT HIGHLIGHTS

The project participated in the EDEX 2010 exhibition which presents education, employment and the environment to school leavers. The Green Zone was on the concept of 'Think Green' to showcase sustainable initiatives in education,

business, renewable energy, recycling and bring focus on the changes needed in habits and behaviour on Green Environment, Green Food and Green Energy. This was one of the SCP awareness-raising activities.