

NATIONAL STATEMENT OF SRI LANKA AT THE GENERAL DEBATE OF THE HIGH LEVEL POLITICAL FORUM ON SUSTAINABLE DEVELOPMENT

The impacts of the COVID-19 pandemic especially in the social and economic spheres in low and middle income developing countries, including Sri Lanka, have been particularly severe due to consequences such as the disruption of supply chains, reduced foreign remittances and FDI, among others. In this context, Sri Lanka welcomes the “United Nations COVID-19 Response and Recovery Fund” established to support low- and middle-income countries overcome health and development crises caused by the COVID-19 pandemic.

At the SDG Summit held in September 2019 during the high level segment of the UNGA, Member States acknowledged that the world was not on track to achieve the 2030 Agenda by the target year. The COVID-19 pandemic threatens to even erase the hard won gains, as the world faces a looming recession and rising inequality. As such, concerted and urgent action is required to scale up the implementation of the SDGs. In this regard, Sri Lanka welcomes the “Decade of Action” called for in the SDG Summit Declaration, which seeks to prioritize solutions that catalyze progress on multiple SDGs, and the annual “SDG Moment” which will showcase the best practices and solutions adopted by governments and stakeholders.

COVID-19 has exacerbated many existing challenges such as poverty, inequality and the digital divide, among others while causing a disproportionate impact on vulnerable groups. In Sri Lanka, with approximately 60 percent of those employed being engaged in the informal sector and an estimated 1.9 million being daily wage earners, a large number of households are likely to be in a precarious position. Small and Medium businesses are on the verge of winding up. Elderly and people living just above the poverty line are much affected. Poverty could increase due to job losses and economic lockdown. In this context, Sri Lanka welcomes the initiative by the President of the General Assembly to establish the Alliance for Poverty Eradication.

Sri Lanka is committed to ensure gender equality and empowerment of women and girls, and in this regard the government provides them equal access to resources and opportunities, including at the decision making processes and economic participation. However, COVID-19 seems to cause possible disproportionate economic impacts on women due to certain measures such as

changes in school times, closure of daycare centers and change of office hours in private sector, taken to prevent the spread of COVID-19, compensate the school closures and to avoid traffic congestion.

Young people the world over are visibly contributing towards sustainable development as innovators, entrepreneurs, civil and political activists, and peace builders. It is important that we work towards eliminating barriers that prevent them from realizing their full potential. Recognizing the importance of equipping youth with necessary skills, the Government of Sri Lanka has declared 2021-2030 as the Decade of Skills Development. The move is expected to herald a transformational phase of educational reform and skills development for the nation. The Decade of Skills Development builds on the success of Sri Lanka spearheading the adoption of World Youth Skills Day which was established through a proposal presented to the United Nations General Assembly in 2014 by the Government of Sri Lanka. The action plan for the Decade of Skills Development focuses on cultivating next generation skills in line with the global trends and the 2030 Agenda for Sustainable Development.

Overall, Sri Lanka has utilized three types of policies to address the COVID-19 pandemic and its effects:

1. Border control and health sector policies;
2. Fiscal measures; and
3. Monetary and financial sector measures, including capital flow management.

Border control and health sector policies attempt to contain the spread of the pandemic, while other policies adopted by the government and the Central Bank seek to provide relief to businesses and individuals affected by the pandemic and address emerging macroeconomic challenges. In relation to monetary measures, the Central Bank of Sri Lanka, thus far, has reduced the key policy interest rates, namely the Standing Deposit Facility Rate (SDFR) and Standing Lending Facility Rate (SLFR), by 100 basis points across three cuts, two of which were undertaken during emergency reviews in the months of March and April 2020.

The government also introduced the ‘*Saubagya* COVID-19 Renaissance Facility’ which provides working capital for adversely affected businesses to revive their activities. Financial institutions have been requested to reschedule non-performing loans. To facilitate the provision

of these concessions, lower capital conservation buffer requirements and a relaxation of loan classification rules have been announced. The low-income vulnerable families have been granted a host of financial and material benefits in the face of effects of the COVID-19 outbreak. Sub loans are to be provided to the farmers under a subsidized ‘new comprehensive rural credit scheme’.

Sri Lanka contained the first wave of the COVID-19 outbreak successfully through a rapidly scaled-up response including lockdowns, dedicated quarantine centers, social distancing measures, clinical practice guidelines and prompt detecting and quarantine of infected persons and associates. The government monitored the pandemic's movement closely right after the first case appeared in the nation. As soon as a COVID-19 case was detected, the health staff with the support of State Intelligence tracked the patient's first contacts and quarantined. The government established dedicated quarantine centers and hospitals for COVID-19 suspected and confirmed patients. By these measures, Sri Lanka could manage the situation before aggravating to the community transmission stage. Moreover, Sri Lanka records a very low death rate and a high recovery rate. The government has also established a national operation center for the prevention of COVID-19 outbreak. Presently, the curfew has been lifted. The public and private sectors have started their near normal businesses, schools and universities have set dates for opening, while adhering to the health guidelines.

The government has devised an Economic Revival Strategy that identifies new opportunities and challenges to be implemented with a new set of guidelines such as maintaining businesses and offices with minimum staff, work from home, and continuation of essential services and agriculture while maintaining the social distancing requirement. Nevertheless, the weakening of key trading partners and disturbances to the supply chain are likely to affect adversely on import and future export volumes of the country and export earnings. Meanwhile, the World Bank has downgraded Sri Lanka from an upper-middle income country to a lower-middle income one after it recorded a USD 3,853 per capita income for 2019, in comparison to USD 4,080 in year 2018.

In the education sector, online education is becoming popular in Sri Lanka. Both public and private educational institutions use distance learning methods by teaching online using video

calling apps like Zoom, Microsoft Teams, Google Hangouts and social media apps like WhatsApp and Facebook. However, this may increase inequalities as the accessibility of such tools is low or near zero for poor families. Lack of basic ICT skills is also a major barrier to successfully implement online education. Regional and Global cooperation is essential to develop digital connectivity and electronic platforms in the education sector.

As the world seeks to recover from the impacts of the pandemic, it is vital that initiatives are undertaken to facilitate the transformation to a better, greener and sustainable world, by addressing climate risks, building resilience, ensuring sustainable consumption and moving towards a green economy. Sri Lanka is pleased to be a party to the Paris Agreement, which provides a roadmap for the way forward in this regard.

Lack of access to affordable, sustainable and modern energy poses significant economic, social and environmental challenges. Energy is crucial to supporting many other sectors such as healthcare, education, transport and communication. Electrification, access to clean cooking fuel and renewable energy are essential means of achieving sustainable development and reducing emissions. In this regard, Sri Lanka is transitioning towards renewable energy sources such as biomass, wind, solar and hydro sources and aspires to become a carbon neutral country by 2050.

Overcoming all challenges posed by the COVID-19 pandemic, building a better world and achieving SDG targets cannot be achieved by any country alone and needs mutual cooperation and partnership. For Sri Lanka, supporting the worst affected sectors that contributed the lion share to the economy and jobs such as SMEs, export industries such as the apparel industry, and tourism to bounce back is compulsory but needs the support of other countries. In this regard, civil society, academia, the private sector, international financial institutions and regional organizations can make a valuable contribution towards the achievement of the 2030 Development Agenda by mobilizing action, providing expertise and financial resources.

The world's attempts at recovery from the pandemic should also not be limited to short term responses but focus at strengthening the efforts on achieving the SDGs by 2030. It is vital that we adopt an inclusive, integrated and holistic approach towards implementing the SDGs that

will leverage inter-linkages and minimize trade-offs. In doing so, precedence must be accorded to national ownership and priorities, while contributing to collective global action and strengthening a rule-based, multilateral system, if we are to create an equitable and prosperous world, where no one is left behind.