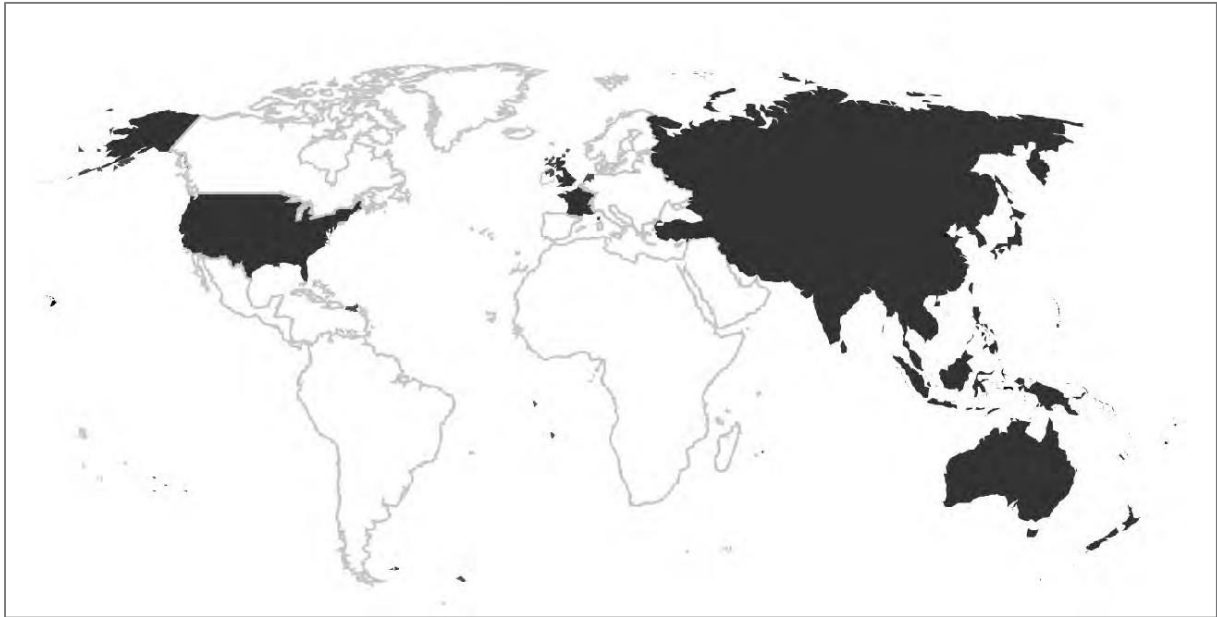


Unlocking Impact: Action Plan to Develop Inclusive and Sustainable Business Capacities in Sri Lanka

BACKGROUND REPORT



ESCAP
Economic and Social Commission
for Asia and the Pacific



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The Economic and Social Commission for Asia and the Pacific (ESCAP) is the most inclusive intergovernmental platform in the Asia-Pacific region. The Commission promotes cooperation among its 53 member States and 9 associate members in pursuit of solutions to sustainable development challenges. ESCAP is one of the five regional commissions of the United Nations.

The ESCAP secretariat supports inclusive, resilient and sustainable development in the region by generating action-oriented knowledge, and by providing technical assistance and capacity-building services in support of national development objectives, regional agreements and the implementation of the 2030 Agenda for Sustainable Development.

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Unlocking Impact: Action Plan to Develop Inclusive and Sustainable Business Capacities in Sri Lanka

Background Report

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The background report for the Action Plan to Develop Inclusive and Sustainable Business Capacities in Sri Lanka was prepared by the Ministry of Industries and the Sustainable Development Council of Sri Lanka.

Under the leadership of Chamindry Saparamadu, the Director General of the Sustainable Development Council of Sri Lanka, the present background report was prepared by the Trade, Investment and Innovation Division of the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP) under the supervision of Marta Pérez Cusó, Economic Affairs Officer, Innovation, Enterprise and Investment Section, ESCAP. External experts Selyna Peiris, Co-Founder and Partner, Positive Impact Consultancy; and Vikum Rajapakse, Co-Founder and Partner, Positive Impact Consultancy conducted research and drafted the report, and Duygu Cinar, Media and Communications Consultant, ESCAP supported the finalisation of the report.

The background report also benefits from the valuable insights provided by multiple stakeholders during the consultation process, including through the workshop organised on 28 March 2024.

The background report was edited by Mary Ann Perkins. The layout and cover design for this guide were prepared by Duygu Cinar. Su-Arjar Lewchalermvongs provided the administrative support for producing this report.

Executive summary

The Action Plan to Develop Inclusive and Sustainable Business Capacities in Sri Lanka is a comprehensive strategy aimed at fostering sustainable and equitable development led by the private sector in Sri Lanka. It is aligned with the vision of the Government of Sri Lanka and its Strategy to Promote Inclusive and Sustainable Businesses in Sri Lanka to Achieve the Sustainable Development Goals.

The Strategy, adopted by the Cabinet of Ministers in February 2024, notes the limited capacity of businesses and stakeholders to effectively create social and environmental impact at scale and seeks to put forward a road map for developing the capacities of both government agencies and businesses.

The objectives of the present background report are to assess existing capacities, identify gaps and chart a path forward for developing an action plan to build stakeholder capacities for inclusive and sustainable private sector development. It contains a proposal of capacity development activities in six thematic areas, including certification, accreditation and impact reporting; branding and recognition; access to finance and investment; engaging low-income and vulnerable groups; building green business opportunities; and value chain development and export readiness.

The findings underscore the need to enhance the inclusive and sustainable business capacities within Sri Lankan businesses to generate social and environmental impact effectively or extend their existing impact. It identifies specific interventions targeted towards export-oriented medium-sized and large enterprises operating in priority sectors, including agriculture, apparel and textiles, information technology and business process outsourcing, tea and tourism.

Based on the findings, the report provides recommendations for capacity development services, including detailed interventions for each thematic area as follows:

- Accreditation, certification and reporting: Establish a national inclusive and sustainable accreditation system, enhance certifications for inclusivity/sustainability and build impact measurement capabilities.
- Branding: Establish a national brand strategy and sector-specific awards to promote Sri Lanka as an inclusive and sustainable business destination.
- Financial access: Promote green/inclusive instruments for investment readiness.
- Engaging marginalized groups: Address unconscious biases and use digital tools for inclusion.
- Green business development: Align strategy with sustainability principles and establish a national green policy framework.
- Value chain development: Promote collective adoption of inclusive and sustainable business models across global trade routes.

The proposed initiatives would leverage expertise from government bodies, industry associations, technical experts and international organizations to deliver tailored, high-quality capacity development interventions. It is also recommended to incorporate robust monitoring and stakeholder engagement mechanisms to support continuous improvement and multi-stakeholder buy-in.

The findings of the report emphasize the need for a multi-stakeholder, participatory approach to capacity development aligned with key stakeholders' needs and national priorities.

ABBREVIATIONS

ESCAP	Economic and Social Commission for Asia and the Pacific
IDB	Industrial Development Board
ISBs	Inclusive and sustainable businesses
ISO	International Organization for Standardization
IT-BPO	Information technology and business process outsourcing
NEDA	National Enterprise Development Authority
SDGs	Sustainable Development Goals
SMEs	Small and medium-sized enterprises
SWOT	Strengths, weaknesses, opportunities and threats
UNDP	United Nations Development Programme

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1 | INTRODUCTION

The vision of the Government of Sri Lanka for sustainable and equitable development is led by the private sector. In particular, the Government seeks to promote inclusive and sustainable businesses (ISBs), businesses that generate profit while contributing positively to society and the environment.

The Strategy to Promote Inclusive and Sustainable Businesses in Sri Lanka to Achieve Sustainable Development Goals¹ (ISB Strategy) was adopted by the Cabinet of Ministers of the Government of Sri Lanka on 5 February 2024. The strategy was developed through multi-stakeholder consultations and led by the Sustainable Development Council of Sri Lanka with technical support from the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP).

The strategy identifies gaps in inclusive and sustainable business capacities in Sri Lanka as a key challenge for effectively creating social and environmental impact and/or scaling their current impact. To address this, the strategy seeks to develop an action plan to build the capacities of private and public stakeholders for the development of private sector ISBs (articles 18, 19 and 20 of the ISB Strategy).

This background report has been prepared by the Ministry of Industries and the Sustainable Development Council, supported by ESCAP, to inform the design of the action plan.

The background report explores current capacities, gaps, and capacity development services available in Sri Lanka. It provides recommendations for building stakeholder capacities outside and within the private sector for the development of ISBs in line with national priorities for economic recovery and development.

The analysis and recommendations are primarily targeted to export-oriented medium-sized and large businesses operating in key economic sectors (apparel and textile, tourism, information technology and business process outsourcing (IT-BPO), tea and agriculture) and focus on six thematic areas:

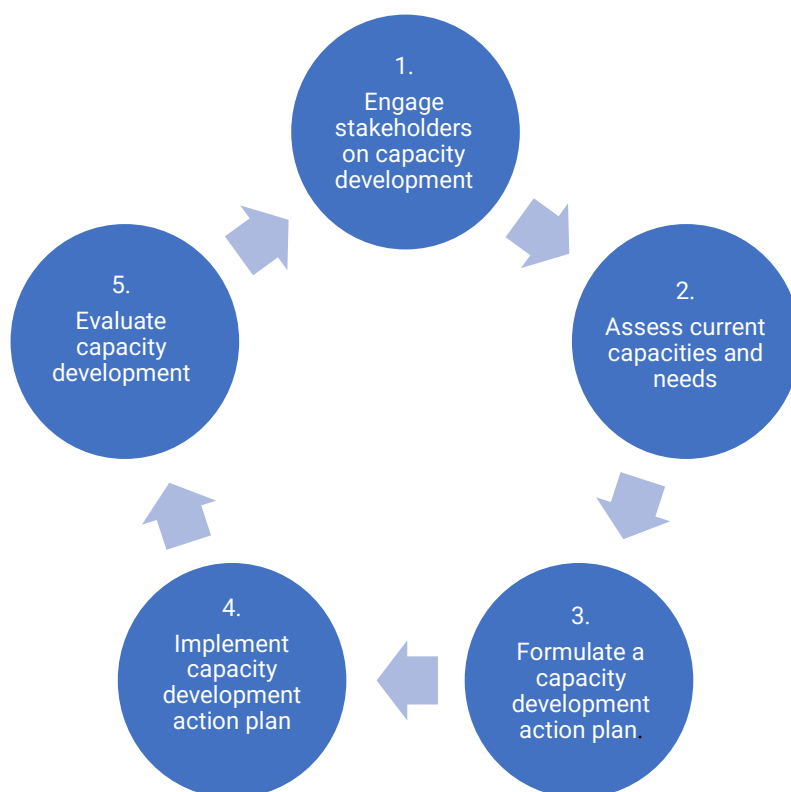
- Certification, accreditation and impact reporting
- Branding and recognition
- Access to finance and investment
- Engaging low-income and vulnerable groups
- Building green business opportunities
- Value chain development and export-readiness

¹ <https://sdc.gov.lk/sites/default/files/2024-02/ISB%20Strategy.pdf>

2 | METHODOLOGY

The methodology of the present background report and the design of the Action Plan to Develop Inclusive and Sustainable Business Capacities in Sri Lanka involved a multi-stakeholder, participatory approach aimed at harnessing expertise and insights across various sectors in Sri Lanka. To ensure the Action Plan is aligned with key stakeholder needs and priorities, and is inclusive, transparent and collaborative, the process followed the first three steps of the capacity development cycle shown in figure 1.

Figure 1: Five steps of the capacity development cycle



Source: United Nations Development Programme (UNDP), 2015, Capacity Development: A UNDP Primer.

An initial scoping exercise helped define the scope, objectives and expected outcomes of the Action Plan. This involved holding six meetings with government and business stakeholders between 27 January and 2 February 2024 (see Annex I for the list of stakeholders) and conducting desk research to review relevant literature and identify existing initiatives and frameworks related to capacity development for ISBs.

A comprehensive stakeholder mapping exercise identified key stakeholders and activities related to promoting ISBs. It also identified the priority economic sectors for developing capacities for inclusive and sustainable business models based on their projected contribution towards national economic priorities (e.g. export earnings, employment generation) and the potential to employ women and persons from vulnerable and marginalized groups. The priority sectors were identified as apparel and textile, tourism, IT-BPO, tea and agriculture.

Following the initial stakeholder meetings and mapping exercise, a workshop on 28 March 2024 enabled stakeholders to contribute their insights and experiences to assess existing capacities, identify gaps and chart a path forward. The workshop was structured to encourage interactive discussions focused on key thematic areas and action priorities. There were 36 participants, representing government agencies, private sector businesses, chambers and associations from priority sectors, capacity service providers, academia, international development partners and non-governmental organizations (see Annex II for the list of attendees).

Concurrently, further desk research was conducted to gather information on best practices, case studies, policy frameworks and capacity development models related to inclusive and sustainable business practices.

As a final step, an online validation workshop was held on 31 May 2024 (see Annex III for the list of participants), and the feedback from the workshop has been incorporated into the recommendations.

3 | CURRENT CAPACITIES IN INCLUSIVE AND SUSTAINABLE BUSINESS

This section explores the current capacities of private sector businesses in Sri Lanka regarding inclusive and sustainable business practices. It follows the thematic areas listed in the introduction:

- Certification, accreditation and impact reporting
- Branding and recognition
- Access to finance and investment
- Engaging low-income and vulnerable groups
- Building green business opportunities
- Value chain development and export-readiness

First, sustainable and inclusive business capacities are assessed at the individual, organization and ecosystem levels. These capacities are also assessed in relation to the key economic sectors. This chapter of the report concludes with a summary of the capacity gaps.

Each thematic area is assigned a score of zero to five as follows:

- 0 – Not addressed
- 1 – Awareness stage
- 2 – Initial efforts
- 3 – Core operations
- 4 – Strategic integration
- 5 – Benchmark of excellence

Further details of the scoring criteria are available in Annex IV.

3.1 Assessment by level

Capacities in sustainable and inclusive business are assessed at the individual, organization and ecosystem levels. The individual level concerns the skills, experience and knowledge that allow a person to perform their functions. At the organization level, the internal structures, policies and procedures that determine an organization's impact are assessed. The ecosystem level refers to the set of conditions, policies and institutional frameworks that support and facilitate individuals' and organizations' growth, development and success.

Given that people's levels awareness, understanding and actions of sustainability and inclusivity may differ, the assessment distinguishes between these capacities.

3.1.1 Sustainable business capacities

Figure 2 provides an illustration of the scoring of sustainable business capacities in five thematic areas at the individual, organization and ecosystem levels.

Figure 2: Sustainable business capacities in Sri Lanka at the individual, organization and ecosystem levels, 2024



Individual

- Developing operational and strategic skills, knowledge and expertise related to sustainability certifications and accreditations is critical. For instance, sustainability-related certifications are vital in the apparel, tea and tourism sectors as target markets and buyers demand stronger sustainability practices.
- The ability to report on impact is in the initial efforts stage. The apparel and tourism sectors perform better than other priority sectors.
- Individual skills to access sustainable finance remain limited to the awareness stage.
- Individual operational skills to build green business opportunities are relatively more developed. The tourism sector shows strategic skills to build green business opportunities. This could be attributed to the growing global demand for sustainable products and services, prompting individuals to enhance their expertise actively.
- Initial efforts have been made in individual skills for value chain development and export readiness. In the tea and agriculture sectors, as buyers and consumers are ready to pay a premium price for higher sustainability standards, it will be critical to elevate capacities to the strategic integration level.

Organization

- Capacities in sustainability certifications are critical across all priority sectors. The apparel and tourism sectors integrate sustainability certifications into strategic-level policies and procedures, and such certifications are promoted by industry associations such as the Joint Apparel Associations Forum, the Sri Lanka Association of Software and Service Companies, and the Tourist Hotels Association of Sri Lanka. However, only initial efforts towards sustainability impact reporting are being made across other priority sectors.
- Large exporters connected with global buyers in the apparel sector and some medium-sized enterprises connected with ethical consumer markets, such as Fair Trade, have impact reporting capacity at a core operations level. Capacities in other priority sectors are more limited.

- Initial efforts in branding and recognition are present in most sectors. Businesses across all sectors that serve niche and premium markets have demonstrated branding and recognition capacities at a strategic level in line with mission-driven mandates to create impact, however, these businesses are only a small segment.
- Capacities of organizations are at the awareness stage in terms of developing policies, structures and processes to access sustainable finance.
- Building green business opportunities is where organization capacities showcase initial efforts as entities gradually explore sustainable product/service offerings.
- Capacities in value chain development and export readiness exhibit initial efforts in integrating sustainability.

Ecosystem

- Sustainability certifications are promoted at the operational level through the Export Development Board of Sri Lanka, Sri Lanka Tourism Development Authority and Tea Board. The Tea Board actively encourages tea estates to obtain certifications, such as Rainforest Alliance and International Organization for Standardization (ISO) 14001, to demonstrate sustainable agricultural practices. The National Cleaner Production Centre promotes eco-labelling and environmental reporting among manufacturers.
- Initial efforts have been made towards national branding and recognition initiatives integrating sustainability. While the “Your Vital Island” campaign by the Export Development Board promotes the country's sustainable manufacturing practices, there is room for improvement to build comprehensive national sustainability branding that complements the National Export Strategy.
- Initial efforts have been made to improve access to sustainable finance. However, initiatives of the Central Bank such as the Sustainable Finance Roadmap and the Sri Lanka Green Finance Taxonomy are helping to lay the groundwork.
- Policies such as the National Policy on Sustainable Consumption and Production (2019) and the Climate Prosperity Plan (2022) seek to promote and incentivize the building of green businesses. These ad hoc and fragmented policies will be streamlined via the ISB Strategy towards a more focused nationally significant outcome.
- Integrating sustainability practices across value chains to enhance export readiness remains at an initial effort stage. While the Export Development Board, the National Cleaner Production Centre and other government institutions conduct programmes on sustainable value chain development for export readiness, these efforts need to be scaled up significantly across all export sectors to secure the commitment of international buyers and value chain actors.

3.1.2 Inclusive business capacities

Figure 3 provides an illustration of the scoring of inclusive business capacities at the individual, organization and ecosystem levels.

Figure 3: Inclusive business capacities in Sri Lanka at the individual, organization and ecosystem level, 2024



Individual

- All the priority sectors demonstrate at least initial efforts across all thematic areas, except access to finance and investment. However, skills in inclusive and impact finance remain only at the awareness stage.
- Women's participation in the workforce in tourism and IT-BPO sectors is critical to sectoral growth and branding. Compared to the apparel sector, these two sectors predominantly showcase individual capacities at the core operations level. However, interest remains high in achieving strategic integration of inclusivity.
- Agriculture and tea are two sectors where there are individual initial efforts for inclusive business. Historically, addressing inequalities in the tea sector has been complex. While initial efforts have been made, individual capacities must be developed to implement innovative and impactful solutions to address significant inequalities.
- The apparel sector demonstrated the greatest level of individual skills, knowledge and expertise across the thematic areas, often at a strategic level. This can be related to the premium global value chains that the apparel sector of Sri Lanka has traditionally been part of, which demand high labour standards. Historically, the apparel sector has differentiated itself from low-cost competitors in the region by advocating and demonstrating a high standard of employee well-being. This remains ingrained in the sector at the individual level.

Organization

- The apparel sector remains ahead of other sectors in terms of structures, policies, and procedures to promote inclusivity. When it launched in 2005, the apparel sector certification, Garments without Guilt, was considered a global benchmark. However, new and proactive initiatives are now required as priorities concerning marginalized groups have evolved in complexity.
- Large apparel exporters and small and medium-sized niche apparel manufacturers and brands demonstrate organization capacities across all the thematic areas except access to finance where the sector is making initial efforts to access inclusive/impact finance.
- Tourism and IT-BPO sector organizations showcase capacities at the core operations level. Women's labour force participation is considered essential for the growth of these sectors, and

organizations in these sectors have proactively engaged rural communities and young women in recruitment drives. They have created safe and empowering environments for women employees. Some IT-BPO businesses have actively expanded recruitment to hire persons with disabilities. Organizations in both sectors have shown commitment towards women's career progression, including participation in programmes led by international development partners that help to develop organizational capacities to design and implement diversity, equity and inclusion policies.

- Of all the priority sectors, agriculture and tea engage the most with marginalized populations residing in rural areas and the estate sector (i.e. tea plantations). This is more complex in the tea sector, where populations living in the estate sector have been historically marginalized socially, culturally and economically, and organization capacities remain at the initial efforts stage. The economics of the tea sector have often been cited as a significant barrier towards adopting stronger policies, structures and procedures to address the basic social, economic and cultural rights of marginalized communities living in the estates.

Ecosystem

- Capacities regarding certification and accreditation, government institutions such as the Export Development Board, the Sri Lanka Tourism Development Authority and the Tea Board actively promote international certifications (e.g. Fair Trade, ISO, Global Organic Textile Standard and Rainforest Alliance) as part of their core operations. However, impact reporting practices remain at the awareness stage and require further development to be widely practised.
- National branding and recognition initiatives, such as the efforts of the Sri Lanka Tourism Development Authority to highlight community-based tourism businesses and the "Your Vital Island" campaign of the Export Development Board, promote Sri Lanka as an inclusive and ethical business destination. However, these campaigns remain ad hoc and need further integration into a nationally aligned strategy.
- Financial institutions and governmental bodies are starting to explore potential opportunities for impact investment, and the score was assessed as an initial effort.
- There are substantive efforts to engage low-income and vulnerable groups. This is evidenced by national policies and welfare programmes such as the previous Samurdhi and current Aswesuma. However, these welfare programmes must be strategically aligned to enable inclusive business practices.
- Government bodies and industry associations are actively working to enhance the export readiness of businesses, particularly within the apparel and agriculture sectors. Various programmes are in place to raise quality standards and improve compliance with international regulations. A more strategic and integrated approach will be essential to fully develop the value chain and enhance export capabilities across the board.

3.2 Inclusive and sustainable capacities by sector

In this section, the capacities for inclusive and sustainable business are assessed in relation to key economic sectors (agriculture, apparel and textiles, IT-BPO, tea and tourism) selected based on their projected contribution towards national economic priorities (e.g. export earnings, employment generation) and the potential to employ women and persons from vulnerable and marginalized groups.

3.2.1 Agriculture

Sri Lanka's agriculture sector (see figure 4) demonstrates growing adoption of sustainability certifications (e.g. Rainforest Alliance, Fair Trade and organic certifications) across export crops (e.g. spices, vegetables and fruits). Participatory guarantee systems are making certifications more affordable and accessible. However, comprehensive sustainability reporting practices are at the awareness stage.

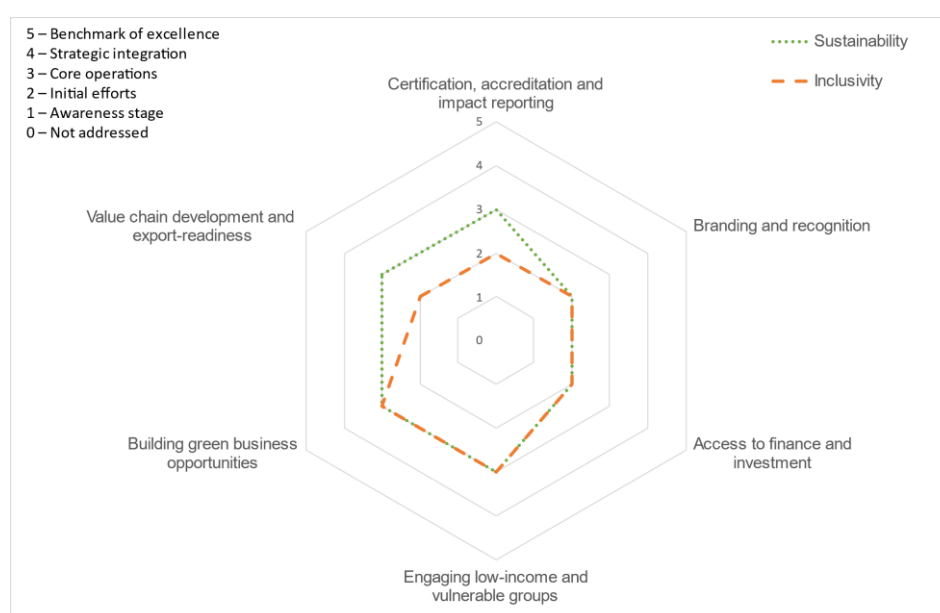
Branding and marketing of Sri Lankan agricultural produce on ethical and sustainability credentials has been limited, apart from niche products such as certified organic produce.

Access to finance for sustainable agricultural practices remains a key constraint, with few dedicated green lending products for farmers. That said, microfinance institutions and cooperatives provide funding channels for smallholder farmers.

More than half of the rural poor in Sri Lanka engage in agriculture.² Therefore, the sector inherently engages low-income communities across its workforce and supply chains, however the sector is developing policies and processes to promote wider inclusivity of vulnerable populations, such as women, youth and persons with disabilities. Sri Lanka has witnessed a rise in sustainable agricultural businesses focused on green business opportunities such as organic farming, permaculture systems, zero-waste production and agrotourism experiences.

Regarding value chains, quality standards, certifications and compliance have been prioritized for key exports such as spices to facilitate export readiness. However, the comprehensive integration of sustainability criteria across agricultural supply chains is emerging. The Government's initiatives promoting sustainable, climate-resilient and regenerative agriculture production systems provide an ecosystem for value chain sustainability across the sector.

Figure 4: Inclusive and sustainable business capacities in the agriculture sector of Sri Lanka, 2024.



² International Fund for Agricultural Development, 2023, Investing in Rural People in Sri Lanka. Available at www.ifad.org/documents/38714170/39972509/Investing+in+rural+people+in+Sri+Lanka.pdf/fd930276-fec3-46c0-b9bd-9efd51bd86df?t=1550675826000.

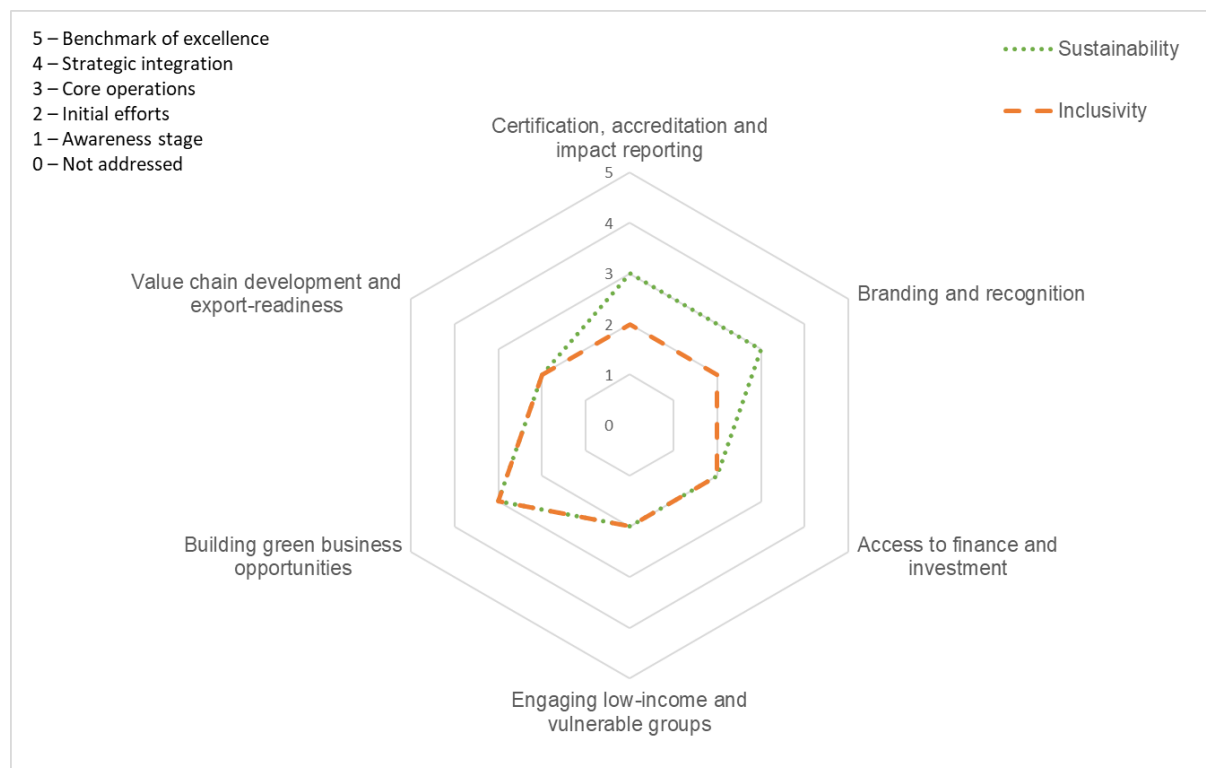
3.2.2 Apparel and textiles

Sri Lanka's apparel export sector (see figure 5) is globally recognized for its premium ethical positioning, driven by the successful campaign, Garments without Guilt, and certifications such as Leadership in Energy and Environmental Design (LEED), CarbonNeutral®, Global Organic Textile Standard, Worldwide Responsible Accredited Production and Fair Trade. Some medium-sized exporters and small sustainable fashion businesses cater to niche and premium local and export markets, carrying certifications from the World Fair Trade Organization, the Global Organic Textile Standard, OEKO-Tex and People for the Ethical Treatment of Animals, and strategically promoting their ethical credentials. However, large domestic apparel brands and retailers rarely address sustainability in their branding or carry respective certifications.

Impact reporting is very limited, often confined to large exporters with buyer-mandated reporting requirements and social enterprises. Access to green, impact and grant financing is an emerging opportunity but it remains low due to a lack of awareness, knowledge and skills around impact and grant financing and meeting reporting requirements.

Large exporters engage rural women to secure low-cost labour rather than as an intentional effort to engage with vulnerable groups. Some businesses are experimenting with employing persons with disabilities. Many micro/small sustainable businesses are women-owned/led, and some employ only women and persons with disabilities as a core mission. Green initiatives of large exporters focus on reducing operational environmental impact, while several micro/small businesses are built using green, upcycling, organic, and regenerative business models. The top three exporters dominate 80 per cent of exports from highly regulated free trade zones, with limited local value chain integration. Micro/small sustainable businesses export niche ethical fashion products in small volumes and actively seek collaborations with global value chains, prioritizing sustainable and inclusive practices.

Figure 5: Inclusive and sustainable business capacities in the apparel and textiles sector of Sri Lanka, 2024



3.2.3 IT-BPO

The Sri Lankan IT-BPO sectors demonstrate strong capacities in quality management certifications and accreditations, such as ISO 9001 (see figure 6). However, sustainability certifications and comprehensive impact reporting practices are nascent. Major IT-BPO businesses primarily focus on branding on service quality, cost advantages, and talent pool capabilities rather than strategically promoting sustainability credentials. That said, the vision of the Sri Lanka Association of Software and Service Companies to establish Sri Lanka as a destination for sustainable IT-BPO solutions underpinned by environmental, social and governance strategies indicates a move to integrate sustainability as a strategic differentiator.

Awareness about and ability to access impact finance is low. Several incubators and accelerators for startups and small information technology businesses provide seed finance to foster technology solutions for social and environmental impact. However, further finance to scale such solutions remains scarce. The sector is seeking to engage rural talent pools and underrepresented groups as a core part of its resource strategy.

While the ecosystem promotes green building standards for information technology parks, firm-level initiatives on building green business opportunities and sustainable product/service offerings are nascent. As an export-oriented sector, value chain development has focused on enhancing quality, security and process maturity standards to meet global requirements. However, comprehensive integration of sustainability criteria across the IT-BPO value chain is emerging.

Figure 6: Inclusive and sustainable business capacities in the IT-BPO sector of Sri Lanka, 2024



3.2.4 Tea

The Sri Lankan tea industry carries globally recognized certifications such as Rainforest Alliance and Fair Trade, which promote sustainable and inclusive practices (figure 7). Businesses in the industry are adopting new certifications, such as the Mother and Child-Friendly Seal for Responsible Business,³ to overcome the historical reputation of the sector as an underpaid and exploitative. Major estates and factories demonstrate sustainable operations via certifications such as ISO 14001 and the Occupational Health and Safety Assessment Series (OHSAS) 18001, but smaller plantations struggle with limited funds and capacities to invest in eco-friendly technologies, worker welfare and compliance.

Due to the fragmentation of tea producers and value chain dynamics, branding initiatives are limited. Only Sri Lankan brands selling Ceylon tea as single-origin tea invest heavily in branding and work closely with estates to improve sustainability and inclusivity.

Grant funding supports some impact initiatives, but lack of awareness and the sector's fragmented nature have posed significant challenges towards wider access to impact finance. The sector faces persistent labour issues, especially among disadvantaged estate communities. Efforts to empower vulnerable groups include cooperatives training and financing smallholders and estate programmes addressing worker welfare gaps. However, capacity gaps across the individual, organization and ecosystem levels in the sector have limited the ability to effectively and consistently empower marginalized groups.

The sector has introduced eco-friendly practices to meet rising demand for organic/sustainable tea. However, capacities are more operational than strategic within large estates. Smallholders grow more than 70 per cent of the tea in the country, and they are making initial efforts. Tea tourism is emerging as a new business model with the potential to showcase sustainable production practices. Opportunities to develop inclusive and sustainable value chains and exports are limited, as tea blenders, brands and retailers in overseas markets retain control over a price-sensitive value chain. Only a few elite Sri Lankan tea brands have been successfully established and scaled globally. The congested value chain provides low returns to growers.

Figure 7: Inclusive and sustainable business capacities in the tea sector of Sri Lanka, 2024



³ The certification was launched by the Centre for Child Rights and Business Sri Lanka in 2022, with seven large plantations and brands taking part in the initiatives to improve economic, social and cultural conditions.

3.2.5 Tourism

Sustainability certification and accreditation in the tourism sector remains limited (figure 8), with adoption driven mainly by large hotel chains and luxury establishments obtaining certifications like Green Globe, ISO and Travelife.⁴ The National Sustainable Tourism Certification administered by the Sri Lanka Tourism Development Authority and UNDP has had limited implementation and adoption. Certifications concerning inclusivity are rarely explored and capacities of large hotel chains and luxury establishments are at the awareness stage. Impact reporting practices are nascent – only a handful of large operators have released impact reports.

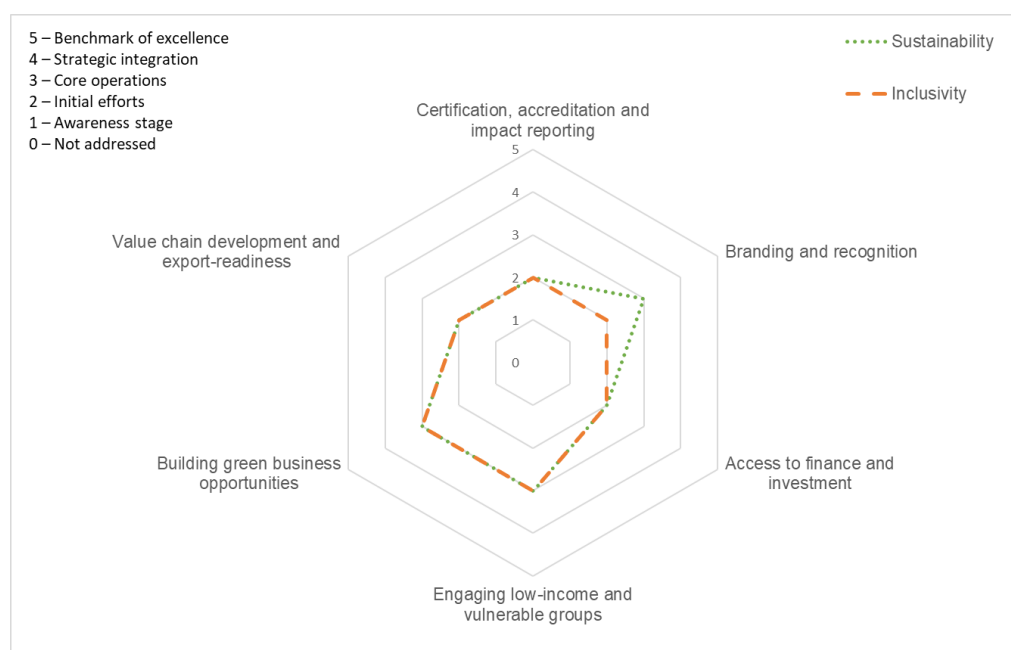
Operators and establishments often make efforts to brand and promote their products and services. Several large chains, luxury establishments and niche operators have demonstrated strategic capacities for branding and promoting their products and services as sustainable and inclusive. However, a collective branding strategy to recognize Sri Lanka as a sustainable and inclusive tourism destination is yet to be developed. Campaigns by the Tourism Promotion Bureau, such as the “So Sri Lanka” campaign, have limited emphasis on sustainable and inclusive practices.

Access to green finance is emerging, especially for sustainable tourism projects, with international development partners and funding agencies taking a prominent role. Funds are often channelled through government agencies or accelerator platforms. Penetration of these remains limited due to a lack of awareness and capacities required to qualify for funding.

The sector demonstrates greater traction in engaging low-income and rural communities through long-running homestay programmes of the Sri Lanka Tourism Development Authority. However, the strategic incorporation of inclusivity into core business practices could be enhanced. There has been a rise in sustainable tourism ventures such as eco-resorts, agritourism initiatives and low-impact adventure tours.

While the tourism value chain in Sri Lanka incorporates local arts, crafts, produce and experiences, streamlining robust sustainability standards and enabling export readiness in a comprehensive manner is developing. Larger players subcontract ancillary services to local vendors but lack stringent oversight on ethical labour practices and equitable value distribution across the supply chain.

Figure 8: Inclusive and sustainable business capacities in the tourism sector of Sri Lanka, 2024



⁴ United States Agency for International Development, 2023, Sustainability Standards, Certification, and Initiatives in the Tourism Industry. Available at www.sltda.gov.lk/storage/common_media/USAID%20IPOP_Sustainability%20Standards%20and%20Initiatives%20Reference%20Book_Oct%202023.pdf.

3.3 Summary of capacity gaps at individual, organization and ecosystem levels

Considering the sections above, this section contains a summary of capacity gaps in each of the thematic areas at individual organization and ecosystem levels (figures 9–15). The levels are identified according to the colour key shown below.

Colour key:

Individual	Organization	Ecosystem
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This is a first step and only covers medium-sized and large export-oriented enterprises.

Figure 9: Gaps in inclusive and sustainable business capacities in certification, accreditation and impact reporting among export-oriented enterprises by size

	Medium	Large
Certification, accreditation and impact reporting	Limited value towards a mission-driven culture of impact reporting	
	Limited necessity for mission-led impact reporting	
	Insufficient technical capacities and resources for evaluation systems and policies	
	Limited availability of evaluation expertise	

Limited value towards a mission-driven culture of impact reporting: Many business leaders do not prioritize a mission-driven culture of impact reporting, leading to insufficient integration of evaluation practices that align with inclusive and sustainable business goals. The lack of value placed on mission-driven evaluation stifles the effectiveness of inclusive and sustainable business initiatives and their long-term sustainability.

Limited necessity for mission-led impact reporting: There is a widespread perception that mission-led impact reporting is not essential, resulting in minimal efforts to document and communicate the impacts of inclusive and sustainable business activities. This perception undermines transparency and accountability, which are crucial for gaining stakeholder trust and support. In addition, there is limited understanding of the global context of inclusive and sustainable business opportunities and challenges.

Insufficient technical capacities and resources for evaluation systems and policies: Businesses often lack the technical capacities and resources required to develop and implement effective systems and policies for impact reporting. This deficiency hampers the ability to measure, manage and improve inclusive and sustainable business practices.

Limited availability of evaluation expertise: The availability of skilled evaluation professionals is limited, which constrains businesses' ability to conduct thorough and effective evaluations of their inclusive and sustainable business initiatives. This expertise gap affects the quality of evaluation processes and the reliability of impact assessments.⁵

⁵ Although not a capacity gap per se it is important to note that accessing expertise in evaluation, impact reporting and certification or accreditation schemes is often unaffordable. This financial barrier prevents smaller enterprises from fully engaging in inclusive and sustainable business practices and receiving recognition for their efforts.

Figure 10: Gaps in inclusive and sustainable business capacities in branding among export-oriented enterprises by size

	Medium	Large
Branding	Insufficient value in purpose-driven branding and marketing	
	Limited resources for branding and marketing ISBs	
	Lack of expertise in purpose-driven branding and marketing. Non-alignment of national export or tourism brand with inclusive and sustainable business principles.	

Insufficient value in purpose-driven branding and marketing: A lack of knowledge and capacity at the business leader level of ISBs results in a misalignment of branding and marketing efforts with purpose-driven values, diminishing brand authenticity and customer engagement.

Limited resources for branding and marketing ISBs and their impacts: Many businesses face a shortage of technical capacities and resources necessary to effectively promote the branding initiatives of ISBs and their impacts. This resource gap hampers the ability to highlight the positive contributions of inclusive and sustainable business practices, reducing visibility and potential market advantages.

Lack of expertise in purpose-driven branding and marketing: Organizations often lack the specialized knowledge required to craft and execute branding strategies that resonate with principles of inclusivity and sustainability, which are crucial for attracting and retaining a conscientious customer base.

Non-alignment of national export or tourism brand with inclusive and sustainable business principles: The national branding strategies for export and tourism frequently do not align with inclusive and sustainable business principles. This misalignment creates a disconnect between national brand messaging and the values of ISBs, undermining efforts to present a cohesive and compelling national identity that supports inclusive and sustainable business practices.

Figure 11: Gaps in inclusive and sustainable business capacities in recognition and awards among export-oriented enterprises by size

	Medium	Large
Recognition	Limited value for mission-driven recognition	
	Limited technical capacities and resources to implement recognition and award schemes specifically for ISBs	
	Limited award criteria/awards and other recognition schemes specifically for ISBs	

Limited value for mission-driven awards and recognition: Many business leaders do not fully recognize or value mission-driven initiatives, leading to a lack of motivation to pursue efforts for recognition of the same. This gap reflects a broader issue of insufficient acknowledgment of the importance and benefits of mission-driven activities.

Limited technical capacities and resources to implement recognition and award schemes specifically for ISBs: There is a significant shortfall, especially among medium-sized businesses, in the technical capacities and resources needed to establish and manage recognition and award schemes specifically for ISBs. This deficiency hampers the creation of robust frameworks to identify and reward businesses excelling in inclusive and sustainable practices.

Limited award criteria and recognition schemes specifically for ISBs: The current criteria and schemes for awards and recognition do not adequately reflect principles of ISBs. This gap leads to a lack of

appropriate benchmarks and incentives for businesses to align their practices with standards for ISBs, thereby stalling progress in this area.

Figure 12: Gaps in inclusive and sustainable business capacities in access to finance and investment among export-oriented enterprises by size

	Medium	Large
Access to finance and investment	Risk aversion to impact/equity investment	
	Limited knowledge and awareness of new financial instruments	
	Limited access to green and sustainable bonds	

Risk aversion to impact/equity investment: Among business leaders risk aversion to impact and equity investments is pervasive. Reluctance to engage with potentially higher-risk financing options limits the availability of capital for innovative and impactful inclusive and sustainable business projects.

Limited knowledge of and challenges associated with new financial instruments: Enterprises, especially medium-sized enterprises, lack knowledge and awareness of new and emerging financial instruments, such as impact investment and blended finance instruments to access the same. The complexities, scale and costs associated with blended financial instruments and reporting requirements of impact investment are often cited as challenges by medium-sized enterprises. Weak data gathering and reporting systems further compound the potential to secure impact and blended financing that can help unlock new growth and scale impact.

Limited access to green and sustainable bonds for small and medium-sized enterprises (SMEs): SMEs frequently encounter difficulties in accessing green and sustainable bonds. These financial instruments, crucial for funding environmentally friendly projects, have high entry barriers. SMEs have limited market knowledge.

Figure 13: Gaps in inclusive and sustainable business capacities to engage low-income and vulnerable groups, export-oriented enterprises by size

	Medium	Large
Engaging low-income and vulnerable groups	Limited awareness of mission-driven inclusion of low-income and vulnerable groups in recruitment and value chains	
	Limited technical expertise for human resources practices and value chain creation with low-income and vulnerable groups	
	Limited offer of tertiary education and training in inclusive and sustainable business	

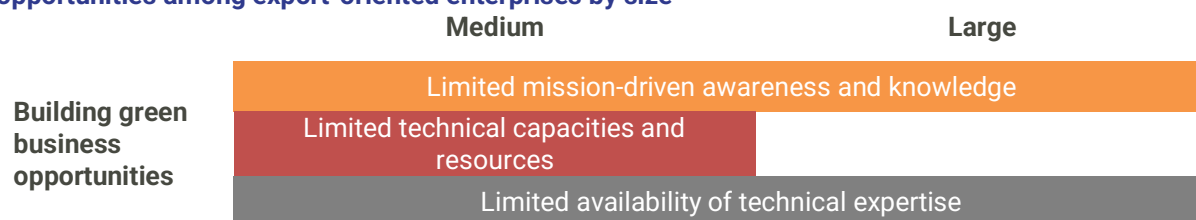
Limited awareness of the opportunities to engage low-income and vulnerable groups in recruitment and value chains: Many business leaders lack awareness of the importance and benefits of inclusive recruitment and human resources practices and of engaging low-income groups in business value chains. This gap results in missed opportunities to create diverse and equitable work environments and inclusive value chains that can drive innovation and improve business performance.

Limited technical expertise for human resources practices and value chain creation with low-income and vulnerable groups: There is a significant shortfall in technical expertise required to develop and implement effective inclusive policies for recruitment, retention and human resources. Further, there is a gap in capacities to engage low-income and vulnerable groups within business value chains. This deficiency particularly affects the engagement of women, who often face additional barriers in the job market.

Limited offer of tertiary education and training in inclusive and sustainable business: The current educational framework lacks sufficient focus on inclusive and sustainable business principles, resulting in a workforce that is underprepared to support those practices. There is a need for enhanced tertiary

curricula and training programmes to equip future professionals with inclusive and sustainable business skills and knowledge.

Figure 14: Gaps in inclusive and sustainable business capacities in building green business opportunities among export-oriented enterprises by size



Limited mission-driven awareness and knowledge: Business leaders of export-oriented medium-sized and large enterprises lack comprehensive understanding of inclusive and sustainable business practices, impeding their ability to integrate sustainability into business strategies effectively.

Limited technical capacities and resources: Medium-sized businesses may have insufficient knowledge and awareness of the infrastructure and technologies necessary to reduce environmental impact and optimize resource use, preventing them from promoting and integrating sustainable practices into their operations.

Limited availability of technical expertise: There is a scarcity of specialized knowledge and skills in green practices, hindering the ability of businesses to adopt sustainable measures effectively at a strategic level.

Figure 15: Gaps in inclusive and sustainable business capacities in value chain development and export readiness among export-oriented enterprises by size



Limited understanding of value chain approaches and lack of collaborative mindsets: Many business leaders lack a comprehensive understanding of the value chain approach and the collaborative mindset necessary to effectively engage with stakeholders along the value chain. This hampers their ability to identify and leverage opportunities for value addition and competitiveness in export markets.

Limited technical capacities and resources to unlock inclusive and sustainable business practices as a key differentiator for export markets: Medium-sized businesses have insufficient technical capacities and resources to unlock the potential of inclusive and sustainable business practices as a key differentiator in export markets. This includes lacking the infrastructure, technologies and knowledge necessary to integrate inclusive and sustainable business practices into their operations and supply chains effectively.

Lack of expertise to develop a national export strategy championing inclusive and sustainable business practices and a value chain approach: There is a lack of expertise and guidance to develop a national export strategy that champions the adoption of inclusive and sustainable business practices and value chain approaches. Without strategic direction and support from policymakers and experts, businesses struggle to align their efforts with broader national export objectives and priorities.

4 | STAKEHOLDERS PROVIDING CAPACITY DEVELOPMENT SERVICES FOR INCLUSIVE AND SUSTAINABLE PRIVATE SECTOR DEVELOPMENT

This section identifies the key stakeholders providing capacity development services for inclusive and sustainable private sector development. Figures 16 to 22 contain a non-exhaustive list of stakeholders providing services relevant to the six thematic areas. The stakeholders are mapped in relation to the size of the enterprise (i.e. micro, small, medium-sized and large) that may benefit from their services. Brief descriptions of each stakeholder are presented in Annex V.

The stakeholders are colour-coded to reflect the relevance of their services to support sustainability, inclusivity or both, as well as the potential relevance to support ISBs.

Colour key:

Green	Relevant to sustainable business principles only
Orange	Relevant to inclusive business principles only
Red	Relevant to both inclusive and sustainable business principles
Blue	Potential relevance to support ISBs

Some stakeholders do not yet offer specific services for sustainability or inclusivity, but they are included in the mapping, as this is a key opportunity to build their capacity in this area.

Figure 16: Certification, accreditation and impact reporting service providers by size of the businesses they serve

	Micro	Small	Medium	Large
Due diligence training			UN Global Compact	UNDP Business and Human Rights
Participatory guarantee systems, verification	Good Market Participator Guarantee System	International Labour Organization (ILO) - Better Work Programme		
Accreditation			Green Building Council of Sri Lanka	
Certification			Sri Lanka Energy Authority	
			National Cleaner Production Centre	

Figure 17: Branding service providers by size of the businesses they serve

	Micro	Small	Medium	Large
Branding	National Enterprise Development Authority			
	Industrial Development Board			
	Industrial Service Board			
		Sri Lanka Institute of Marketing		
		NGage Strategic Alliance		
		Good Life X		
		Hatch		
		Good Market		
		Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)		
		Lanka Social Ventures (LSV)		

Figure 18: Recognition and awards providers by size of the businesses they serve

	Micro	Small	Medium	Large
Recognition and awards providers	Women's Chamber of Industry and Commerce			
	Industrial Development Board			
		National Chamber of Exporters		
			Association of Chartered Certified Accountant Sustainability Reporting Awards	
			Green Building Business Council of Sri Lanka	
			Sri Lanka Sustainable Energy Authority	
		National Cleaner Production Centre		
			Ceylon Chamber of Commerce Best Corporate Citizen Award	
		Sri Lanka Tourism Alliance		
		National Chamber of Commerce		
		Good Market		

Figure 19: Access to finance and investment service providers by size of the businesses they serve

	Micro	Small	Medium	Large
Impact investment/ Equity financing	Lanka Impact Investment Network			
	Lanka Angel Network			
	CLIMAFUGE			
Development debt	Alliance Finance Corporation			
	Sanasa Development Bank			
		Hatton National Bank		
Grant financing		Development Finance Corporation of Ceylon Bank		
		Australian Agency for International Development		
		United States Agency for International Development		
		Japan International Cooperation Agency		
		Korea International Cooperation Agency		
	UNDP			
Blended		Asian Development Bank		
			International Finance Corporation	
			European Investment Bank	
Intermediaries and enablers		Palladium		
	Chrysalis Women-Led SME Financing Coalition			
	Central Bank of Sri Lanka			
	Department of Development Finance			

Figure 20: Engaging low-income and vulnerable groups service providers by size of the businesses they serve

	Micro	Small	Medium	Large
Service providers helping engage low-income groups	Sarvodaya Shramadana Movement			
	Chrysalis			
		Centre for Child Rights and Business		
		Good Market		
		Sri Lanka Tourism Alliance		
		Good Life X		
		Hatch		
		Slycan Trust		

Figure 21: Building green business opportunities service providers by size of the businesses they serve

	Micro	Small	Medium	Large
Green business service providers		Sri Lanka Sustainable Energy Authority		
		National Cleaner Production Centre		
		Sri Lanka Tourism Alliance		
		Good Life X		
		Slycan Trust		
		Good Market		
		Hatch		

Figure 22: Value chain development and export readiness service providers by size of the businesses they serve

	Micro	Small	Medium	Large
Social enterprise sector	Good Market			
	Good Life X			
Chambers		National Chamber of Exporters		
Government		Export Development Board		
		United Nations Industrial Development Organization		
International organizations	Food and Agriculture Organization of the United Nations			
	International Fund for Agricultural Development			

5 | ACTION PLAN: CAPACITY DEVELOPMENT SERVICES

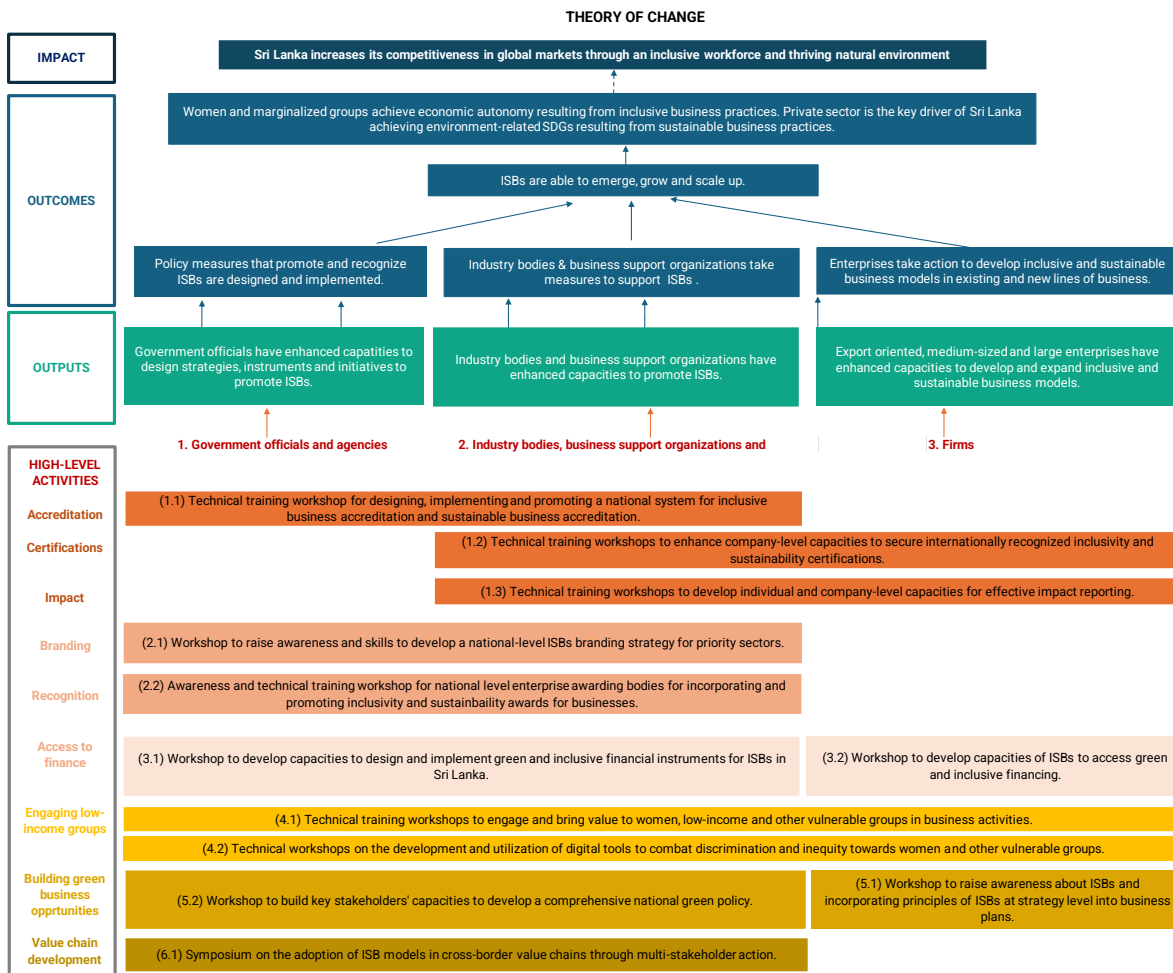
This Action Plan to Develop Inclusive and Sustainable Business Capacities in Sri Lanka presents a comprehensive approach to strengthening stakeholders' capacities for inclusive and sustainable private sector development. The proposed measures directly address the key capacity gaps and challenges identified in previous sections of this report and have been prioritized based on the results of multi-stakeholder consultations.

The capacity development recommendations aim to develop the individual, organization and ecosystem capacities of people from different stakeholder groups, namely government, intermediary organizations and the private sector. This multi-stakeholder approach recognizes that sustainable capacity growth requires coordinated efforts to enhance the skills and knowledge of individuals, optimize institutional systems and processes, and develop policies, laws and regulations to enable change.

The Action Plan is built on a robust theory of change model (section 5.1) which has been translated into a detailed set of capacity development activities (section 5.2). It maps out the activities, suggested implementors and expected outputs. The Action Plan does not assign budgets and does not establish indicators for the activities. Allocating resources and developing relevant monitoring and evaluation models, including indicators, for the activities should be finalized by the implementing stakeholder(s) as outlined in section 5.3. Finally, the activities are set to a three-year time frame, with activities expected to have the highest impact prioritized in year one (see section 5.4).

5.1 Theory of change

Figure 23: Theory of change for building the capacities of businesses to be inclusive and sustainable



The goal is to increase the competitiveness of Sri Lanka in global markets through an inclusive workforce and environmentally sustainable practices. Two key outcomes are targeted to achieve this: empowering women, low-income and other marginalized groups through inclusive business models; and positioning the private sector as a driver of environmental sustainability and the achievement of the Sustainable Development Goals (SDGs).

The theory of change illustrates that achieving these outcomes requires that three stakeholder groups enhance their capacities as follows: government agencies to design supportive policies and initiatives; industry bodies/business support organizations to adopt inclusive and sustainable business practices; and enterprises to develop and scale inclusive and sustainable business models.

This in turn requires stakeholders to conduct activities that build capacities on the thematic areas of accreditation, impact measurement, branding, access to finance, engagement with marginalized groups, green business opportunities and value chain collaboration. These activities will equip stakeholders through training, mentorship and resources (funding and in-kind support), and foster an ecosystem conducive to the emergence and growth of ISBs.

5.2 Proposed capacity development activities

This section details activities to build capacities, as proposed during the co-creation workshop and subsequent desk research. The activities are intended for the three key stakeholder groups: government; enablers (industry associations, chambers of commerce and industries, capacity service providers); and businesses, particularly export-oriented medium-sized and large businesses. The focus is on the priority sectors of apparel and textile, tourism, IT-BPO, tea and agriculture.

5.2.1 Certification, accreditation and impact reporting

Activity 1.1 Technical training workshops to develop capacities for designing, implementing and promoting national a national accreditation system for inclusive businesses and sustainable businesses.	
Activity overview	The activity will equip participants with the necessary skills and knowledge to create, execute and advocate for a national system for inclusive business accreditation and for sustainable business accreditation. This will cover the comprehensive process from the foundational principles of accreditation to the strategic promotion of the system.
Proposed activity content	<ol style="list-style-type: none"> 1. Presentation on the role of accreditations in enhancing the recognition and growth of ISBs. 2. Introductory session on the fundamentals of accreditation, including principles, standards, terminology and accreditation frameworks. 3. Technical workshops on designing a robust and credible accreditation system tailored to Sri Lanka's needs and priority sectors. 4. Peer learning and knowledge sharing utilizing case studies to develop practical strategies for effectively implementing the accreditation system. 5. Group activities and interactive discussions to learn techniques and best practices for promoting and advocating the accreditation system to stakeholders.
Target stakeholders	<ul style="list-style-type: none"> • Government officials: Ministry of Industries, Ministry of Finance, National Enterprise Development Authority (NEDA), Industrial Development Board (IDB), Export Development Board, Sri Lanka Accreditation Board, Sri Lanka Standards Institution, Central Bank of Sri Lanka • Representatives of chambers of commerce and industry; representatives from industry bodies: Joint Apparel Association Forum Sri Lanka (JAAF), Sri Lanka Association of Software and Service Companies, Tea Exporters Association, Hotels Association • Accreditation experts and professionals • Representatives from professional education institutions
Output	Participants will possess the skills and knowledge required to design and implement a comprehensive national accreditation system for ISBs that meets the growth aspirations of priority industries, promotes national economic, inclusivity and environmental targets, and meets international standards and recognition.

Activity 1.2 Technical training workshops to enhance enterprise-level capacities to secure internationally recognized inclusivity and sustainability certifications.	
Activity overview	The activity aims to enhance the ability of businesses to identify, secure, maintain and improve upon widely accepted and respected international certifications that

	recognize and promote inclusivity and sustainability. By building awareness and technical capacity, the activities seek to enable businesses to meet global standards, enhance market competitiveness, attract investment and contribute to the achievement of SDGs.
Proposed activity content	<ol style="list-style-type: none"> 1. Introductory knowledge sharing sessions featuring experts and case studies to raise awareness among private sector participants about the significance of internationally recognized inclusivity and sustainability certifications. 2. Practical sessions to develop skills and knowledge to research, evaluate, and identify suitable certifications that align with the goals and values of participating businesses. 3. Technical training to provide participants with practical skills and knowledge to navigate the certification process effectively. 4. Panel discussions on shifting the perception of certifications from an audit-based mindset to a catalyst for generating learning and impact.
Target stakeholders	<ul style="list-style-type: none"> • Medium-sized and large export-oriented businesses from priority sectors, including social enterprises • Professional education institutions and academia • Chambers of commerce and industry, and industry associations
Output	Participating businesses have increased awareness, developed company-specific certification plans, facilitated successful certifications, sustained certification efforts and enhanced their market position through better global positioning and increased investment due to recognized certifications.

Activity 1.3 Technical training workshops to develop individual and company-level capacities for effective impact reporting.

Activity overview	The activity aims to equip stakeholders with the knowledge and skills to develop credible impact reporting frameworks and systems to collect data and publish results. It will address current gaps, emphasizing the benefits of impact reporting for building a competitive advantage in the global market, raising impact investment and meeting emerging trade regulations in key export markets.
Proposed activity content	<ol style="list-style-type: none"> 1. Presentation and discussions on the benefits of impact reporting for sustainability, transparency and stakeholder engagement. 2. Hands-on training sessions with practical exercises on the development of robust impact reporting frameworks and systems. 3. Workshops on improving the accuracy and transparency of impact reports, covering topics such as data collection methods, measurement techniques and reporting standards. 4. Guidance sessions on producing impact reports that attract investment and meet certification audit requirements, including tips on aligning reporting with investor expectations and certification criteria. 5. Interactive sessions, using case studies, on effective strategies for communicating social and environmental impacts to stakeholders, including storytelling techniques, visual presentations and online platforms.
Target stakeholders	Medium-sized and large export-oriented businesses from priority sectors, including social enterprises.

Output	Participants improve their understanding of impact reporting, develop company-specific frameworks, improve reporting quality, increase investment readiness and effectively communicate social and environmental impacts.
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5.2.2 Branding and recognition

Activity 2.1 Workshops to raise awareness and skills to develop a national branding strategy for ISBs in priority sectors.

Activity overview	The activity aims to build the awareness, skills and knowledge of participants to develop and implement a unified, inclusive and sustainable brand strategy for Sri Lanka. The activities seek to align efforts across various sectors to promote Sri Lanka as a leading destination for sustainable and inclusive business practices, enhancing its global market positioning and attracting investment.
Proposed activity content	<ol style="list-style-type: none"> 1. Presentation on global trends among ISBs and case studies of successful national branding strategies from the global North and South. 2. Presentation and discussions analysing the Sri Lankan context for ISBs compared to other countries as well as the potential for (sectoral and national) economic growth that a national branding strategy for ISBs would enable. 3. Peer learning session and knowledge sharing on sector specific branding experiences and best practices. 4. Session on building skills for effective branding, covering tools and techniques for scoping a branding strategy for ISBs. 5. Panel discussion on the role of different stakeholders and of collaborative approaches to design and implement a national branding strategy for ISBs. 6. Group activity on building skills and tools for effective cross sectoral collaboration to develop a national branding strategy for ISBs.
Target stakeholders	<ul style="list-style-type: none"> • Ministry of Industries, Ministry of Agriculture, NEDA, Export Development Board, Sri Lanka Tourism Promotion Bureau • Chambers of commerce and industry, industry bodies (JAAF, Sri Lanka Association of Software and Service Companies, Tea Exporters Association, Tourist Hotels Association of Sri Lanka) and social enterprises • Professional education institutions (e.g. Chartered Institute of Marketing, Sri Lanka Institute of Marketing) and academia
Output	A cohesive, inclusive and sustainability-centric branding strategy is developed, fostering strengthened collaboration among diverse sectors and stakeholders, as a sustainable and inclusive business hub.

Activity 2.2 Awareness and technical training workshop for national-level enterprise awarding bodies for incorporating and promoting inclusivity and sustainability awards for businesses.

Activity overview	The activity aims to build the skills and knowledge required to increase the number and impact of industry awards that recognize inclusive and sustainable business practices. The focus is on ensuring these awards achieve international recognition and acceptance, thereby contributing to the growth of ISBs in Sri Lanka.
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Proposed activity content	<ol style="list-style-type: none"> 1. Presentation on the impact of inclusive and sustainable business awards, including case studies from other nations which have successfully championed inclusive and sustainable business awards to promote ISBs in global markets. 2. Panel discussion on recognizing businesses for their mission-driven economic, social and environmental impact beyond corporate social responsibility; and comparing the fundamental differences between traditional corporate awards and inclusive and sustainable business awards. 3. Technical session to develop capacities for formulating guidelines and scoring methodologies, and to evaluate inclusive and sustainable impact created by award applicants. 4. Technical session to build skills and knowledge to promote national-level inclusive and sustainable business awards through cross-border industry and government partnerships.
Target stakeholders	<ul style="list-style-type: none"> • Ministry of Industries, Ministry of Agriculture, NEDA, Export Development Board, Sri Lanka Tourism Promotion Bureau • Chambers of commerce and industry, industry bodies (JAAF, Sri Lanka Association of Software and Service Companies, Tea Exporters Association, Tourist Hotels Association of Sri Lanka)
Output	Capacities are developed to create internationally recognized industry awards celebrating inclusive and sustainable business practices, which are actively promoted by government and industry associations, and foster improved collaboration among stakeholders, leading to increased global visibility, growth and market positioning for ISBs.

5.2.3 Access to finance and investment

Activity 3.1 Workshops to develop capacities to design and implement green and inclusive financial instruments for ISBs in Sri Lanka.	
Activity overview	The activity aims to increase the awareness and technical knowledge of government officials to legalise, promote, incentivise and facilitate the adoption of green and inclusive financial instruments, especially targeting priority sectors.
Proposed activity content	<ol style="list-style-type: none"> 1. Presentation and discussion on the fundamentals of inclusive and sustainable business principles and business models, and the current context of ISBs in Sri Lanka. 2. Analysis of the current status of green and impact financing in Sri Lanka, opportunities, challenges and potential to contribute to national economic, social and environmental targets. 3. Presentation and discussion on international case studies of green and impact financing catalysing the growth of ISBs to achieve national economic, social and environmental development targets. 4. Technical sessions to build the capacity of government officials to effectively communicate current green financing frameworks to financial intermediaries and ISBs for increased utilization of frameworks to raise green and inclusive financing. 5. Technical session to develop capacities of government officials and financial institutions to develop blended, green and impact financing instruments contextualized to the needs of Sri Lankan ISBs.

	6. Technical sessions to develop capacities of government officials to identify and address regulations limiting the entry of green and impact funding into the country.
Target stakeholders	<ul style="list-style-type: none"> • Government officials and financial regulators: Ministry of Finance, Central Bank of Sri Lanka, Department of External Resources, Ministry of Industries, Export Development Board, IDB, NEDA, Ministry of Environment • Banking professionals, investment advisors, fund managers • Representatives of industry chambers and associations
Output	Comprehensive capabilities are developed among government officials and financing institutions to develop and implement green and impact finance by raising awareness of its importance, building technical knowledge, guiding policy development, fostering stakeholder collaboration and providing implementation support through practical tools and frameworks.

Activity 3.2 Workshops to develop capacities of ISBs to access green and inclusive financing.

Activity overview	1. This activity is designed to enhance the awareness and technical knowledge of ISBs about existing and emerging green and impact financial instruments and models. The programme aims to equip companies with the skills and information needed to become ready to access impact investment and finance.
Proposed activity content	<ol style="list-style-type: none"> 2. Introduction to impact, green and sustainable financing instruments. 3. Presentation on the Government's green financing frameworks and policies, current green and sustainable financing opportunities and efforts by government, financing sector and ecosystem stakeholders to attract and promote green and sustainable financing opportunities in Sri Lanka. 4. Presentation and discussion on case studies from Sri Lanka and beyond of how green and impact financing catalyse the growth of ISBs. 5. Group discussions to assess and develop an analysis of the strengths, weaknesses, opportunities and threats (SWOT) of the capacities of ISBs to secure green and impact financing. 6. Technical sessions to develop skills and knowledge of individuals and companies to identify green and impact financing opportunities and to put in place the structures and procedures to access green and impact financing.
Target stakeholders	Medium-sized and large export-oriented businesses and social enterprises
Output	Private sector companies are capacitated to raise funding through green and impact finance instruments to accelerate the adoption and expansion of inclusive and sustainable business models.

5.2.4 Engaging low-income and vulnerable groups

Activity 4.1 Technical training workshops to engage and bring value to women, low-income and other vulnerable groups in business activities.

Activity overview	The activity aims to address gaps in engaging women, low-income and vulnerable groups in promoting inclusive and sustainable business practices across key sectors in Sri Lanka. By providing targeted training workshops, the activity seeks to equip organizations and individuals with knowledge and tools to overcome systematic and unconscious biases, thereby fostering a more inclusive and sustainable business environment.
Proposed activity content	<ol style="list-style-type: none"> 1. Interactive introductory presentation and discussion, featuring success stories, on how inclusive practices can positively impact both businesses and marginalized groups. 2. Technical training for businesses to identify opportunities and avenues to engage women, low-income and other vulnerable groups through the value chain. 3. Technical session on methodologies for conducting social impact assessments, including tools and frameworks for measuring social outcomes and assessing the broader societal impact of business activities. 4. Guided exercises and practical demonstrations to help participants to identify and address systematic and unconscious biases within their organizations. 5. Skill-building exercises, role-playing scenarios and discussions on effective strategies for inclusive outreach and engagement. 6. Group exercises to promote the integration of social impact assessments into business evaluations.
Target stakeholders	<ul style="list-style-type: none"> • Government officials from Ministry of Industries, Ministry of Agriculture, NEDA, IDB, Export Development Board • Export-oriented medium-sized and large businesses from priority sectors • Chambers of commerce and industry and other industry associations
Output	Participants have enhanced awareness, knowledge and skills to engage women, low-income and other vulnerable groups in business activities, including by identifying and addressing systematic and unconscious biases.

Activity 4.2 Technical workshops on the development and utilization of digital tools to combat discrimination and inequity towards women and other vulnerable groups.

Activity overview	The activity focuses on leveraging digital tools to address discrimination and inequity against low-income and vulnerable groups across private sector value chains. Through technical workshops, participants will gain insights into the development and utilization of digital solutions aimed at promoting inclusive and sustainable business practices across various sectors.
Proposed activity content	<ol style="list-style-type: none"> 1. Interactive presentations and case studies on the potential impact of digital solutions to empower marginalized communities. 2. Brainstorming sessions and collaborative workshops to share knowledge and co-create innovative digital tools. 3. Hands-on training and workshops to build the capacity of stakeholders in priority sectors to develop and effectively use digital solutions.

	4. Practical demonstrations and tutorials on the development of digital tools (including apps, websites and data analytics) tailored to the needs of low-income and vulnerable groups.
Target stakeholders	<ul style="list-style-type: none"> • Government officials, Ministry of Industries, Ministry of Agriculture, NEDA, IDB, Export Development Board • Export-oriented medium-sized and large businesses from priority sectors • Chambers of commerce and industry, industry associations
Output	Participants are proficient in utilizing digital tools to combat discrimination and inequity towards low-income and vulnerable groups. They are equipped to develop and implement innovative solutions within their respective sectors, leading to increased engagement and empowerment of marginalized communities.

5.2.5 Building green business opportunities

Activity 5.1 Workshops to raise awareness about ISBs and incorporate inclusive and sustainable business principles into business plans at strategy level.

Activity overview	This activity is designed to help chief executives from medium-sized and large export-oriented companies in priority sectors to align their enterprise strategies with inclusive and sustainable business principles and to adopt robust monitoring and evaluation frameworks. The programme aims to foster a commitment to sustainability and promote the wider adoption and expansion of green business models.
Proposed activity content	<ol style="list-style-type: none"> 1. Awareness raising sessions (with interactive presentations and discussions, featuring success stories from Sri Lanka and beyond, at the company and industry level) on how the adoption of green business models can catalyse business growth and international competitiveness and on the fundamentals of inclusive and sustainable business principles, green business models and the context of ISBs in Sri Lanka. 2. Peer learning sessions to share knowledge, best practices and lessons learned to develop green business models in priority sectors. 3. Technical session on developing mission-driven strategies, implementation and monitoring and review for successful implementation of inclusive and sustainable business strategies. 4. Technical session on fundamentals of impact reporting and its role at a strategic level for supporting mission-driven decision-making.
Target stakeholders	Chief executive officers, chief financial officers, chief operations officers, chief sustainability officers and other senior leaders from export-oriented medium-sized and large businesses from priority sectors
Output	Participating companies align business models with green objectives, track sustainability outcomes and increase adoption of best practices in sustainability and inclusive business.

Activity 5.2 Workshop to build key stakeholder capacities to develop a comprehensive national green policy.

Activity overview	The activity enhances policymakers' capacity to develop and implement green policies promoting sustainable business practices, including identifying and addressing existing policies and regulations which conflict with developing ISBs. Participants will learn best practices in aligning national laws, regulations and policies for enabling the growth of ISBs through green policy design, multi-stakeholder engagement and implementation strategies. Focus areas include promoting energy efficiency, circular economy, sustainable transportation, inclusive development and green innovation. Participants will be equipped to design, implement and evaluate effective green policies while engaging key stakeholders for input and support.
Proposed activity content	<ol style="list-style-type: none"> 1. Presentation on the current context of inclusive and sustainable business in Sri Lanka, including a SWOT covering the sector and potential economic, social and environmental impact to be unlocked through a national level green policy. 2. Presentation and discussion analysing conflicts and inconsistencies arising from laws, regulations and policies when adopting and scaling sustainable and inclusive practices. 3. Sectoral case study presentation of Sri Lankan ISBs thriving in international markets and value chains through the adoption of inclusive and sustainable business principles. 4. Case study presentation of examples of national green policies unlocking new economic growth and accelerating social development and environment regeneration. 5. Multi-stakeholder technical breakout sessions on tools and frameworks required to develop a national level green policy, including for incorporating existing regulations, laws, policies and addressing conflicts into a new singular national policy. 6. Technical session on developing capacities for conducting multi-stakeholder consultations and managing stakeholder relationships during the design, implementation and review stages of enacting a national green policy. 7. Presentation by relevant ministry on the next steps for developing a national green policy, including plan for stakeholder consultations.
Target stakeholders	<ul style="list-style-type: none"> • Ministry of Industries, Ministry of Environment, Ministry of Agriculture, Ministry of Tourism, NEDA, Export Development Board and IDB • Chambers of commerce and industry, and industry associations • Academia
Output	Participants have a deeper understanding of green policies and their relevance to inclusive and sustainable business practices. Participants have practical skills in policy analysis, formulation and implementation, enabling them to contribute effectively to the development of a comprehensive national green policy.

5.2.6 Value chain development and export readiness

Activity 6.1 Symposium on the adoption of inclusive and sustainable business models in cross-border value chains through multi-stakeholder action.

Activity overview	The activity aims are as follows: (1) to raise awareness among stakeholders from global value chains in the priority sectors about the potential of inclusive and sustainable business models to unlock new growth; and (2) to capacitate stakeholders to drive collective action to adopt and scale impact along the value chain.
Proposed activity content	<ol style="list-style-type: none"> 1. Presentation on the potential of ISBs to remodel and reposition global value chains to unlock new economic growth and deliver impact. 2. Presentation on key global value chains in priority sectors, including SWOT of such value chains to adopt inclusive and sustainable business principles. 3. Panel discussion on the role of brands in creating an ecosystem for value chain stakeholders further up-stream and across borders to adopt and scale inclusive and sustainable business practices and models. 4. Case studies of successful adoption and impact of inclusive and sustainable business principles and models in cross-border value chains with a specific focus on the power of collaboration. 5. Technical sessions for stakeholders to develop value chain specific multi-stakeholder road maps to adopt inclusive and sustainable business principles and models. 6. Call to action and commitment by participants to transition value chains to inclusive and sustainable oriented value chains.
Target stakeholders	<ul style="list-style-type: none"> • Ministry of Industries, Ministry of Agriculture, Export Development Board, NEDA • Chambers of commerce and industries, industry associations (JAAF, Sri Lanka Association of Software and Service Companies, Tea Exporters Association, Tourist Hotels Association of Sri Lanka, etc.) • Key international buyers and global brands
Output	Developed industry-specific plans for inclusive and sustainable business models and initiated public-private partnerships for global trade routes. Raised awareness about inclusive and sustainable business principles and enhanced technical expertise for the competitiveness of ISBs in the global market.

5.3 Key steps for implementing the activities

There are five key steps to implement the activities proposed in the Action Plan.

1. Activity design and planning

Using the proposed activity content as guidance, implementors for each activity should engage experts, trainers and speakers from their respective domains to collaborate on activity content development, ensuring activities deliver high-quality, practical and context-specific awareness, knowledge and skills.

2. Resource allocation and mobilization

Securing funding and resources is crucial for effective programme delivery. This may involve applying for grants, seeking private sector sponsorships, or allocating governmental or institutional funds. Resources should be allocated for recruiting international and local experts, preparing training materials, arranging suitable venues or virtual platforms and providing necessary equipment.

Leveraging partnerships with relevant organizations, academic institutions, or industry bodies can optimize resource utilization.

3. Stakeholder engagement and communication

Engage key stakeholders early on to ensure programme relevance, buy-in and sustainability. Stakeholders may include government agencies, industry associations, non-governmental organizations, financial institutions and private sector companies. Develop a strong communication strategy to promote the programme's objectives, benefits and expected outcomes. Regular updates and success stories can help maintain interest and commitment throughout implementation.

4. Training delivery and mentorship

The activity delivery phase should combine different methods to cater to various learning styles and ensure knowledge retention. It should blend international best practices with the local context and provide participants with personalized guidance, feedback and support. Follow-up sessions and access to resource materials can reinforce and sustain capacity development efforts.

5. Monitoring, evaluation and continuous improvement

Implementing robust monitoring and evaluation mechanisms is essential to assess programme efficacy and impact, and to identify areas for improvement. Collecting and analysing data enables evidence-based decision-making, curriculum refinement and adaptation to evolving needs and contexts. Lessons learned and best practices should be documented and disseminated to inform future capacity-development initiatives.

5.4 Capacity development activities implementation timeline

Implementation timeline

Thematic area	Activities	Year 1	Years 2 and 3
Certification, accreditation and impact reporting	1.1 Technical training workshops to develop capacities for designing, implementing and promoting a national accreditation system for inclusive businesses and sustainable businesses.		
	1.2 Technical training workshops to enhance enterprise-level capacities to secure internationally recognized inclusivity and sustainability certifications.		
	1.3 Technical training workshops to develop individual and enterprise-level capacities for effective impact reporting.		
Branding and recognition	2.1 Workshop to raise awareness and skills to develop a national branding strategy for ISBs in priority sectors.		
	2.2 Awareness raising and technical training workshop for national-level bodies that offer enterprise awards for incorporating and promoting awards for inclusivity and sustainability.		

Access to finance and investment	3.1 Workshops to develop capacities to design and implement green and inclusive financial instruments for ISBs in Sri Lanka.		
	3.2 Workshops to develop capacities of ISBs to access green and inclusive financing.		
Engaging low-income and vulnerable groups	4.1 Technical training workshops to engage and bring value to women, low-income and other vulnerable groups in business activities.		
	4.2 Technical workshops on the development and utilization of digital tools to combat discrimination and inequity towards women and other vulnerable groups.		
Building green business opportunities	5.1 Workshops to raise awareness about ISBs and incorporate inclusive and sustainable business principles into business plans at the strategy level.		
	5.2 Workshop to build key stakeholder capacities to develop a comprehensive national green policy.		
Value chain development and export readiness	6.1 Symposium on the adoption of inclusive and sustainable business models in cross-border value chains through multi-stakeholder action.		

6 | CONCLUSION

The Action Plan to Develop Inclusive and Sustainable Business Capacities in Sri Lanka outlines a comprehensive set of actions to build capacities across key stakeholder groups necessary to create social and environmental impact at scale. The Action Plan is a significant milestone to foster sustainable and inclusive private sector development.

The Action Plan encompasses six thematic areas critical for building ISBs: certification, accreditation and impact reporting; branding and recognition; access to finance and investment; engaging low-income and vulnerable groups; building green business opportunities; and value chain development and export-readiness. Each thematic area has specific initiatives to enhance capacities in inclusive and sustainable business practices at the individual, organization and ecosystem levels. For instance, the plan aims to develop capacities needed to design and implement a comprehensive branding strategy for sustainability and inclusivity, enhance business capacities to obtain relevant certifications, support businesses to use impact assessment tools and reporting frameworks, support the development of impact finance instruments and establish mentorship and training programmes to support businesses to engage women, low-income and other vulnerable groups.

A multi-stakeholder and collaborative approach ensures the Action Plan's success. Diverse perspectives must be represented throughout the Action Plan implementation process, making each stakeholder feel valued and integral. Each proposed activity includes a set of key implementation steps, including stakeholder engagement strategies.

Following the approval of the Action Plan, in consultation with the National Steering Committee for the Inclusive and Sustainable Business Development Strategy, a national lead organization should be appointed to operationalize the Action Plan. Under the lead organization's guidance, the respective implementing organization for each activity proposed in the Action Plan should engage relevant stakeholders to develop, in detail, each activity, its content, communication strategy, and monitoring and evaluation framework. In parallel, the lead organization should mobilize resources and funding through a donor and funding forum, bringing together international donors, international organizations and investment funds. The implementation of activities should be prioritized based on the proposed timeline and adopt engaging methods in the delivery of training activities. Continuous monitoring, evaluation and adaptation of the plan will be essential to ensure its effectiveness and relevance in addressing the evolving needs of the business community in Sri Lanka.

The Action Plan presents a well-structured and collaborative approach to building capacities for inclusive and sustainable business practices. Through the active participation of stakeholders and targeted initiatives, the plan's implementation will drive positive change and contribute to achieving national SDG targets and priorities.

Annex I. Initial scoping meetings: List of stakeholders interviewed

Meetings were held between 27 January and 2 February 2024.

- Ceylon Chamber of Commerce
- Federation of Chambers of Commerce and Industry of Sri Lanka (FCCIISL)
- Ministry of Industries
- Sri Lanka Banker's Association
- UN Global Compact Network Sri Lanka
- Women's Chamber of Industry and Commerce Sri Lanka

Annex II. Capacity Development Co-Creation Workshop, 28 March 2024: List of participants

- Alliance Finance PLC
- Asian Development Bank
- Biodiversity Sri Lanka
- Brandix Lanka Ltd
- Central Bank of Sri Lanka
- Central Environmental Authority
- Department of Development Finance
- Development Partners Secretariat
- ESCAP
- Federation of Chambers of Commerce and Industry of Sri Lanka
- Federation of Information Technology Industry Sri Lanka
- Good Life X
- Good Market Sri Lanka
- Hayleys Agriculture Holdings Limited
- Industrial Development Board
- International Labour Organization
- Japan International Cooperation Agency
- Jetwing Holdings Limited
- Join Apparel Association Forum
- Kantala (Private) Limited
- Kelani Valley Plantations PLC
- Lanka Impact Investing Network (Private) Limited
- MAS Capital (Private) Limited
- National Enterprise Development Authority
- Office of the UN Resident Coordinator
- Positive Impact Consultancy
- Sarvodaya Shramadana Movement
- Global Reporting Initiative
- Sri Lanka Accreditation Board
- Sri Lanka Banks' Association
- Sri Lanka Export Development Board
- Sri Lanka Standards Institution
- Thalawakele Tea Estate
- The National Chamber of Commerce of Sri Lanka
- UN Global Compact Network Sri Lanka
- UNDP Sri Lanka

Annex III. Online Validation Workshop, 31 May 2024: List of participants

- Alliance Finance Co. Ltd
- Biodiversity Sri Lanka
- Brandix Lanka Ltd
- Central Bank of Sri Lanka
- Central Environmental Authority
- Chartered Institute of Management Accountants
- Department of Development Finance
- Development Partners Secretariat C/O UN Compound
- Federation of Chambers of Commerce and Industry of Sri Lanka
- Global Reporting Initiative
- Global Sustainability Standards Board
- Good Life X
- Good Market Lanka
- Hatch
- Industrial Development Board
- International Labour Organization
- Japan International Cooperation Agency
- Joint Apparel Association Forum
- Kelani Valley Plantations PLC
- Lanka Impact Investing Network (Pvt.) Ltd
- Ministry of Industries
- National Enterprise Development Authority
- Office of the UN Resident
- Peterson Projects and Solutions Pvt. Ltd
- Sarvodaya Shramadana Movement
- Sri Lanka Accreditation Board
- Sri Lanka Apparel Exporters Association
- Sri Lanka Banks Association
- Sri Lanka Export Development
- Thalawakele Tea Estate
- The National Chamber of Commerce of Sri Lanka
- UN Global Compact Network Sri Lanka
- UNDP Sri Lanka
- United Nations Industrial Development Organization
- Women's Chamber of Industry and Commerce

Annex IV. Inclusive and sustainable business capacities score guide

Score	Description
0	Not addressed <ul style="list-style-type: none"> The individual/ organization/ enabling stakeholder/ sector does not address or prioritize inclusivity and sustainability in any meaningful way. There is a lack of awareness or commitment to integrating inclusive and sustainable practices into operations. No initiatives or efforts are made to address social, environmental, or economic challenges.
1	Awareness stage <ul style="list-style-type: none"> The individual/ organization/ enabling stakeholder/ sector has some awareness of inclusivity and sustainability issues but has not taken significant action to address them. Limited efforts may have been made to raise awareness or initiate discussions on inclusivity and sustainability. No concrete actions or initiatives have been implemented to integrate inclusive and sustainable practices into operations.
2	Initial efforts <ul style="list-style-type: none"> The individual/ organization/ enabling stakeholder/ sector has taken initial steps towards integrating inclusivity and sustainability into its operations. Some initiatives or programmes may have been implemented to address specific social, environmental, or economic challenges. Efforts may be fragmented or ad-hoc, with limited integration of inclusivity and sustainability principles.
3	Core operations <ul style="list-style-type: none"> The individual/ organization/ enabling stakeholder/ sector is actively developing its inclusivity and sustainability practices, with ongoing efforts to develop existing inclusivity and sustainability principles in its operations. Initiatives and programmes are in place to address a range of social, environmental and economic challenges. There is evidence of progress and improvement in inclusivity and sustainability performance, but further integration and scale-up are needed.
4	Strategic integration <ul style="list-style-type: none"> The individual/ organization/ enabling stakeholder/ sector has advanced inclusivity and sustainability practices that are well-integrated into its core operations and strategic objectives. Comprehensive initiatives and programmes are in place to address a wide range of social, environmental and economic challenges. Demonstrates leadership within its scope, with innovative approaches and measurable impact on inclusivity and sustainability outcomes.
5	Benchmark of excellence <ul style="list-style-type: none"> The individual/ organization/ enabling stakeholder/ sector exemplifies best practices in inclusivity and sustainability, setting a benchmark for excellence within its scope. Demonstrates a holistic and strategic approach to addressing social, environmental and economic challenges, with clear goals and measurable impact. Serves as a role model and inspiration for others, actively contributing to positive social change and environmental stewardship.

Annex V. Brief descriptions of capacity development service providers

Association of Chartered Certified Accountant (ACCA) Sustainability Reporting Awards	The ACCA Sustainability Reporting Awards in Sri Lanka promote sustainability reporting and recognize companies for their environmental, social and governance performance. Categories include Best Integrated Report, Best Sustainability Report and Best Carbon Disclosure. Winning the awards highlights transparency, accountability and sustainability in corporate reporting.
Asian Development Bank (ADB)	ADB supports sustainable and inclusive projects in Sri Lanka, aiming to boost competitiveness, create jobs and promote economic and development impact in the region.
Alliance Finance Corporation (AFC)	AFC is a South Asian finance company providing sustainable, development and green finance services. It is the first in the region to achieve holistic sustainability certification under the Sustainability Standard and Certification Initiative (SSCI). AFC sustainable finance services aim to create value for all stakeholders, promoting economic inclusivity and contributing to the nation's macroeconomic progress.
Australian Agency for International Development (AusAid)	AusAid in Sri Lanka seeks, among others, to promote reforms to foster economic growth; improve employment opportunities and livelihoods for disadvantaged Sri Lankans; and support education and training through Australia Awards scholarships.
Central Bank of Sri Lanka	The Central Bank of Sri Lanka (CBSL) plays a crucial role in promoting and enabling green and sustainable investment in the country. As the nation's primary financial regulator and monetary authority, the CBSL influences the financial sector's approach to sustainability and green finance and creates enabling policies and regulations.
Centre for Child Rights and Business	The Centre for Child Rights and Business in Sri Lanka supports businesses in improving their supply chains, focusing on child rights and well-being. They provide services such as child labour prevention, impact assessments, support for young workers and vulnerable groups, and the creation of family-friendly workplaces.
Ceylon Chamber of Commerce (CCC)	The CCC Best Corporate Citizen Award recognizes Sri Lankan companies committed to sustainability and responsible business practices, evaluating their performance in economic, environmental, social and governance dimensions, indicating dedication to creating long-term value for society and the environment.
Chrysalis	Chrysalis is a non-governmental organization focusing on women and youth empowerment, gender equality and diversity. It collaborates with private and government sectors to improve workplace diversity and gender equality.
CLIMAFUGE	CLIMAFUGE provides ethical, sustainable and climate-friendly solutions to transform businesses in fashion, food systems, tourism and waste management in Asia, Africa and Europe. They have provided accelerator support to two cohorts of sustainable fashion enterprises in Sri Lanka.

Department of Development Finance (DDF)	DDF facilitates investments, manages public debts, implements national budget projects and contributes to policy formulation in banking and finance. The department aims to support a people-centric economy by fostering sustained economic growth that benefits all segments of society and minimizes income disparities across provinces.
Development Finance Corporation of Ceylon (DFCC) Bank	DFCC Bank is committed to sustainable finance, development finance and green finance services. DFCC Bank aims to become a leading bank for green finance and achieve carbon neutrality by 2030. DFCC Bank is accredited by the Green Climate Fund.
European Investment Bank	The European Investment Bank has supported capital investment projects in Sri Lanka since 2001 and is a major financier of climate action. It is in discussions with the Government of Sri Lanka to offer financing for green projects and technical assistance on investment in green bonds.
Export Development Board (EDB)	EDB is the apex government institution for export promotion and provides market intelligence, capacity-building support, export promotion, trade facilitation, quality assurance, policy advocacy and promoting sustainability and ethical practices.
Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)	GIZ, and international development partner, focuses on conflict transformation, private sector development and education and vocational training to strengthen reconciliation, support economic development and promote social cohesion and peace in Sri Lanka.
Good Life X (GLX)	Good Life X supports businesses in growth, innovation and sustainability, with a focus on purpose-driven change and regenerative futures. Their capacity-building services include programs for start-ups, SMEs, corporates, food and agri-entrepreneurs and the Enterprise Evolver programme. Additionally, they offer the Thrive Regenerative Business Canvas to help businesses design and implement regenerative business models that build environmental and social impact alongside profitability.
Good Market	Good Market is a social enterprise that supports sustainable and socially conscious businesses through its online retail platform, marketplace events, marketing support and networking opportunities. It promotes ethical and sustainable practices, prioritizing environmentally friendly and socially responsible products. The Good Market Awards celebrate sustainable practices and ethical standards. The Good Market Organic Participatory Guarantee System provides organic certification to SMEs.
Green Building Council of Sri Lanka (GBCSL)	GBCSL promotes sustainable development through certifications, training, memberships, partnerships, projects and events. It certifies green buildings, provides education and training, offers memberships, collaborates with organizations, showcases innovative approaches to green building and recognizes sustainable construction practices across various categories such as green building design, energy efficiency, water conservation and overall sustainability.
Hatch	Hatch Sri Lanka is a coworking space that supports entrepreneurs and start-ups with services such as incubator and accelerator programs,

	mentorship, events, branding and marketing strategies. It fosters entrepreneurship, innovation and economic empowerment through various programs and collaborations. Additionally, it promotes environmentally sustainable and socially responsible initiatives in the start-up ecosystem.
Hatton National Bank (HNB)	HNB is a leading bank in Sri Lanka committed to sustainable and responsible banking practices. HNBs offer sustainable finance services, including green loans and investing in sustainable infrastructure, and it supports social enterprises. HNB focuses on supporting SMEs, agriculture and rural development to stimulate economic growth while implementing green banking practices.
International Fund for Agricultural Development (IFAD)	IFAD aims to eradicate rural poverty and promote sustainable agricultural development through its Smallholder Agribusiness Partnerships Programme, which aims to enhance the incomes and elevate the dietary quality of 57,500 smallholder households by enlarging livelihood and business prospects in agriculture, all while ensuring sustainable practices.
International Labour Organization (ILO) - Better Work Programme	Better Work Sri Lanka aims to improve working conditions and competitiveness in the garment and footwear industry. The initiative collaborates with ILO and national constituents to promote labour standards, partnerships and industrial relations. It focuses on strategic goals such as data and evidence, gender equality, occupational safety and health, and productivity.
Industrial Development Board (IDB)	IDB offers branding and marketing support through digital marketing, business profile creation, investor pool, land bank and job portal services. These services help businesses promote their products or services online, secure funding, access prime locations and hire talent. Additionally, IDB presents the National Industry Brand Excellence awards to recognize outstanding achievements in branding within the industry sector.
Industrial Services Bureau	The Industrial Services Bureau is a business and industrial development solutions provider in Sri Lanka. It offers branding, marketing, project management, technical and environmental solutions and training for investment promotion and enterprise development.
International Finance Corporation (IFC)	IFC finances private-enterprise investment in developing countries, through both loans and direct investments. IFC with Commercial Bank loaned \$50 million to help SMEs in Sri Lanka to deal with the adverse economic impacts of the coronavirus disease (COVID-19) pandemic.
Japan International Cooperation Agency (JICA)	JICA provides technical cooperation projects and official development assistance loans to Sri Lanka since 1954 and 1977, respectively. JICA focus on promoting quality growth, inclusive development cooperation and mitigating vulnerability.
Korea International Cooperation Agency (KOICA)	KOICA supports, among others, capacity-building and public-private partnerships in priority areas of education, transport, water management, sanitation and rural development.

Lanka Angel Network (LAN)	LAN connects local and international investors with early-stage start-ups in Sri Lanka, providing funding, mentorship and access to a network of experienced professionals to fuel innovation and economic growth.
Lanka Impact Investing Network (LIIN)	LIIN channels private capital to address social and environmental issues, supporting social enterprises through impact investment funds and business development aid. They co-own Ath Pavura, a reality show for pitching start-up investments and organize the Emerging Women's Summit, promoting female leadership in social entrepreneurship and impact investing.
Lanka Social Ventures (LSV)	LSV is a social enterprises incubator and accelerator that offers a range of services to enhance branding and marketing strategies for social enterprises and start-ups, including an Impact Accelerator Program, capacity building workshops, networking events, mentorship, coaching and online support resources.
National Chamber of Commerce (NCC)	NCC promotes and recognizes businesses focusing on ethical and sustainable practices. The National Business Excellence Awards (NBEA) rewards organizations that have demonstrated business excellence and sustainability practices in various sectors, covering sustainability, corporate social responsibility, ethical business practice and environmental conservation.
National Chamber of Exporters (NCE)	NCE supports Sri Lankan exporters with market intelligence, capacity-building support, networking opportunities, policy advocacy, quality assurance, export promotion and a focus on sustainability and ethical practices. Additionally, the NCE Export Awards in Sri Lanka recognize outstanding exporters in categories such as Best Ethical Exporter.
National Cleaner Production Centre (NCPC)	The NCPC in Sri Lanka promotes cleaner and sustainable production practices by recognizing businesses that demonstrate a commitment to waste reduction and environmental sustainability through awards. Additionally, NCPC offers capacity building, training, audits and consultations to assist industries in adopting sustainable and eco-friendly practices.
National Enterprise Development Authority (NEDA)	NEDA supports SMEs through market facilitation, techno-entrepreneurship and business incubation programmes. NEDA helps SMEs tap into new markets, promote technology-driven initiatives and enhance their branding and market presence in Sri Lanka.
NGage Goodvocacy	NGage Goodvocacy provides marketing and communications services for responsible brands and develops creative campaigns for social causes like equality, peace, unity and social justice. They also drive environmental advocacy and offer media training and consultancy for cause champions, project owners and business and government leaders.
Palladium	Palladium International, LLC in Sri Lanka works with governments, businesses and investors to address global challenges and support impact-driven businesses in accessing funding, technical expertise and

	markets. Additionally, they administer grants, including those aimed at SMEs and impact-driven businesses.
Sanasa Development Bank	Sanasa Development Bank is a leader in sustainable banking, integrating environmental, social and governance principles into its core operations. It invests in renewable energy, community empowerment, sustainable agriculture, women's entrepreneurship, circular economy and digital inclusion.
Sarvodaya Shramadana Movement	Sarvodaya is a community development organization that addresses social, economic and cultural challenges through a range of programs, including entrepreneurship training and access to finance.
SLYCAN Trust	SLYCAN Trust Sri Lanka supports low-income and vulnerable communities through sustainable development initiatives, capacity building, environmental conservation, social welfare projects, policy advocacy and community engagement. Additionally, the organization promotes sustainability, environmental conservation and climate action within the business community through green business training programmes and networking.
Sri Lanka Sustainable Energy Authority (SLSEA)	SLSEA promotes sustainable energy in Sri Lanka by maximizing all available energy resources, facilitating licenses, promoting renewable energy technologies, collaborating with international organizations and leading the country's sustainable energy revolution. SLSEA seeks to achieve sustainable development, low-carbon economic growth and energy access and security. Additionally, SLSEA hosts award schemes to recognize sustainable energy achievements in Sri Lanka, promoting renewable energy, energy efficiency and sustainability practices.
Sri Lanka Institute of Marketing (SLIM)	SLIM is a professional body that offers educational programs, membership options and events like the Effie Awards, Brand Excellence and SLIM DIGIS – a series of awards recognizing outstanding marketing in the digital space. They also provide corporate training and sustainability initiatives. Their Diploma in Strategic Brand Management (DSBM) equips students, professionals and companies with skills for sustainable and ethical brand development and management.
Sri Lanka Tourism Alliance	The Sri Lanka Tourism Alliance recognizes sustainability champions for their commitment to sustainable practices in the tourism sector. The alliance also supports low-income and vulnerable communities through sustainable tourism initiatives, promoting community-based tourism, supporting SMEs and engaging in social responsibility initiatives. Additionally, it promotes sustainable practices and environmental conservation through various programs and events.
United National Development Programme (UNDP)	The UNDP Global Environment Facility (GEF) grant is a funding programme that supports community-led projects dealing with global environmental issues. Implemented by the UNDP, the Small Grants Programme empowers local organizations to work on environmental conservation and sustainability projects focusing on biodiversity, climate change, land degradation, international waters and waste pollution control.

UNDP Business and Human Rights	UNDP promotes human rights and responsible business practices. It supports governments and firms to adopt the United Nations Guiding Principles on Business and Human Rights, encouraging trade and investment based on values.
United Nations Industrial Development Organization (UNIDO)	UNIDO Sri Lanka supports capacity building, value chain development, quality and standards, market access and trade promotion, sustainable industrial development and policy advocacy to grow export-oriented industries, enhance export competitiveness and promote sustainable industrial development.
United Nations Global Compact Network	The United Nations Global Compact Network is a voluntary initiative for businesses dedicated to aligning their operations with 10 principles in human rights, labour, environment and anti-corruption. Its SDG Innovation Accelerator offers a nine-month program to strengthen companies' commitment to climate action, gender equality, business and human rights and sustainable supply chains.
United States Agency for International Development (USAID)	USAID has undertaken various sustainable projects in Sri Lanka, in particular with a focus on SME development, women empowerment and youth education and career outreach campaigns to support economic growth, entrepreneurship and innovation in the country.
Women's Chamber of Industry and Commerce (WCIC)	WCIC Prathibhabhisheka – Women Entrepreneur Awards in Sri Lanka and the region recognize outstanding women entrepreneurs, including the Social Entrepreneur of the Year, and aim to provide effective mentoring and support, promote best practices and empower them for their efforts in promoting ethical and sustainable practices in their businesses.
World Bank	The World Bank provides financial and technical assistance to developing countries for infrastructure, social services and economic growth. Relevant projects include the Green, Resilient and Inclusive Development approach in Sri Lanka and the Ecosystem Conservation and Management Project to promote nature-based economies and rural livelihoods.