



SUMMARY REPORT

Developing Narratives: Communicating the Role of Climate Finance and Sustainable Finance for Sri Lanka's Agriculture Sector

Event title:	Developing Narratives: Communicating the Role of Climate Finance and Sustainable Finance for Sri Lanka's Agriculture Sector
Date:	Friday, August 30th, 2024, 9.00-10.30 am IST
Venue:	Cinnamon Grand Colombo
Participants:	See Annex II
Organisers:	SLYCAN Trust, ClimaComms, and the Sustainable Development Council of Sri Lanka

1. Introduction

Sri Lanka's agriculture sector, comprising small-scale farmers, rural communities, agribusinesses, and entrepreneurs, faces numerous challenges, exacerbated by climate change. Rising temperatures, coupled with erratic weather patterns and shifting climatic conditions, disrupt agricultural schedules and degrade farmland quality, leading to reduced crop yields. This situation poses a significant threat to food security and the livelihoods of those reliant on agriculture. Consequently, there is an urgent need for an ecological, climate-friendly, and resilient transition within the sector.

Achieving this transition requires substantial investment in climate-smart agriculture and sustainable value chains to improve productivity, manage risks, and mitigate environmental and socio-economic impacts. However, access to traditional financing mechanisms remains a challenge due to the perceived low profitability and high risks associated with agriculture. Public finances are further constrained by limited budgetary allocations, rising borrowing costs, and elevated interest rates.

In this context, a high-level dialogue was organised by SLYCAN Trust in partnership with ClimaComms, and the Sustainable Development Council of Sri Lanka on 30th August 2024 at the Cinnamon Grand Hotel, Colombo. The event aimed to address these challenges and explore sustainable solutions, including the critical roles of climate finance and sustainable finance. It brought together key stakeholders to discuss strategies for effectively communicating the benefits of climate finance to Sri Lanka's agricultural sector, building a compelling narrative around the country's successes.

The **specific objectives of the dialogue** were to:

- Engage key actors from the finance, agriculture, government and private sectors in brainstorming strategic approaches to communicating about climate and sustainable finance.
- Reflect on the interconnections between climate finance, sustainable finance, and agricultural resilience at the micro, meso, and macro levels.
- Identify opportunities to enhance access to resources, develop relevant mechanisms, and establish effective communication pathways.
- Strengthen collaboration between the public and private sectors for sustainable development and resilience-building in agriculture.
- Foster consultative discussions among stakeholders to collectively understand the contribution of climate finance toward achieving sustainable agricultural practices.

2. Structure of the event

The informal dialogue was designed to encourage greater interaction and idea exchange among participants from diverse sectors. The event commenced with an opening session, followed by group discussions centred on two key questions, and concluded with closing remarks.

The event began with opening remarks by Mr. Dennis Mombauer, Director of Research and Knowledge Management at SLYCAN Trust. This was followed by three breakout group discussions that aimed to address two central questions:

1. What strategies can be employed to effectively communicate the tangible benefits of climate and sustainable finance narratives to stakeholders in Sri Lanka's agriculture sector, particularly smallholder farmers and rural communities?
2. How can local success stories and case studies be leveraged to build a compelling narrative that demonstrates the impact of climate finance on enhancing resilience and productivity in Sri Lanka's agriculture sector?

Participants engaged in dynamic discussions during the breakout sessions, exchanging recommendations, insights, and experiences. The event concluded with a summary of key takeaways and closing remarks delivered by Ms. Chamindry Saparamadu, Director General of the Sustainable Development Council.

3. Key insights on sustainable financing in the agriculture sector

Strategies for Effective Communication

Category	Key Findings	Recommendations
Aligning with the Sri Lanka Green Finance Taxonomy	<ul style="list-style-type: none"> The benefits of climate finance are not effectively communicated at the community level to farmers and value chain actors. 	<ul style="list-style-type: none"> Develop targeted communication materials that illustrate the long-term advantages of climate finance and its agricultural applications. Use community workshops and training sessions to convey these benefits.
Addressing Knowledge Gaps	<ul style="list-style-type: none"> Knowledge gaps exist about climate finance and its instruments at all administrative levels. Messaging needs to be tailored for each level. 	<ul style="list-style-type: none"> Identify and address knowledge gaps at all administrative levels. Develop tailored messaging for different levels of administration and stakeholders.
Mainstreaming Communications	<ul style="list-style-type: none"> Communications are often siloed and lack integration with value chain development and ecosystem approaches. Sustainability and climate action need to be embedded into agribusinesses. 	<ul style="list-style-type: none"> Integrate communications with value chain and ecosystem approaches. Ensure that messaging reflects a comprehensive view of sustainability and climate action across the agriculture sector.

Developing Consistent Narratives	<ul style="list-style-type: none"> Many interventions are isolated, leading to inconsistent messaging. There is a need for unified narratives across departments and institutions. 	<ul style="list-style-type: none"> Develop and implement consistent narratives and frameworks to ensure coherent messaging across departments and institutions.
Challenges in Finance Communication	<ul style="list-style-type: none"> Farmers often prefer informal finance options and are unfamiliar with formal systems. Effective communication strategies are needed to demonstrate the benefits of formal finance. 	<ul style="list-style-type: none"> Develop communication strategies that highlight the benefits of formal finance systems and address farmers' preferences for informal finance options.
Leveraging Existing Structures	<ul style="list-style-type: none"> High-level discussions on climate finance do not reach farmers. The involvement of chambers of commerce and the private sector is limited, and smallholder societies are underutilised for information dissemination. 	<ul style="list-style-type: none"> Engage chambers of commerce and private sector actors to enhance awareness. Adapt communication materials to local languages and cultural contexts. Utilise smallholder farmer societies to disseminate information at the grassroots level.
Connecting Stakeholders	<ul style="list-style-type: none"> Communication should be bi-directional, involving engagement between policymakers and farmers. Breaking down silos is essential for effective communication. 	<ul style="list-style-type: none"> Foster bi-directional communication channels between policymakers and farmers Aim to break down silos and enhance stakeholder engagement.
Empowering Communities	<ul style="list-style-type: none"> Financial literacy is crucial for informed decision-making and resource management. There is a need to promote sustainable finance opportunities and build financial literacy, particularly of women-led businesses. 	<ul style="list-style-type: none"> Implement financial literacy programs and promote sustainable finance opportunities, with a focus on women-led businesses. Align these efforts with initiatives from the Central Bank Highlight the role of banks in offering green loans and tailor insurance products to specific risks.

Tailored Narratives	<ul style="list-style-type: none"> • Different stakeholders require specific messaging. • Communications should leverage the positive aspects of climate awareness. 	<ul style="list-style-type: none"> • Develop tailored narratives for various stakeholder groups, building on existing climate awareness to create positive and engaging communications.
Updating Training Curriculums	<ul style="list-style-type: none"> • Training curriculums for extension officers do not cover climate finance, risk finance, or modern communication techniques. 	<ul style="list-style-type: none"> • Update training curriculums for extension officers to include topics on climate finance, risk management, and modern communication methods.
Digital and Modern Communication Platforms	<ul style="list-style-type: none"> • Traditional extension methods are limited. While farmers use smartphones and apps, there is a lack of modern information dissemination channels. 	<ul style="list-style-type: none"> • Develop digital platforms, such as mobile apps, to provide real-time information on agricultural inputs, weather, and finance. • Create communication channels for farmers to ask questions and receive responses in their local languages.
AI-Driven Solutions and Automated Translation	<ul style="list-style-type: none"> • There is potential to use AI for translation and database accessibility. Current systems lack real-time, localised communication for farmers. 	<ul style="list-style-type: none"> • Implement AI-driven solutions for automatic translation and enhance database accessibility. • Ensure timely and accurate responses to farmers' queries in their local languages

Leveraging Local Success Stories

Category	Key Findings	Recommendations
Promoting Good Agricultural Practices	<ul style="list-style-type: none"> • Example practices include those supported by Unilever and Integrated Plant Nutrient Management. 	<ul style="list-style-type: none"> • Draft Good Agricultural Practices for the plantation sector to minimise emissions. • Use videos of successful practices funded by Unilever as case studies. • Highlight Integrated Plant Nutrient Management in line with the Green Finance Taxonomy.
Hosting Demonstration Plots and Field Days	<ul style="list-style-type: none"> • Regional Development Bank hires field officers from farming regions and uses the "Jana Hamu" initiative for community engagement. • Hands-on experience with climate finance-supported practices is critical. 	<ul style="list-style-type: none"> • Organise demonstration plots and field days to provide farmers with firsthand experience of climate finance benefits. • Establish networks for farmers to share experiences and learn from each other's successes and challenges.
Showcasing Cross-Sectoral Benefits	<ul style="list-style-type: none"> • Successful models include Andhra Pradesh's Champion Farmers and Ethiopia's Champion Farmer program, which emphasise farmer-to-farmer learning and community sharing. 	<ul style="list-style-type: none"> • Highlight how climate finance initiatives improve agricultural resilience, productivity, and broader economic and social development.
Creating Local Case Study Compendiums	<ul style="list-style-type: none"> • Regional examples of extensive engagement in agriculture and successful international models from Andhra Pradesh and Ethiopia. 	<ul style="list-style-type: none"> • Compile local success stories and international case studies into a comprehensive compendium. • Create a collective system, forum, or database for organisations to share and exchange success stories. • Use these resources as a reference to illustrate the practical benefits of climate finance.

Conclusion and next steps

The dialogue underscored the crucial role of ongoing stakeholder consultations and interactions in advancing climate finance strategies. It highlighted the necessity of developing targeted communication strategies to address the diverse needs of various stakeholders, ensuring a deeper understanding and more effective use of climate finance.

Key conclusions:

- **Central Repository Development:** Establish a central repository to compile case studies, success stories, and best practices. This repository will serve as a vital resource for stakeholders seeking information and insights into successful climate finance initiatives.
- **AI-Driven Solutions and Tailored Narratives:** Leverage AI-driven solutions to enhance communication channels, providing real-time translation and localised content to meet the diverse needs of stakeholders. Tailor narratives to different audiences, ensuring consistent messaging across departments, institutions, and sectors involved in climate finance.
- **Continuous Monitoring and Accountability:** Implement robust tracking frameworks to continuously monitor the outcomes and impacts of climate finance communications. Ensure that accountability mechanisms are in place to evaluate the effectiveness of these strategies.
- **Strategic and Inclusive Communication:** Focus on strategic, inclusive, and culturally sensitive communication as key drivers for advancing climate and sustainable finance within Sri Lanka's agricultural sector. This approach will help in aligning efforts with local contexts and stakeholder needs.
- **By focusing on these strategic areas, Sri Lanka can strengthen its agricultural sector's resilience and effectiveness in utilising climate finance, driving progress toward sustainable development goals.**

Organizational profiles

SLYCAN Trust is an international non-profit think tank working on climate change, sustainable development, risk management, finance, biodiversity and ecosystem conservation, animal welfare, and social justice including gender and youth empowerment. Our work spans the national, regional, and global level from policy analysis and evidence-based research to capacity-building and on-the-ground implementation.



Sustainable Development Council is established in terms of Sri Lanka Sustainable Development Act, No. 19 of 2017, the Sustainable Development Council is the nodal government institution with responsibilities for coordination, facilitation, monitoring, evaluation and reporting on the implementation of 2030 Agenda for Sustainable Development in Sri Lanka.



Annex I: Agenda

Time (IST)	Agenda Time
9:00 am -9:05 am	A brief introduction to the event [Mr. Dennis Mombauer]
9:05 am – 9:15 am	Round of introductions (at each table)
9:15 am -9:30 am	Breakfast
9:30 am-10:20 am	<p>1. What strategies can be employed to effectively communicate the tangible benefits of climate and sustainable finance narratives to stakeholders within Sri Lanka's agriculture sector, particularly smallholder farmers and rural communities?</p> <p>2. In what ways can we leverage local success stories and case studies to build a compelling narrative that demonstrates the impact of climate finance on enhancing resilience and productivity in Sri Lanka's agriculture sector?</p>

Annex II: List of participants

Organisers

SLYCAN Trust	Sustainable Development Council
<ol style="list-style-type: none"> 1. Mr. Dennis Mombauer - Director (Research & Knowledge Management) 2. Mr.Kavindu Ediriweera - Country Director- Sri Lanka 3. Ms.Dulanga Witharanage - Country Director (EthicalX: Climate & Innovation Hub) 4. Ms.Thamali Liyana Arachchi - Program Manager 5. Ms. Aisha Wahab - Junior Manager (Communications and Programmes) 6. Mr .Henry Mitchel - Programme and Communications Officer 	<ol style="list-style-type: none"> 1. Ms.Chamindry Saparamadu - Director General 2. Mr.Michael Iveson - EconomistMs. 3. Nadeeka Amarasinghe - Assistant Director

No	Institution	Name & Designation
1.	Department of Development Finance	Ms. Malarmathy GangatharanDirector General
2.	Central Bank of Ceylon	Ms. W. A. DilrukshiniAssistant Governor
3.		Ms. R. K. PereraDeputy DirectorMacroprudential Surveillance Department
4.	Ministry of Agriculture & Plantation Industries	Ms. W.M.D.T.WickramasingheAdditional Secretary (Tea Division and Plantation Policy)
5.		Ms. L.Sureka AttanayakaDirector (Development)
6	National Planning Department	Mr.Buddhika DiyagamaDeputy Director
7.		Ms.Vijini GunawardenaDeputy Director

No	Institution	Name & Designation
8.	Ceylon Chamber of Commerce	Mr. Sanjaya AriyawansaChief Economist
9.		Mr. Sanjaya AriyawansaChief Economist
10.		Ms.Imesha DissanayakaEconomist
11.	Women's Chamber of Industry & Commerce Sri Lanka	Ms. Tusitha KumarakulaisngamJt. Secretary / Board Member
12.	Regional Development Bank	Mr. D.S. PriyankaraSenior Manager - Credit & SME
13.		Ms.Uthpala GunawardenaDeputy Manager (Sustainability)