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MEDIA RELEASE

Sustaining success: Australia and Sri Lanka extend the Market Development Facility Program

On 30 January 2024, Australia and Sri Lanka signed a five-year subsidiary arrangement committing to ongoing development cooperation in market systems development, focusing on economic diversification and generating foreign exchange, while also strengthening livelihoods and women's economic empowerment.

The arrangement builds on a previous five years of investment in the Market Development Facility (MDF) program, with an additional investment of AUD 12.1 million (2.55 billion LKR). AUD 9.45 million (1.99 billion LKR) was provided in phase one of the program.

Since 2015, MDF has been a catalyst for economic development, working closely with the private sector and spearheading innovative solutions that support Sri Lanka's tourism and agriculture sectors.

Australian High Commissioner to Sri Lanka Paul Stephens said Australia was pleased to support sustainable development that increases profits and improve livelihoods. "Through MDF, Australia looks forward to engaging with the private sector to build partnerships which will continue to drive prosperity and inclusivity for a resilient recovery," the High Commissioner said.

Secretary to the Ministry of Finance Mahinda Siriwardana said the partnership between Australia and Sri Lanka supported economic growth and development, particularly in key sectors of tourism and agriculture.

The program partners with businesses of all scales to enhance competitiveness, generate foreign exchange and contribute to Sri Lanka's economic recovery. In tourism, this includes a focus on sustainable, high-value tourism; in agriculture, MDF focuses on implementing commercially viable business models that improve agricultural productivity and quality, while promoting climate-resilient agriculture and affordable agricultural technology.

Through MDF, Australia is a longstanding champion of Sri Lanka's emerging speciality coffee sector, collaborating with partners to establish Sri Lanka as a global speciality coffee destination. The program is also looking to expand select agricultural value chains such as mango, cashew, mushroom and peanuts, which hold export potential but also engage significant numbers of smallholder farmers, including women.

MDF is now looking to expand climate-focused investments to support greater energy efficiency and resilience in the face of environmental shocks, particularly for agribusinesses.

For further information visit: [Sri Lanka - Market Development Facility](#)