

# SRI LANKA

## Eco-innovation in action

### Case studies from around the world

In Sri-Lanka, the Eco-innovation Project was piloted by six businesses, all in the country's promising agri-food sector. Produce such as desiccated coconut, milk, vegetable protein and cinnamon are all part of Sri Lanka's diverse agri-food industry, but for these pioneering businesses driving eco-innovation, the economic successes are being matched by real progress for communities and the environment.

#### In Focus:

#### Eco-innovation in Sri Lanka – all about creating partnerships

A key pillar of the eco-innovation process, building partnerships has rarely featured so heavily as in Sri Lanka.

The Eco-innovation Project's participating businesses realised that many problems were linked to a lack of engagement with other partners in the value chain.

Now, with Sri Lanka's six eco-innovators committed to sustainability across the value chain, new collaborations have emerged:

Milk farmers are being educated and trained; R&D partnerships have been established with local universities and research institutes; local and international buyers are being engaged to boost sales; organic suppliers now supply greener produce; tourism agencies promote new eco-tourism destinations; technology providers enable more efficient processes; and government organizations provide connections and expertise on sustainable operations.

#### Who are Sri Lanka's eco-innovating businesses?

— **Asian Agro**, an SME from Kochchikade, used to produce desiccated coconut with high levels of waste and equally high energy bills. Through eco-innovation, the company now produces virgin coconut oil with higher profits and export potential, while minimizing wastes and also diversifying to new product lines.

— **Rasoda Dairies**, a dairy business previously hampered by lack of technology, low supplier productivity and high waste, has used eco-innovation to move from a production-centric business model to a partnership-oriented approach. With farmer development underpinning its eco-innovations, Rasoda has increased milk yields and energised its value chain, forming multiple supplier partnerships in the process.

— **Convenience Foods**, producers of vegetable protein and other foods, used the eco-innovation process to address a range of "hotspots". These include factory efficiency, high import dependency and government packaging regulations. Now the company is well on the way to locally-sourced soy, a new "green-conscious" product line, as well as strong partnerships with local farmers.

— **U10 Ceylon Commodities & Consultants**, who process and export cinnamon from Sri Lanka's Southern province, were faced with a range of problems before turning to eco-innovation – such as quality standards, waste, workforce issues and environmental damage. The company is now introducing multiple solutions including sustainable business practices, product diversification and eco-tourism to promote the brand.

— **Manchiee De Coco Products**, a new SME and coconut product specialist, has geared its eco-innovations towards the production of health-conscious goods which can be sold for premium prices on both local and especially international markets.

— **Jachufi Fruit-Based Industry**, a specialist in fruit processing, has used a range of tools including Life Cycle Thinking to develop a new business model. Now it produces fruit pulp to become a pulp supplier for bigger brands, with plans for distributing pulp and juice to its customers as part of a new, "service-oriented" model.