



MDF Sri Lanka's Approach to Climate Change

MDF Sri Lanka works across sectors to support businesses build climate resilience and sustainable practices, by identifying requirements specific to their operations as well as sector. MDF recognises that partners may be reluctant to invest in climate change adaptation or mitigation, given that the short-term costs are often perceived to outweigh the benefits. Our strategy for climate change builds a compelling business case for change, as we do for women's economic empowerment. Investing in climate change adaptation, disaster risk reduction and resilience can be a cost-effective way of protecting business, supply chains and communities.

An MDF 'intervention' is a set of market-based activities that MDF and its partners engage in, collaboratively, to improve the overall functioning of a market system.



How we classify interventions:

Specific measures for reducing risk of climate change and reducing the vulnerability of human/natural systems to the impacts of climate change by **maintaining or increasing adaptive capacity and resilience.**



Adaptation



Mitigation



Cross cutting

Designed to address both Adaptation and Mitigation aspects.

Measures to limit emissions of GHGs; **or**

Protect and/or enhance GHG sinks; **or**

Integrate climate change in planning and practice to reduce/control GHG emissions; and help partner meet emissions reductions.

Our approach to climate integration occurs in three stages: sector analysis and strategy development, intervention design and implementation, and measurement and learning.

Making the strategy work

Since 2021, MDF has strategically integrated climate change adaptation activities into existing interventions. In 2022, MDF broadened its scope and started building a portfolio that specifically addresses climate change impact and risk in the sectors in which we work. At present, over 50% of MDF Sri Lanka's portfolio has been adjusted or designed to address climate change concerns, with the majority of interventions addressing both adaptation and mitigation.

Partnerships



Ellawala Horticulture

Climate-smart agriculture

MDF collaborated with Ellawala to expand an organic backyard sourcing model, providing farmers with inputs and advisory support to implement elements of climate smart agriculture (CSA). The CSA practices sought to sustainably increase productivity, strengthen resilience to climate change amongst dry zone farming families by introducing crop diversification, and reduce emissions whilst promoting carbon storage on farmlands. Farmers recognised the commercial benefits of organic farming, leading to reconsideration of traditional agrochemical reliance. The investment has resulted in increasing sourcing networks for Ellawala whilst also positively impacting local agriculture, fostering sustainable practices.



Authenticities Sri Lanka

Low-carbon tourism

MDF partnered with Authenticities Sri Lanka to develop and launch Sri Lanka's inaugural low-carbon tour. This innovative tour concept will be initially promoted within the UK market, targeting the high-yield, eco-conscious segment. As a part of this initiative, Authenticities' suppliers will undergo training and guidance on measuring their carbon emissions, with the goal of progressively reducing their emission levels.

Once launched, MDF and Authenticities will look to showcase the success of these low-carbon tours to the Sri Lankan tourism industry, attracting a new category of travelers and propelling the industry toward a sustainable trajectory.



Up Country Brothers (UCB)

Climate adaptation strategies

A critical part of the coffee processing value chain involves effective drying of coffee cherries. However, changing rainfall patterns and temperatures have rendered the traditional sun drying method ineffective, leaving residual moisture in cherries resulting in a lowering of the overall quality of the coffee.

MDF supported UCB to set up dry houses with sun drying nets which meant cherries could be dried year around, under cover, and the quality of the cherries could be preserved. The success of this investment encouraged other coffee processors to set up their own dry houses as a adaptive measure and long term mitigation against changing climate patterns.



DIMO

Climate-resilient inputs

MDF partnered with DIMO to increase accessibility of the MICH1 hybrid chili seeds for dry zone farmers in Sri Lanka. These seeds are specifically designed to withstand the high temperatures and heat of the dry zone, effectively preventing heat-induced diseases like leaf curl complex. Increased disease resilience results in higher yield for farmers. With MDF's support, four polytunnels have been established at Dimo's Agri Techno Park in Dambulla, which will ultimately enhance the availability of these resilient seeds in the local market.

The polytunnels are equipped with micro irrigation systems, climate control units, controlled fertiliser application and crop protective materials that promote CSA.

