

**Keynote Speech delivered by Mr. K M Mahinda Siriwardana, Secretary to the Treasury, and Ministry of Finance, Economic Stabilisation and National Policies, at the National Launch of the CGIAR (Consultative Group on International Agricultural Research) Climate Resilience – Climate Smart Governance Dashboard (CSG) at Galle Face Hotel, Colombo, Sri Lanka on 04<sup>th</sup> April 2024**

Ladies and Gentlemen,

I am honoured to address you today at the National Launch of the CGIAR Climate Resilience – Climate Smart Governance Dashboard (CSG). This event marks a significant milestone in your collective efforts towards climate resilience and smart governance.

As you are all aware, Sri Lanka is taking the difficult steps to emerge from a debilitating economic crisis. The crisis had wide ranging impacts, affecting all sectors of the economy, and all segments of society. The reforms that have been put in place by the government during the past two years have been able to restore a significant level of stabilization in the economy. The improved macroeconomic conditions are visible in terms of improved fiscal conditions, recovery of foreign exchange reserves, improved external balances as evident in the current account surplus and appreciation of the currency, and the rapid decline in inflation from 70% to 0.9% last month.

In spite of the improved macroeconomic indicators, the lives and livelihood of people have not fully normalized. Whilst inflation has stabilized, wages are yet to catch up with the rapid increase in prices experienced during the worst of the crisis. For incomes to grow, the economy has to grow. The more stable macroeconomic conditions set the foundation for a recovery in economic growth, and the early signs have been positive as the fourth quarter of 2023 recorded a GDP growth of 4.5%.

However, we should also aspire to achieve a qualitative improvement in the type of economic growth. In the immediate post-war period, GDP growth was dominated by the non-tradable sector, and the country went through spells of economic stimulus followed by contraction. Going forward, we must aim for economic growth driven by non-debt creating inflows such as the exports of goods, including agri-exports, export of services, and foreign direct investment. Sustainable economic growth can only be achieved through the continuous enhancement in productivity which in turn translates into growth of real wages.

Growth must also not be at the expense of our natural resources, and should be sustainable and green. Sri Lanka being among the countries most vulnerable to climate change, economic activity must adapt to the various challenges that result from volatile rainfall, ocean temperatures, and other climate related shocks. The economy must also embrace the benefits of digitization and all the productivity enhancements embodied in digitally empowered value chains. These characteristics would be crucial in order to ensure an inclusive and sustainable economic model that is resilient to the challenges of the 21<sup>st</sup> century.

It is therefore very pleasing to note that today's initiative captures the essence of several of these characteristics. The agriculture sector is a crucial sector of the economy in terms of employment, accounting for between 25% and 30% of the labour force depending on seasonality. The sector is particularly important for rural incomes as the majority of rural households rely on some form of agricultural income. The agriculture sector also has a critical role in terms of food security for the country.

At the same time, the agricultural sector is one of the most vulnerable sectors to climate change. Recent years have amply demonstrated the devastating impacts of prolonged drought, often immediately followed by excess rainfall, triggering landslides and floods. This creates tremendous pressures on rural agri-based livelihoods, and also affects food availability and prices, impacting the entire country.

Therefore, measures to improve the resilience of the agricultural sector to climate volatility are extremely timely and important. Such measures will be a crucial step in enhancing the productivity of the sector, thereby supporting agri-incomes, along with mitigating risks to food security. Let me share with you some of the key features of this initiative;

#### **1. CSG Dashboard Implementation:**

- CGIAR initiatives on Climate Resilience "ClimBeR" will transform the climate adaptation capacity of food, land and water systems, ultimately increasing the resilience of smallholder production systems.
- The CSG Dashboard has been successfully implemented in several ClimBeR focus countries, including Kenya, Morocco, Senegal, Zambia, Guatemala, Philippines, and now Sri Lanka.
- These countries, highly vulnerable to the impacts of climate change with low resilience levels, have already begun utilizing the dashboard.
- Like especially, Senegal and Zambia, Sri Lanka has taken proactive steps in implementing the CSG Dashboard to address climate challenges.

#### **2. Sri Lanka's Initiative:**

- The CGIAR Climate Smart Governance (CSG) Dashboard, developed by International Water Management Institute (IWMI) in partnership with Sri Lanka's National Planning Department and Climate Change Secretariat of the Ministry of Environment, serves as a facilitation planning tool for national adaptation planning, thereby strengthening Sri Lanka's resilience to climate change impacts.

- The development of the Climate Smart Governance (CSG) Dashboard commenced in 2023 with the aim of providing timely, context-specific, and actionable climate information to local communities and planners.
- Through this initiative, it is expected to develop better, climate-smart, and integrated decision-making processes that will contribute to our resilience in the face of climate change.

### **3. Official Launch:**

- The CSG Dashboard was previously disclosed at COP 28 in December 2023 at the Sri Lanka Pavilion, marking a key moment in our journey towards climate resilience.

### **4. Objectives and Anticipated Outputs:**

- Today, we gather to officially launch the CGIAR CSG Dashboard and showcase its functionalities.
- The dashboard holds immense potential in supporting the implementation of National Adaptation Plan (NAP) and promoting climate-smart governance principles.
- We aim to facilitate a high-level dialogue among policymakers and stakeholders on integrating these principles into NAP processes, develop collaboration, and sharing knowledge to enhance our collective climate resilience.

In conclusion, I extend my gratitude to all those who have contributed to this initiative. The initiative fits neatly into the government's plans for agricultural modernization. Recognising the potential of the agriculture sector to contribute to Sri Lanka's economic recovery, several measures have been taken to release large scale land for export agriculture. In partnership with the private sector, agricultural extension services are being empowered to uplift the productivity and integration of agricultural value chains, which will enhance yields and farmer incomes. Without climate resilience, none of this would be possible. Therefore, I request you all to build on this excellent initiative, and continue to work collaboratively towards building a resilient and sustainable future.

Thank you.