

*Speech by Mr. Mahinda Siriwardana, Secretary to the Treasury, and Ministry of Finance, Planning and Economic Development, as Special Invitee at the Inauguration Ceremony of the Master of Public Financial Management (MPFM) Degree Programme 2025/26, held on 16<sup>th</sup> May 2025 at the CA Sri Lanka Auditorium, Colombo 7*

Distinguished Guests,  
Vice President of CA Sri Lanka,  
President – Association of Public Finance Accountants of Sri Lanka,  
Members of the Board of Study,  
Esteemed Lecturers and Resource Persons,  
Participants of the 2025/26 MPFM Batch,  
Ladies and Gentlemen,  
Good afternoon....!

It gives me great pleasure to join you today at the inauguration of the Master of Public Financial Management Degree Programme 2025/26, jointly conducted by Chartered Accountants (CA) of Sri Lanka and its Public Sector Wing, the Association of Public Finance Accountants of Sri Lanka (APFASL).

I take this opportunity to warmly congratulate the new cohort of students who have taken a decisive step towards advancing their knowledge and careers in public financial management. Your commitment is timely, and it is commendable.

As Secretary to the Treasury, I wish to place on record why a specialised qualification in Public Financial Management is of critical importance at this juncture in our country's journey.

Sri Lanka is in a delicate but determined phase of economic recovery. Just three years ago, we faced the most severe and complex economic crisis in our post-independence history. While we have made commendable strides in stabilising the macroeconomic environment, our path forward depends heavily on ensuring fiscal responsibility, expenditure efficiency, debt sustainability, and robust institutional accountability. These are not abstract goals – they are the pillars of a resilient economy and a trustworthy public sector.

In the past, when we have faced macroeconomic shocks, after a brief period of stabilization, we have made the mistake of reverting to irresponsible economic management. This is why the country has been through 17 IMF programmes since independence. We repeatedly succumbed to the temptation of using fiscal and monetary stimulus to boost growth and generate jobs instead of doing the hard and painful structural reforms to unlock economic productivity, which is the true driver of sustainable growth.

The most significant such policy error was the tax policy changes in end 2019 along with other macroeconomic management failures at the time, such as excessive monetary financing, artificial management of the exchange rate, and failure to implement cost-reflective energy pricing. These were all avoidable policy mistakes, and this is why I continue to maintain that the recent economic crisis was a man-made crisis.

The country ran out of fiscal and reserve buffers during the crisis and is now painfully re-building these buffers. As you are aware, the implementation of structural reforms, along with the IMF supported Extended Fund Facility (EFF), has been instrumental in initiating macroeconomic stabilization and restoring policy credibility. Key interventions, such as revenue-enhancing tax reforms, fiscal consolidation, monetary tightening, reforms in State Owned Enterprises (SOEs), and improvements in public financial management and governance, have begun to yield results.

In particular, with the continuation of the IMF supported reform efforts, Sri Lanka has achieved a number of positive outcomes in managing the country's public finances; government revenue has increased considerably from a position of one of the lowest in the world, a new Public Financial Management (PFM) Act has been enacted to ensure responsible and disciplined fiscal management with specific fiscal rules. The newly enacted Central Bank of Sri Lanka Act has terminated the monetary financing of the government budget and the new Public Debt Management Office and legislation provide the required institutional and legal framework to ensure professional debt management. Improvements in the management and the cost reflective pricing has turned the significant losses of key SOEs into sizable profits, and the huge overdraft of the General Treasury with the two state banks has turned into a sizable cash surplus.

These are hard earned gains, achieved with the tremendous sacrifices made by the people of Sri Lanka, which must be preserved, if we are to continue success in our journey. The situation is still very delicate and there is no room to make any policy mistakes, and it is not a time to be complacent either, on the achievements reached so far.

As long as we maintain the current reform trajectory, we can prevent another default, however if we substantially deviate from this path, the risk of a second default could materialize, which would have devastating implications. At the same time, we have obligations to fulfill with our international counterparts under the debt restructuring agreements - deviating from those would undermine hard won credibility, built up over the last three years. Hence, it is important to maintain a delicate balance between economic issues and political pressures in the name of the people of this country, who have already undergone tremendous challenges during last three years.

In my view, this should be Sri Lanka's last IMF programme, after which we must stand on our own feet as a resilient, sovereign economy. However, in order to do that, we should use this 17<sup>th</sup> IMF programme as a vehicle to implement necessary policies and reforms, and protect the hard earned gains mentioned above. Therefore, continued discipline in macroeconomic management, and particularly public financial management, supported by the IMF programme, is essential.

Moreover, Sri Lanka's crisis has proved that egos, arrogance and forceful behaviour are no longer options in macroeconomic decision making process. This in turn requires the development of a culture of evidence based policy making, backed by robust data, analysis, and objective decision making. In short, a highly disciplined, professional approach is critical into macroeconomic policy, and particularly in public financial management.

In this context, the need for highly skilled, ethically grounded, and forward-thinking public finance professionals cannot be overstated. We must go beyond routine financial administration and aim for transformative practices in budgeting, procurement, accounting, debt management, and reporting – anchored in transparency and aligned with global standards.

This is where the MPFM Degree Programme adds tremendous value. It is more than a qualification – it is an instrument of national capacity-building. By equipping mid- and senior-level public officials with deep technical knowledge and strategic insight, this programme directly supports the reform agenda of the General Treasury and strengthens the institutional capacity we need to implement and sustain critical fiscal reforms.

I commend CA Sri Lanka and Association of Public Finance Accountants of Sri Lanka for their vision in conceptualizing and delivering this degree programme, now aligned with the Sri Lanka Qualifications Framework Level 9. The inclusion of subject areas such as the Public Financial Management Act No. 44 of 2024, digital transformation, public policy, internal controls, and debt sustainability demonstrates that this is a programme designed not only for today's challenges, but for tomorrow's solutions.

I would also like to thank CA Sri Lanka for offering 20 scholarships to staff of the Ministry of Finance and the National Audit Office. These investments are strategic – they will create ripple effects across our institutions and help shape a more accountable and results-oriented public sector, going forward.

To our incoming students: you are entering a programme of national importance. You will have access to a faculty that combines academic rigor with real-world experience, and you will gain a network that spans across key public institutions. Make the most of it – not only for your personal and professional growth, but to contribute meaningfully to the public service and the nation's much needed recovery path.

In closing, let me reaffirm the General Treasury's full support for this initiative. It aligns with our long-term vision of strengthening public financial governance and enhancing institutional capability across all levels of government to ensure disciplined and responsible fiscal management in the country, while inspiring future leaders of public finance.

I wish the initial 2025/26 batch every success in your academic journey and in your future roles as champions of public financial integrity.

Thank you.