Country Statement

Current and Emerging Policy Issues for Inclusive and Sustainable Development in Asia and the Pacific

Chair,
Excellencies,
Distinguished Delegates,

At the outset, Sri Lanka extends its warm congratulations to the newly elected Chair and Bureau Members of the Commission. We are confident that under your able leadership, this session will produce fruitful outcomes that will guide our region toward a more inclusive and sustainable future.

Sri Lanka reaffirms its commitment to the principles of sustainable development, equity, and regional solidarity. We commend ESCAP for its continued commitment to providing a platform for dialogue, cooperation, and action as we collectively strive to achieve the 2030 Agenda for Sustainable Development.

Sri Lanka has faced unprecedented economic challenges in recent years, culminating in the most severe crisis in its post-independence history. However, this adversity has become a catalyst for transformative change. Since 2022, the country has implemented a comprehensive macroeconomic reform and public debt restructuring process, supported by the IMF, to address structural vulnerabilities and restore economic stability.

The IMF-supported reform agenda is built on seven key pillars: revenue-based fiscal consolidation, a robust social safety net, debt sustainability, price stability, financial sector stability, anti-corruption measures, and growth-enhancing structural reforms. These efforts have already yielded significant positive outcomes: improved revenue collection, lower inflation and interest rates, stronger external buffers, and a stabilized currency.

Key legislations such as the Central Bank of Sri Lanka Act, Public Financial Management Act, and Anti-Corruption Act have institutionalized economic discipline and transparency, while targeted welfare programmes like *Aswesuma* are addressing the needs of vulnerable populations. The successful completion of Sri

Lanka's debt restructuring has provided much-needed fiscal space to invest in essential services and development priorities.

Looking forward, Sri Lanka is committed to a new economic trajectory driven by exports, productivity, foreign direct investment, and non-debt creating inflows. Emphasis is placed on digitisation, global competitiveness, institutional reform, and improved governance. The Governments' flagship "Clean Sri Lanka " programme envisages and environmental, social, and ethical re-awakening which embodies the core SDG principle and will no doubt contribute to Sri Lanka's efforts to progress in sustainable developments

Sri Lanka is determined to seize this moment as an opportunity not a missed chance to foster inclusive, sustainable, and resilient growth. Through collective action, disciplined policymaking, and a shared national vision, Sri Lanka is laying the foundation for a thriving future.

Sri Lanka has launched a *National Strategy to Promote Inclusive and Sustainable Businesses* to align its business landscape with the Sustainable Development Goals (SDGs). This strategy aims to create a supportive ecosystem for businesses that integrate social and environmental impact into their core mission. These purpose-driven enterprises ranging from green businesses to social enterprises and inclusive models use commercially viable approaches to generate lasting positive impact and economic sustainability.

By fostering innovation, these businesses can better serve underserved communities, expand market share, and drive Sri Lanka's transition towards poverty eradication, carbon neutrality, and a modern, competitive digital economy.

Sri Lanka also recognizes the central role of regional and subregional cooperation including through ESCAP, BIMSTEC, ASEAN, and IORA in addressing transboundary issues such as climate change, disaster risk reduction, trade facilitation, and migration.

In this context, Sri Lanka welcomes ESCAP's focus on emerging challenges such as:

- The need for climate finance and the operationalization of loss and damage mechanisms;

- The growing significance of debt sustainability and fiscal space for developing countries;
- The importance of inclusive digital economies and regional frameworks for data governance;
- And the imperative of building peaceful and just societies, rooted in good governance and human rights.
- Strengthen regional and subregional connectivity

Let us reiterate our collective resolve to accelerate the implementation of the SDGs through inclusive and resilient pathways. Sri Lanka stands ready to work with ESCAP and fellow Member States in fostering a more equitable, peaceful, and sustainable future for Asia and the Pacific.

I Thank you