Fourth South Asia Forum on the Sustainable Development Goals (SDGs)

United Nations Economic and Social Commission for Asia and the Pacific (ESCAP) and the Government of Maldives

Sri Lanka’s Progress on Sustainable Development Goals in the context of the COVID-19 – Towards a Sustainable and Resilient Recovery

Progress Update

• We welcome the Fourth South Asia Forum on SDGs on the topic of “Fostering sustainable and resilient recovery from Covid-19 in South Asia”, signifying the importance of dialogue and partnership between stakeholders in the region based on their experiences and lessons learnt to inform relevant regional and global processes.

• Sri Lanka has set its own national development targets, driven by the global level of ambition, but taking into account, the national context, priorities and circumstances.

• The National Policy Framework ‘Vistas of Prosperity and Splendour’, formulated after extensive consultations with diverse stakeholders including the public, effectively integrates our global SDG commitments, reflecting considerable policy alignment.

• The Government has restructured the Cabinet Ministries to achieve the SDGs by 2030 and looking towards further strengthening the institutional mechanism for horizontal and vertical coordination for planning, implementation and monitoring.

• Lack of data on SDG indicators remains one of the most pressing challenges. The Sustainable Development Council (The Council) together with the Department of Census and Statistics is in the process of strengthening the statistical capacities of the national institutions. The SDG portal launched by the Council is an integrated reporting mechanism promoting a whole-of-government approach to data collection, management and sharing.

• The socio-economic impacts of Covid-19 will be the greatest challenge for Sri Lanka in achieving progress towards SDGs. The funding gap for SDGs (currently estimated to be between USD 2-4 billion per year by the United Nations) is likely to be further widened due to the contraction of the economy consequent to the pandemic.
• We have made remarkable progress in controlling the spread of the pandemic through strict implementation of health and social distancing regulations, quarantine procedures, testing and treatments, recording a very low death rate (0.45%) and a high recovery rate.

• While the government has taken every possible means to ensure a sustainable and resilient recovery from the pandemic, its impacts are likely to reverse some of the important gains achieved by Sri Lanka towards attaining sustainable development.

• Sri Lanka managed to reduce the poverty head count ratio to 4.1% by 2016. However, the downturn in economic sectors such as tourism, apparels and the SMEs and the shrinking of overseas labor markets that generated millions of employment opportunities to our people are likely to have severe negative consequences causing economic insecurities. The strict application of our labor regulations provided security against excessive staff retrenchment and ensured minimum wages during lockdown periods.

• Over six million affected and vulnerable families have been granted a host of financial and material benefits which greatly assisted them in coping with the economic shocks during the emergency period. Amidst disruption to food distribution channels during closures and lockdowns, the *Saubhagaya Home Gardening programme* was launched to cultivate nontoxic organic and nutritious food in one million home gardens, as a means to ensure continuous and uninterrupted access to food for approximately 4 million persons.

• To address poverty and vulnerability in the short term, the 2021 Budget has allocated a Rs.10,000 million to upgrade household economies of 200,000 low-income families. Further, initiatives have been taken to provide land and housing to the poor and the vulnerable. Programmes have been initiated to provide 20,000 acres of freehold land to landless families and to construct 38,000 houses for low income families in the urban, rural and the estate sectors.

• Our challenge now is to revitalize the economy, improve our growth rates and generate employment opportunities whilst maintaining the ecological balances. The support extended to businesses through low interest credit facilities, moratoriums on loan repayments as well as tax exemptions have contributed to maintaining business resilience during the emergency period.

• The pandemic has given us a renewed opportunity to look inwards and increase domestic production to meet most of our consumption requirements as well to reorient Sri Lanka towards an export economy. This will help Sri Lanka bridge its budget deficit by boosting our export earnings. The 2021 National Budget contains extensive proposals to provide tax concessions to agriculture, fisheries, livestock, and manufacturing and construction sectors aiming at boosting domestic production and developing internationally competitive industries. A strong emphasis has been placed in attracting foreign direct investments via tax
incentives and strengthened regulatory framework. We believe that these measures would help Sri Lanka achieve the desired GDP growth rate of 6pc by 2021.

- The government has also taken special endeavours to induce household and business transition towards improved waste management practices and renewable energy usage. The 2021 National Budget has banned the usage of single use polythene and plastics with effect from January 01st and has offered tax incentives promoting business integration of recycling practices. Furthermore, the Budget proposes tax exemptions for renewable energy usage for both businesses and households with an aim of achieving 70% of our energy supply to be sourced from renewable energy by 2023.

- Achieving SDG targets, particularly in the context of Covid-19, requires mutual cooperation and partnerships among all stakeholders.

- The Government has been able to mobilize domestic resources through private sector and public contributions towards Covid-19 mitigation and recovery efforts. The Itukama Covid-19 Healthcare and Social Security Fund was established mainly with the contributions of the private businesses and the public through a crowd sourcing funding modality. In addition, several private sector companies have come forward in supporting the essential Covid-19 treatment facilities and quarantine centers.

- Based on a non-aligned foreign policy, Sri Lanka has engaged with all our external partners and the United Nations and allied agencies for technical as well as financial cooperation. The Government of India, China, the United Nations, World Bank and the Asian Development Bank have supported us in our immediate recovery needs as well as in short term financial support, rural development and infrastructure development, among others.

- In going forward, Sri Lanka seeks to further strengthen our ties with the regional allies for investments, trading opportunities, technology and knowledge transfer. The present Forum is a timely platform to share experiences and explore opportunities to build back better and progress towards SDGs, leaving no one behind.

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