



Investing in rural people

## Take CSR to the Next Level

**A case study on converting basic CSR initiative to a sustainable value chain driven producer-  
Public-Private Partnership (P4)**

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The bees, “Mee Massa” in Sinhala (*Apis cerana*), is one of four honeybee species found in the Island. Sri Lanka is home to 148 species of bees of which 21 are endemic and are playing a key role to maintain a sustainable ecology, and at a time when development equates the felling of forest cover and the use of toxic chemicals as fertiliser and for pest control, the systematic breeding of bees is a breath of relief. Sri Lanka's rich biodiversity incorporates a range of ecosystems, from rain forest to arid scrub land. And although the country is small in size, the Island has been identified by Conservation International as one of the world's 25 biodiversity hotspots, with 2,180 unique plant species.

Honey gathering has a long history in the country. Bee honey has long been associated with the country's indigenous aboriginal “Veddah” people, who used it not only as food but a barter product as well. Bee honey is valued by Sri Lanka's “ayurvedic” traditional medical system, where it is an essential ingredient in various medicines. The practice of beekeeping was introduced around 1940 by the then State Department of Agriculture, but never quite caught on. People generally consider bee keeping as an additional income and never look in to expand that in to commercial scale, although the country imports 60-80 Mt of bee honey where the production is stagnated around 20 Mt per annum. Over the past decade, the country has witnessed the resurgence of beekeeping, albeit at a slow pace, some of the Agribusiness private sector giants of the country has intervened, understanding the importance of the industry in monetary terms as well as to the country as a whole.

Confectionary giant, Ceylon Biscuit Limited (CBL) started such initiative back in year 2005 as a CSR project following a request made to the company by the then Director of Agriculture in the Uva Province of Sri Lanka. Bee honey production in Uva Province has flourished during the time of the “Mahaweli” upper catchment area development project, but suffered a natural decline when the project ended due to a variety of reasons such as lack of marketing facilities and technical support. As a result, the number of beekeepers have declined and those who continued in the industry faced a multitude of problems. With this initial timely intervention, CBL has managed to build the confidence among selected 150 bee keepers and the efforts were further reinforced with the intervention of the United Nations Development Programme (UNDP), which provided financial assistance to purchase beekeeping equipment and enhanced training facilities. Although the concept was successful as a CSR initiative, which highlights in various awards which the company has won during the period, the sustainability of the activities was questionable where the intervention was stagnated after 4-5 years of implementation.



National Agribusiness Development Program (NADeP), which is under the purview of Presidential Secretariat of Sri Lanka and co-financed by Government of Sri Lanka (GOSL) & International Fund for Agricultural Development (IFAD) has promptly rose to the occasion back in year 2014 with a completely different approach by introducing Producer-Public- Private Partnership (P4) concept together with CBL by including 600 beneficiaries with the intention of long term sustainability for the same CSR initiative. In addition, the focus was to replace the supply chain driven value chain which was already established by the CBL by a value chain driven P4 partnership with priority to all stakeholders where NADeP has looked after the infrastructure requirement of the beneficiaries by provision of bee boxes, veils & smokers and especially an extractor which was invented by a beneficiary itself highlights the beauty of the P4 concept where the producer element graduated to a role of supplier in the value chain. In addition, NADeP has given a special priority for training and development activities of the project by incorporating government sector expertise together with their own social mobilizers' network while the company has deployed a separate extension team to work in unison with others to keep the beneficiaries updated with modern techniques of bee keeping for better productivity which results in higher income.

As of May 2017, NADeP has invested 4.75 LKR on behalf of the beneficiaries whereas CBL has pumped nearly 3.88 Mn LKR for this partnership and the beneficiaries have supplied more than 6,164 kg of bee honey worth of 3.1 Mn LKR at a guaranteed price since the project inception. The intervention correctly addressed the issue of seasonal price variation of bee honey, where the bee keepers can earn extra during the festive months of Ramadan (July- August) but struggle to sell during other months to keep a stable income, and with a forward sales contract stipulating a guaranteed price minimized the issue quite effectively and beneficiaries are able to sell any quantity throughout the year now.

Moreover, the entire partnership has benefited by the company's sophisticated sales and marketing network and as a company who is renowned for value addition, a product has been introduced with the incorporation of medicinal garlic to the fresh honey derived from beneficiaries. The uniqueness of this product is the usage of special kind of garlic commonly known as medicinal garlic (Rahanagala variety or the "Beheth Sudulunu") and project encourages beneficiaries to grow this variety commercially which provides them with much needed additional income as well.

Overall, the partnership is a classic example of changing a supply chain driven CSR initiative to a more sustainable value chain driven P4 partnership and NADeP has pioneered the concept with many leading Agri-business companies in Sri Lanka revolutionizing many industries with the change of mindsets of all stakeholders for the betterment of the country in years to come as well.

