

Australia's MDF and Biomass Supplies partner to promote sustainable agro-energy and improve rural livelihoods

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The Australian Government-funded Market Development Facility (MDF) has partnered with bio-resources development company Biomass Supplies (a subsidiary of Biomass Group) to promote a sustainable agro-energy model to protect Sri Lanka's forests, support clean energy generation and improve the livelihoods of rural women and farming communities.

The partnership will support Biomass Supplies to expand its network of farmers by over 13,000, supported by 300 female Village Coordinators. The new farmer network will grow *Gliricidia Sepium* – commonly known as 'Gliricidia' – around their farm plots as fences and harvest branches to generate fuelwood for local industry energy requirements. This is deforestation-free, sustainable, traceable and certified fuelwood.

The energy sector is the largest emitter of greenhouse gases in Sri Lanka, accounting for 40 percent of emissions. Without actions to combat climate change, annual energy-related greenhouse gas emissions in Sri Lanka are expected to rise from 10.5 million tons in 2005 to 57 million tons in 2030 (Asian Development Bank).

At present, Sri Lanka's demand for sustainable energy is largely driven by the manufacturing sector targeting export markets, such as the apparel industry, which are responding to international consumer preferences. Through this partnership, MDF and Biomass Supplies aims to encourage Sri Lanka's industries to switch from fossil-based fuels or forest fuelwood to a sustainable, carbon-neutral source of fuelwood. For this, Biomass Supplies will supply woodchips to these industries to meet their clean energy needs.

“Australia is proud to support Biomass Supplies to introduce this source of clean energy for local industries that will generate an additional income for rural farmers and women, through the work of MDF,” noted Amanda Jewell, acting Australian High Commissioner to Sri Lanka. “This partnership will connect smallholder farmers with Biomass Supplies as supply sources of sustainable fuelwood for industrial use that has the potential to make a significant contribution to Sri Lanka’s renewable energy needs and combat climate change by reducing greenhouse gas emissions and deforestation.”

With MDF support, Biomass Supplies will train 300 new female Village Coordinators to support the farmers with Gliricidia fence cultivation and provide agricultural information, while also helping the farmers sell cash crops directly to agricultural buyers. Biomass Supplies and MDF will provide the Village Coordinators with access to smartphones to facilitate traceability and coordinate the logistics between the farmer and Biomass Supplies. This will increase the Village Coordinators' digital literacy and organisational skills and enable farmers to earn higher incomes.

Village Coordinators will also educate the farmers on the use of Gliricidia leaves to make organic fertilizer, pesticide and fungicide, facilitating immediate savings on their agro-chemical inputs.

“What we do is offer hope; an opportunity of a stable income, skill development and a means for a woman to gain financial independence. Partnering with Market Development Facility and the Australian Government through our shared values will have transformative impact in our agricultural communities in Sri Lanka. And a beautiful demonstration of UN Sustainable Development Goal 17 in action – especially on inclusive development,” noted Ms. Lucky Dissanayake, Founder of Biomass Supplies.

As Australia’s flagship private sector development program, MDF’s engagement in the project is part of Australia’s broader support to Sri Lanka’s robust and sustainable economic development. Investing in the energy sector with a strong focus on the private sector will assist Sri Lanka to achieve climate resilience while continuing to support income avenues for rural communities and generate export earnings for industries.

“Biomass Supplies is at the forefront of the renewable energy movement in Sri Lanka. Agro-energy is a readily-available, affordable and clean energy solution that can boost rural economies while sequestering carbon” added Ms. Momina Saqib, MDF Sri Lanka, Country Director.

“This model will create long-term value-oriented relationships between farmers and the Village Coordinators and improve financial and digital literacy for women, contributing to their economic empowerment.”

The MDF-Biomass Supplies partnership aims to benefit approximately 13,000 farmers by 2025. The partnership will enable each farmer to produce approximately 10 MT of Gliricidia firewood per year and each Village Coordinator to save emissions of approximately 195t CO₂ per year, contributing to a total annual reduction of approximately 58,500t CO₂ emissions. The Village Coordinator model is also scalable and can be adopted across Sri Lanka to greatly benefit rural communities.

Biomass Supplies is the first in South Asia to achieve Roundtable on Sustainable Biomaterials (RSB) certification and the only SLS 1551 certified biofuel supplier in the country.

MDF is funded by the Australian Government and implemented by Palladium, in partnership with Swisscontact.

About MDF

Market Development Facility is an Australian Government funded multi-country initiative which promotes sustainable economic development, through higher incomes for women and men, in our partner countries.

We connect individuals, businesses, governments and NGOs with each other, and with markets at home and abroad. This enhances investment and coordination and allows partnerships to flourish, strengthening inclusive economic growth.

MDF is funded by the Australian Department of Foreign Affairs (DFAT). It is implemented by Palladium in partnership with Swisscontact.

In Sri Lanka MDF works in agriculture and fisheries. Organic herbs and spices, blue swimmer crabs and giant freshwater prawns are the other sub-sectors within agriculture and fisheries space supported by MDF's projects.

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If you would like further information or interviews, please contact

Buddhi Feelixge, Communications Specialist Sri Lanka

Buddhi.feelixge-mdf@thepalladiumgroup.com

0768292453



Fiji: Garden City Business Park, Grantham Road, Suva, Fiji

Pakistan: 95-E/1, Syed Shamshad Haider Road, Hali Road, Gulberg III, Lahore, Pakistan

Papua New Guinea: Level 6, PwC Haus, Harbour City, Port Moresby, Papua New Guinea

Sri Lanka: No. 349, 6/1, Lee Hedges Tower, Galle Road, Colombo 03, Sri Lanka

Timor-Leste: 2nd Street, Palm Business & Trade Centre, Surik Mas, Dili