

*Opening Remarks by Mr. Mahinda Siriwardana, Secretary to the Treasury, and  
Ministry of Finance, Planning and Economic Development, at the Joint Steering  
Committee of UN Sustainable Development Cooperation Framework (UNSDCF)  
2023-2027, held at the Ministry of Finance, Planning and Economic Development  
on 30<sup>th</sup> May 2025*

Secretaries to the Line Ministries,  
Additional Secretaries and representatives of the Line Ministries,  
Director Generals of the respective Departments,  
Other higher officials of the Government,  
Mr. Marc-Andre Franche, Resident Coordinator of the United Nations in Sri Lanka,  
and other officials of the UN agencies,  
Participants who join virtually,  
Good morning to you all.

It is a great pleasure to have you all on the Joint Steering Committee of **UN Sustainable Development Cooperation Framework (UNSDCF) 2023-2027**. As most of you witnessed, we signed the UNSDCF 2023-2027 between the Government of Sri Lanka and the United Nations for a five-year period in 2022, and we are here today, after successfully completing two years of the framework.

Sri Lanka's journey over recent years has been extremely challenging, following the deep and unprecedented economic crisis in 2021-2022, exacerbated by the global pandemic related shocks, geopolitical conflicts and significant policy missteps. I am glad to share that the comprehensive reform measures, such as fiscal sector reforms, monetary and financial sector reforms, SOE reforms, welfare reforms, legal reforms, institutional restructuring, and public debt restructuring, have steadily stabilized the economy while securing it towards inclusive and sustainable development. In 2024, Sri Lanka achieved a 5% GDP growth, reduced the annual average inflation to 1.2%, improved fiscal variables substantially and increased the per capita income to USD 4,516, while the key focus of the Government remains particularly on inclusive growth, rural development, digital transformation, governance improvement, and climate resilience.

The stabilization of the economy has been encouraging thus far, but this stability is contingent on continuity of the reform path undertaken over the last 3 years. In this context, I wish to highlight that any policy slippage can lead to a vicious cycle that pushes Sri Lanka back to where it was in 2022. However, if Sri Lanka continues with the reform trajectory, and complements it with the second generation structural reforms needed to unlock growth, the country will be well placed to meet the challenges of the future, whilst building a prosperous nation for all.

These second-generation reforms include measures to integrate Sri Lanka with global and regional markets, thereby enhancing trade and investment flows which are crucial sources of non-debt creating inflows which are needed to support Sri Lanka's external debt sustainability. Further, reforms are also needed to address rigidities in land, labour, and capital markets; the key factors of production for economic activity. Legislation, such as the Economic Transformation Act, have already set the foundation for the key reforms required with regard to trade and investment. Growth must be driven by productivity enhancement as opposed to short term fiscal and monetary stimulus. It must be inclusive, job-rich, green, and digitally empowered.

In this difficult reform journey, by focusing on revenue based fiscal consolidation, the Government has been able to create fiscal space to secure funds for education, health, social protection, and other human development priorities. In addition, the Government took necessary action to secure the vulnerable communities by providing necessary targeted cash assistance to ease the burden resulting from the deep economic crisis. The Government has introduced an empowerment programme to uplift the life of vulnerable families.

During the crisis, UN agencies provided life-saving aid to over 3 million Sri Lankans through the Humanitarian Needs and Priorities Plan. The Annual Results Report 2024 published by the UN shows that, in 2024, they have supported 2.5 million Sri Lankans with food, nutrition, and healthcare, empowering 840,000 farmers with climate-smart practices, and improving access to justice for 160,000 citizens. Milestones such as the National Social Protection Policy, Women's Empowerment Act, and advancements in green procurement and digital governance exemplify our shared impact.

The Government endorsed "National Policy Framework - A Thriving Nation, A Beautiful Life" in early 2025. This National Policy Framework has identified key focus areas for development along with strategic directions and few activities to be implemented within the medium-term budgetary framework. Accordingly, I urge all stakeholders to align UN initiatives under the UN Sustainable Development Cooperation Framework with National Priorities specified in the Government Policy Framework, to avoid fragmentation. Furthermore, it is necessary to scale up joint programming, particularly in rural development, digital transformation, and climate resilience.

We are embracing innovative financing methodologies towards climate financing; carbon credits, blue-green financing and BIOFIN and getting technical knowledge and capacity enhancement on new products. The Government's efforts towards blue-green financing, including the drafted green bond framework, Sustainable Finance Roadmap, and Sri Lanka Green Finance Taxonomy, demonstrate a commitment to sustainable development and meeting international obligations.

Most importantly, I request UN agencies to continue regular engagement with Government institutions by including these institutions in outcome group meetings. This is crucial to secure public ownership of these initiatives.

Finally, on behalf of the Government of Sri Lanka, I extend heartfelt appreciation to the United Nations for standing with us during our most challenging times. Your technical expertise, resources, and solidarity have been pivotal in our recovery.

Mr. Marc-Andre Franche, thank you for your leadership and closer collaboration with the Government.

All the heads and colleagues of UN agencies, thank you for your commitment.

To our national partners – let us continue this journey with urgency and unity.

Together, we can ensure Sri Lanka emerges not just stable, but a model of resilience and inclusive growth.

Thank you.