



# Voluntary National Review

on the Status of Implementing the Sustainable Development Goals



Government of the Democratic Socialist Republic of Sri Lanka  
June, 2018





# Voluntary National Review

on the Status of Implementing the Sustainable Development Goals

Government of the Democratic  
Socialist Republic of Sri Lanka



## **Sri Lanka Voluntary National Review on the Status of Implementing Sustainable Development Goals**

All rights are reserved, however the document may be freely reviewed, quoted, reproduced or translated, in part or in full provided that the source is acknowledged.

**© Ministry of Sustainable Development, Wildlife and Regional Development**  
Published by the Ministry of Sustainable Development, Wildlife and Regional Development in June, 2018

Ministry of Sustainable Development,  
Wildlife and Regional Development  
1090, Sri Jayewardenapura Mawatha  
Rajagiriya  
Sri Lanka

Layout Design by Abdul Basith  
Cover Page Illustration by Dilk Feros

**1 NO  
POVERTY**



**2 ZERO  
HUNGER**



**3 GOOD HEALTH  
AND WELL-BEING**



**4 QUALITY  
EDUCATION**



**5 GENDER  
EQUALITY**



**6 CLEAN WATER  
AND SANITATION**



**7 AFFORDABLE AND  
CLEAN ENERGY**



**8 DECENT WORK AND  
ECONOMIC GROWTH**



**9 INDUSTRY, INNOVATION  
AND INFRASTRUCTURE**



**10 REDUCED  
INEQUALITIES**



**11 SUSTAINABLE CITIES  
AND COMMUNITIES**



**12 RESPONSIBLE  
CONSUMPTION  
AND PRODUCTION**



**13 CLIMATE  
ACTION**



**14 LIFE  
BELOW WATER**



**15 LIFE  
ON LAND**



**16 PEACE, JUSTICE  
AND STRONG  
INSTITUTIONS**



**17 PARTNERSHIPS  
FOR THE GOALS**



  
**SUSTAINABLE  
DEVELOPMENT  
GOALS**



## MESSAGE FROM THE **PRESIDENT**

I am pleased to send this message to the Report of Sri Lanka Voluntary National Review prepared by the Ministry of Sustainable Development, Wildlife and Regional Development.

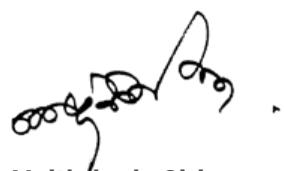
Sri Lanka is an island blessed with outstanding natural beauty and a culture that has embraced the principles of sustainable development in its actions throughout the history. As a nation, Sri Lanka has always demonstrated its commitment to the global effort in protecting the environment, promoting social justice and fostering economic prosperity.

It is in this light we committed to the 2030 Agenda on Sustainable Development in September 2015 along with other nations. At the High-level Political Forum held in July 2017, we also expressed interest to present our Voluntary National Review (VNR) at the July 2018 High-level Political Forum. I am glad that we have successfully undertaken this review and produced this report through an inclusive process.

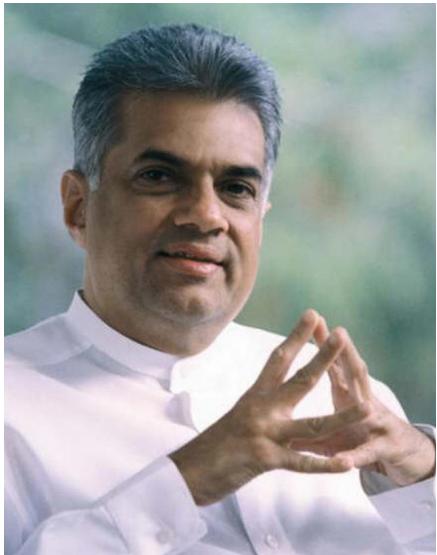
As reflected in the report, Sri Lanka has made great results in the provision of services in many sectors including education, health and near universal domestic electricity supply. However, despite many positive achievements in the health sector, such as holding the malaria free status and reduction of maternal mortality, challenges have been risen from population aging and non-communicable diseases. The Government has taken steps to address these challenges by developing long, medium and short term plans, and allocating resources to realize those plans.

The principle of leaving no one behind forms the core of the SDGs and thus, the achievement of the SDGs mandate the adoption of an inclusive growth approach. Welfare policies and programmes that include health system, education system, and social protection programmes further contribute to ensuring that no one is left behind. Sri Lanka declared the year 2017 as the year of eradicating poverty.

I join hands with all my fellow citizens to reflect on our shared responsibilities to transform the country towards a sustainable and resilient society. I would also like to express my gratitude and appreciation to the key players of this process led by the Ministry of Sustainable Development, Wildlife and Regional Development and supported by the public sector, private sector, academia and civil society organizations.



**Maithripala Sirisena**  
President



## MESSAGE FROM THE **PRIME MINISTER**

Having successfully achieved the Millennium Development Goals in 2015, Sri Lanka reaffirmed its commitment by aligning national policies and strategies, which has greatly facilitated the achievement of its Sustainable Development Goals (SDGs). 'Vision 2025: A Country Enriched', the Government's vision document as well as its Public Investment Programme which details the country's medium term policies and strategies, is moulded on Sri Lanka's SDGs.

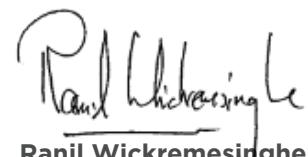
Furthermore, Sri Lanka has already enforced the Sri Lanka Sustainable Development Act, No.19 of 2017, which provides for the development and implementation of a national policy and strategy on sustainable development and for the establishment of a sustainable development council. Similarly, the Ministry of Sustainable Development and Wildlife was established in 2015 as the primary ministry responsible for sustainable development.

Sri Lanka expressed an interest in presenting its first Voluntary National Review (VNR) at the High-level Political Forum, which was held in 2017. The VNR preparation process adopted a multi-stakeholder approach, driven by an appointed task-force consisting of officials from key Government institutions.

The theme for the VNR: 'Transformation towards sustainable and resilient societies' is at the core of the Government's development agenda. Presently, Sri Lanka is focusing on ways to overcome its long-term strategic and structural development challenges as it strives to transition to an upper middle-income country with a knowledge-based, highly competitive, social-market economy. By focusing on rural development and social protection, Sri Lanka aspires to ensure that no one is left behind and that everyone can enjoy the benefits of development.

I would like to thank all those who were involved in the VNR preparation process, and I hope that the development efforts, both present and future, implemented by the Government will support those sectors that are lagging behind in achieving the SDGs identified in the VNR.

I have no doubt that the VNR will be instrumental in our future plans. I am also confident that the Voluntary National Review on Sustainable Development 2018 in New York will play an important role in transforming these noble ideals into practice and action.



**Ranil Wickremesinghe**  
Prime Minister



## MESSAGE FROM THE **MINISTER** of Sustainable Development, Wildlife and Regional Development

I am glad my ministry, the Ministry of Sustainable Development, Wildlife and Regional Development as the focal point for achieving Sustainable Development Goals (SDGs) in Sri Lanka, was able to successfully undertake the voluntary national review process and produce this national report that was agreed upon by many stakeholders at the validation workshop.

In the SDG implementation process, my ministry acts as the coordinator, facilitator and the reporter of sustainable development in Sri Lanka. We have initiated actions to domesticate the SDGs into Governmental plans at national, provincial and local levels including awareness building and training of public officers.

This VNR report has been prepared and compiled with intense collaboration and engagement of many stakeholders, not only those from Government but also from private sector, community organizations, experts and academia. Five stakeholder engagement workshops were held including the validation workshop where large numbers of participants attended. Under the leadership of my ministry, the VNR preparation process was undertaken through a Task Force consisting of representatives of key Governmental ministries and departments with the support of an institutional consultant for report writing.

This report details significant achievements, challenges and way forward in terms of the sustainable development goals. The report also provides gaps in implementing sustainable development goals, the initiatives taken to facilitate SDG implementation by the key Governmental institution, and an analysis of the alignment of long and mid-term national policies with SDGs as well. At the validation workshop that used the market place approach assisted by the UNESCAP, more than 80% participants agreed on key findings, 95% agreed on challenges and 98% agreed on the way forward outcomes of the VNR report. I am glad to share this report with our member states for promoting cooperation and partnerships to ensure achievement of SDGs. The experience sharing opportunities with peers in other countries created in the VNR process has helped us initiate digitalizing the stakeholder engagement process and SDG monitoring process.

I wish to thank H.E. The President, Hon. Prime Minister, members of the Consultative Committee on Sustainable Development, members of the VNR Task Force, IPS, members of other Government, private sector, academia and civil society organizations, United Nations Country Team an UNESCAP officials, staff of Strengthening Democratic Governance and Accountability Project (SDGAP) of USAID, and all others who contributed to the success of this exercise.

  
**Field Marshal Sarath Fonseka**  
Minister of Sustainable Development,  
Wildlife and Regional Development

# CONTENTS

Messages	4
List of Abbreviations	8
List of Figures	12
<b>Executive Summary</b>	<b>13</b>
<b>01. Introduction</b>	<b>15</b>
<b>02. Methodology and Process for Preparation of the Review</b>	<b>18</b>
<b>03. Policy and Enabling Environment</b>	<b>22</b>
3.1 Creating Ownership of Sustainable Development Goals	23
3.2 Alignment between SDGs and National Policies	27
3.3 Institutional Mechanism	36
3.4 Leaving No One Behind	38
<b>04. Goals and Targets</b>	<b>41</b>
4.1 Creating Ownership of Sustainable Development Goals	42
SDG 6: Clean Water and Sanitation	42
SDG 7: Affordable & Clean Energy	46
SDG 11: Sustainable Cities and Communities	51
SDG 12: Responsible Consumption and Production	56
SDG 15: Life on Land	59
4.2 Other SDGs	65
SDG 1: No Poverty	65
SDG 2: Zero Hunger	69
SDG 3: Good Health & Well-being	73
SDG 4: Quality Education	77
SDG 5: Gender Equality	83
SDG 8: Decent Work & Economic Growth	85
SDG 9: Industry, Innovation & Infrastructure	88
SDG 10: Reduced Inequalities	91
SDG 13: Climate Action	93
SDG 14: Life below Water	96
SDG 16: Peace & Justice	99
<b>05. Means of Implementation</b>	<b>103</b>
<b>06. Conclusion</b>	<b>111</b>

# ABBREVIATIONS

<b>10YFP</b>	10 Year Framework of Programmes of Sustainable Consumption and Production
<b>ADB</b>	Asian Development Bank
<b>AirMac</b>	Air Resource Management Centre
<b>ASEAN</b>	Association of Southeast Asian Nations
<b>BAU</b>	Business-as-usual
<b>CBD</b>	Convention on Biological Diversity
<b>CBSL</b>	Central Bank of Sri Lanka
<b>CCS</b>	Climate Change Secretariat
<b>CEA</b>	Central Environmental Authority
<b>CEB</b>	Ceylon Electricity Board
<b>CKDu</b>	Chronic Kidney Disease of Unknown etiology
<b>COSTI</b>	Coordinating Secretariat for Science, Technology and Innovation
<b>CPC</b>	Ceylon Petroleum Corporation
<b>CRIP</b>	Climate Resilience Improvement Project
<b>CRIWMP</b>	Climate Resilient Integrated Water Management Project
<b>CSOs</b>	Civil Society Organizations
<b>CZCRMP</b>	Coastal Zone and Coastal Resources Master Plan
<b>DCS</b>	Department of Census and Statistics of Sri Lanka
<b>DFAR</b>	Department of Fisheries and Aquatic Resources
<b>DHS</b>	Demographic and Health Survey
<b>DM</b>	Department of Meteorology
<b>DMC</b>	Disaster Management Centre
<b>DPMM</b>	Department of Project Management and Monitoring
<b>ECE</b>	Early Childhood Education
<b>ECOSOC</b>	United Nations Economic and Social Council
<b>ETCA</b>	Economic and Technology Co-operation Agreement
<b>EEZ</b>	Exclusive Economic Zone
<b>EU</b>	European Union
<b>FBOs</b>	Farmer Based Organizations
<b>FDI</b>	Foreign Direct Investment
<b>FLFP</b>	Female Labour Force Participation
<b>FTA</b>	Free Trade Agreement
<b>G.C.E.</b>	General Certificate of Education
<b>GAP</b>	Good Agricultural Practices

<b>GATT</b>	General Agreement on Tariffs and Trade
<b>GDP</b>	Gross Domestic Product
<b>GII</b>	Gender Inequality Index
<b>GII</b>	Global Innovation Index
<b>GMPs</b>	Good Manufacturing Practices
<b>GNI</b>	Gross National Income
<b>GoSL</b>	Government of Sri Lanka
<b>GR</b>	Grama Rajya
<b>GSP</b>	Generalized System of Preferences
<b>GSTP</b>	Global System of Trade Preferences
<b>HARTI</b>	Hector Kobbekaduwa Agrarian Research and Training Institute
<b>HCR</b>	Headcount Ratio
<b>HDI</b>	Human Development Index
<b>HFIAS</b>	Household Food Insecurity Access Scale Score
<b>HLPF</b>	High-level Political Forum
<b>IAP2</b>	International Association for Public Participation
<b>IAS</b>	Invasive Alien Species
<b>ICT</b>	Information and Communications Technology
<b>IDB</b>	Industrial Development Board
<b>IFAD</b>	International Fund for Agricultural Development
<b>ILO</b>	International Labour Organization
<b>IOM</b>	International Organization for Migration
<b>IPPC</b>	International Plant Protection Convention
<b>IUCN</b>	International Union for Conservation of Nature
<b>IUU</b>	Illegal, Unreported and Unregulated
<b>LFP</b>	Labour Force Participation
<b>LLRC</b>	Lessons Learnt and Reconciliation Commission
<b>LRT</b>	Light Rail Transit
<b>MCH</b>	Maternal and Child Health
<b>MDGs</b>	Millennium Development Goals
<b>MDM</b>	Ministry of Disaster Management
<b>MMDE</b>	Ministry of Mahaweli Development and Environment
<b>MOH</b>	Ministry of Health
<b>MRG</b>	Multi-stakeholder Reference Group
<b>MSAPN</b>	Multi Sector Action Plan for Nutrition
<b>MSDWRD</b>	Ministry of Sustainable Development, Wildlife and Regional Development
<b>NADeP</b>	National Agribusiness Development Programme

<b>NAMA</b>	National Appropriate Mitigation Action
<b>NAP</b>	National Adaptation Plan for Climate Change Impacts in Sri Lanka 2016-2025
<b>NAP-CC</b>	National Adaptation Plan for Climate Change Impacts
<b>NAP-LD</b>	National Action Programme for Combating Land Degradation in Sri Lanka
<b>NARA</b>	National Aquatic Resources Research and Development Agency
<b>NASTEC</b>	National Commission on Science and Technology
<b>NBSAP</b>	National Biodiversity Strategic Action Plan
<b>NCCP</b>	National Climate Change Policy
<b>NCDs</b>	Non Communicable Diseases
<b>NCRE</b>	Non-Conventional Renewable Energy
<b>NDA</b>	National Designated Agency
<b>NDCs</b>	Nationally Determined Contributions
<b>NEDA</b>	National Enterprise Development Authority
<b>NFP</b>	National Focal Point
<b>NPD</b>	Department of National Planning
<b>NEP</b>	National Evaluation Policy
<b>NNC</b>	National Nutrition Council
<b>NPSSD</b>	National Policy and Strategy for Sustainable Development
<b>NRIFAP</b>	National REDD+ Institutional Framework and Action Programme
<b>NSTP</b>	National Science and Technology Policy
<b>NSWMSC</b>	National Solid Waste Management Support Centre
<b>NWSDB</b>	National Water Supply and Drainage Board
<b>ODA</b>	Official Development Assistance
<b>ODSM</b>	Operation Demand Side Management
<b>OMP</b>	Office on Missing Persons
<b>PIP</b>	Public Investment Programme
<b>RTS</b>	Rapid Transit System
<b>R&amp;D</b>	Research and Development
<b>SCP</b>	Sustainable Consumption and Production
<b>SDC</b>	Sustainable Development Council
<b>SDGs</b>	Sustainable Development Goals
<b>SDS</b>	Sustainable Development Strategies
<b>SEP</b>	Stakeholder Engagement Plan
<b>SLCDMP</b>	Sri Lanka Comprehensive Disaster Management Programme

<b>SLCG</b>	Sri Lanka Coast Guard
<b>SLITA</b>	Sri Lanka Institute of Textile and Apparel
<b>SLNDMP</b>	Sri Lanka National Disaster Management Plan
<b>SLSFTA</b>	Sri Lanka-Singapore Free Trade Agreement
<b>SLTB</b>	Sri Lanka Transport Board
<b>SOE</b>	State Owned Enterprise
<b>STIS</b>	Science, Technology and Innovation Strategy
<b>SVPs</b>	Sector Vulnerability Profiles
<b>SWML</b>	Scheduled Waste Management License
<b>TB</b>	Tuberculosis
<b>TNA</b>	Technical Needs Assessments
<b>TNC</b>	Third National Communication on Climate change
<b>TVET</b>	Technical and Vocational Education and Training
<b>UDA</b>	Urban Development Authority
<b>UNCLOS</b>	United Nations Convention on Law of the Sea
<b>UNCTAD</b>	United Nations Conference on Trade and Development
<b>UNDP</b>	United Nations Development Programme
<b>UNDESA</b>	United Nations Department of Economic and Social Affairs
<b>UNECC</b>	United Nations Electronic Communications Convention
<b>UNEP</b>	United Nations Environment Programme
<b>UNESCAP</b>	United Nations Economic and Social Commission for Asia and the Pacific
<b>UNICEF</b>	United Nations Children's Fund
<b>UNSDF</b>	United Nations Sustainable Development Framework
<b>USA</b>	United States of America
<b>VIOS</b>	Volunteer Involving Organizations
<b>VNR</b>	Voluntary National Review
<b>WBB</b>	Welfare Benefit Board
<b>WFP</b>	World Food Programme
<b>WHO</b>	World Health Organization
<b>WMA</b>	Waste Management Authority
<b>WRMTMP</b>	Western Region Megapolis Transport Master Plan
<b>WTO</b>	World Trade Organisation

# LIST OF FIGURES

<b>Figure 2.1</b>	Multi-Stakeholder Consultations for the Sri Lanka VNR	<b>20</b>
<b>Figure 3.1</b>	Design of Sri Lanka's National Policy Framework	<b>28</b>
<b>Figure 3.2</b>	Full Alignment PIP 2017-2020 with SDG Targets	<b>30</b>
<b>Figure 3.3</b>	Full and Partial Alignment of SDG Targets PIP 2017-2020	<b>31</b>
<b>Figure 3.4</b>	Alignment between SDG Target Areas and PIP 2017-2020	<b>32</b>
<b>Figure 4.1</b>	Access to Safe Drinking Water in 2016 by District	<b>43</b>
<b>Figure 4.2</b>	Availability of Sanitation Facilities in 2016	<b>43</b>
<b>Figure 4.3</b>	Electricity Consumption by Sector (in relative shares (%)): 1970-2016	<b>47</b>
<b>Figure 4.4</b>	Shares of Major Energy Sources (%) in Primary Energy Supply (in ktoe in 2016)	<b>47</b>
<b>Figure 4.5</b>	Share of Different Sources in Primary Energy Mix (1976-2016)	<b>48</b>
<b>Figure 4.6</b>	Fossil Fuel Imports (2007-2016)	<b>49</b>
<b>Figure 4.7</b>	Number of Homeless and Landless Families in Sri Lanka	<b>52</b>
<b>Figure 4.8</b>	Growth in Number of Passengers Using Public Transport	<b>52</b>
<b>Figure 4.9</b>	Change in Forest Cover and Population in Sri Lanka	<b>60</b>
<b>Figure 4.10</b>	Land Use Changes in Sri Lanka	<b>62</b>
<b>Figure 4.11</b>	Poverty Headcount Index Trends at the National Poverty Line	<b>65</b>
<b>Figure 4.12</b>	Overview of Poverty across Age and Gender Groups at the National Poverty Line – 2012/13 and 2016	<b>66</b>
<b>Figure 4.13</b>	Sri Lanka Maternal Mortality Ratio (1995-2015)	<b>73</b>
<b>Figure 4.14</b>	School Enrolment and Completion Rates	<b>77</b>
<b>Figure 5.1</b>	Official Development Assistance (% of GDP)	<b>104</b>
<b>Figure 5.2</b>	Revenue (% of GDP)	<b>104</b>
<b>Figure 5.3</b>	Exports (% of GDP)	<b>106</b>

# LIST OF TABLES

<b>Table 3.1</b>	Tools of Engagement for VNR and Post-VNR Stages	<b>24</b>
<b>Table 3.2</b>	Mapping SDGs to Key Areas of Public Investment	<b>29</b>
<b>Table 3.3</b>	Percentage of Alignment of the 2017-2020 PIP with the Sustainable Development Pillars	<b>31</b>
<b>Table 3.4</b>	Mapping SDGs to Key Areas of Public Investment	<b>33</b>
<b>Table 3.5</b>	Level of Integration of SDGs into National Development Agenda	<b>33</b>
<b>Table 3.6</b>	Proposed Actions for Key Areas of Sustainable Development	<b>35</b>
<b>Table 3.7</b>	Types of Public Organizations	<b>36</b>
<b>Table 4.1</b>	Demand for Energy by Major User Categories 2016	<b>46</b>
<b>Table 4.2</b>	Protected Areas and Extent in Sri Lanka	<b>59</b>
<b>Table 4.3</b>	Endemicity in Some of the Main Taxonomic Groups in Sri Lanka	<b>60</b>
<b>Table 4.4</b>	Economic Cost of Soil Erosion in Sri Lanka	<b>62</b>
<b>Table 5.1</b>	Availability of Data for SDG Indicators for Sri Lanka	<b>109</b>



# EXECUTIVE SUMMARY

Sri Lanka has achieved a high-level of human development and many successes under the Millennium Development Goals, particularly in terms of health, education, and poverty. The conclusion of the three decades long conflict in 2009 has led the country to a period of peace and prosperity. Sri Lanka has demonstrated its commitment to global efforts on sustainable development by being a signatory to several environment-related international treaties and conventions including the Paris Climate Agreement and the Sendai Framework for Disaster Management.

Since the endorsement of the 2030 Agenda for Sustainable Development, the Government of Sri Lanka has undertaken several initiatives to facilitate its implementation in the country. These include: the establishment of a dedicated ministry for sustainable development as the focal point for coordinating, facilitating and reporting on the implementation of the SDGs; the establishment of a Parliamentary Select Committee for Sustainable Development to provide political leadership for the implementation of the SDGs; and the enactment of the Sustainable Development Act No. 19 of 2017 to provide the legal framework for implementing the SDGs.

In compliance with the provisions of the 2030 Agenda declaration, Sri Lanka expressed interest in presenting its first Voluntary National Review (VNR) at the July 2018 High-level Political Forum (HLPF). Sri Lanka's VNR process was a collaborative and inclusive process that involved multi-stakeholder engagement. The Sri Lanka VNR examines the policy and enabling environment of the country vis-à-vis implementation of the SDGs and provides an analysis of the current status and trends, gaps and challenges, and the way forward for all the 17 SDGs.

The current policy framework of the country further reflects the country's commitment to sustainable development. Sri Lanka's strategic development framework, reflected through its long-term development plan, Vision 2025, its medium-term plan, the Public Investment Programme 2017-2020, and the 'Blue Green' Budget of 2018 align significantly with the SDGs.

Given the rising environmental challenges faced by the country, especially due to climate induced disasters in recent years, the focal SDGs of HLPF 2018, the SDGs 6, 7, 11, 12, and 15 bear

a special significance to Sri Lanka. As such, the VNR reviews these SDGs in detail.

Sri Lanka has made notable achievements in its path towards becoming a resilient society, including the high coverage of water supply from safe sources and sanitation facilities, near universal electrification, and increasing the share of population living in permanent houses. There is growing national interest in sustainable consumption and production patterns. Sri Lanka is also endowed with a rich profile of biodiversity that has led the country to being identified among the 35 global biodiversity hotspots. However, the growing dependence on fossil fuel imports for transportation and energy supply, increasing vulnerability of urban centres and communities to disaster risks and the degradation forest and land resources pose challenges on the path to resilience.

Sri Lanka is taking several measures to accelerate the implementation of SDGs. In terms of financing the SDGs, the country has recognized the need to improve domestic revenue collection capacity and is in fact taking action to simplify the tax structure while broadening the tax base. Recognising the need for transformation into a more innovative, knowledge-based economy, Sri Lanka is currently aiming at improving the technology and digitalization sectors. In addition, Sri Lanka has undertaken initiatives with regard to awareness raising and capacity building, in order to ensure that the implementation of the SDGs is an inclusive endeavour.

1

# INTRODUCTION

In 2015, Sri Lanka pledged commitment to the 2030 Agenda for Sustainable Development and the 17 Sustainable Development Goals (SDGs) along with 192 other Member States of the United Nations. The 2030 Agenda has helped Sri Lanka to enrich its path to sustainable development through an approach that harmonizes economic, social, and environmental dimensions of development.

Sri Lanka's potential for the successful implementation and achievement of the SDGs is reflected in its performance under the Millennium Development Goals (MDGs), especially with regard to health, education, and poverty. In addition, Sri Lanka is ranked under the category of countries with high human development, recording a Human Development Index (HDI) of 0.766 (Rank 73) in 2015.<sup>1</sup> This signifies the country's strong basis in terms of social development. Another significant factor that provides a solid foundation for Sri Lanka's sustainable development is the conclusion of three decades long conflict in 2009, leading to a period of peace and prosperity. Another source of strength is policy developments in areas relating to environment and natural resources. Sri Lanka enacted the National Environment Act as early as 1980 and since then several national policies and legislations covering different aspects of environment and natural resources have been introduced. Sri Lanka is also a signatory to several international treaties and conventions related to environment including the Paris Climate Agreement and the Sendai Framework for Disaster Management. These factors have created a favourable environment for Sri Lanka to implement and attain the SDGs.

Since the endorsement of the 2030 Agenda, Sri Lanka has taken several initiatives to facilitate and advance the implementation of the SDGs. One such initiative is the establishment of a Parliamentary Select Committee on Sustainable Development, to facilitate the implementation of SDGs for the purposes of coordinating the activities of the Parliament with respective ministries, and providing expert advice. This highlights the country's commitment to the SDGs at its highest legislative body. In addition, the Ministry of Sustainable Development and Wildlife was established in 2015 as the line ministry responsible for the subject of

sustainable development in Sri Lanka, for which the regional development portfolio has been added since May 2018. The Ministry of Sustainable Development, Wildlife and Regional Development (MSDWRD) acts as the focal point for coordinating, facilitating, and reporting on the implementation of SDGs in Sri Lanka. Another significant step is the enactment of the Sustainable Development Act No. 19 of 2017 which lays the foundation for a well-organized institutional mechanism to implement the SDGs utilizing the existing system of public institutions.

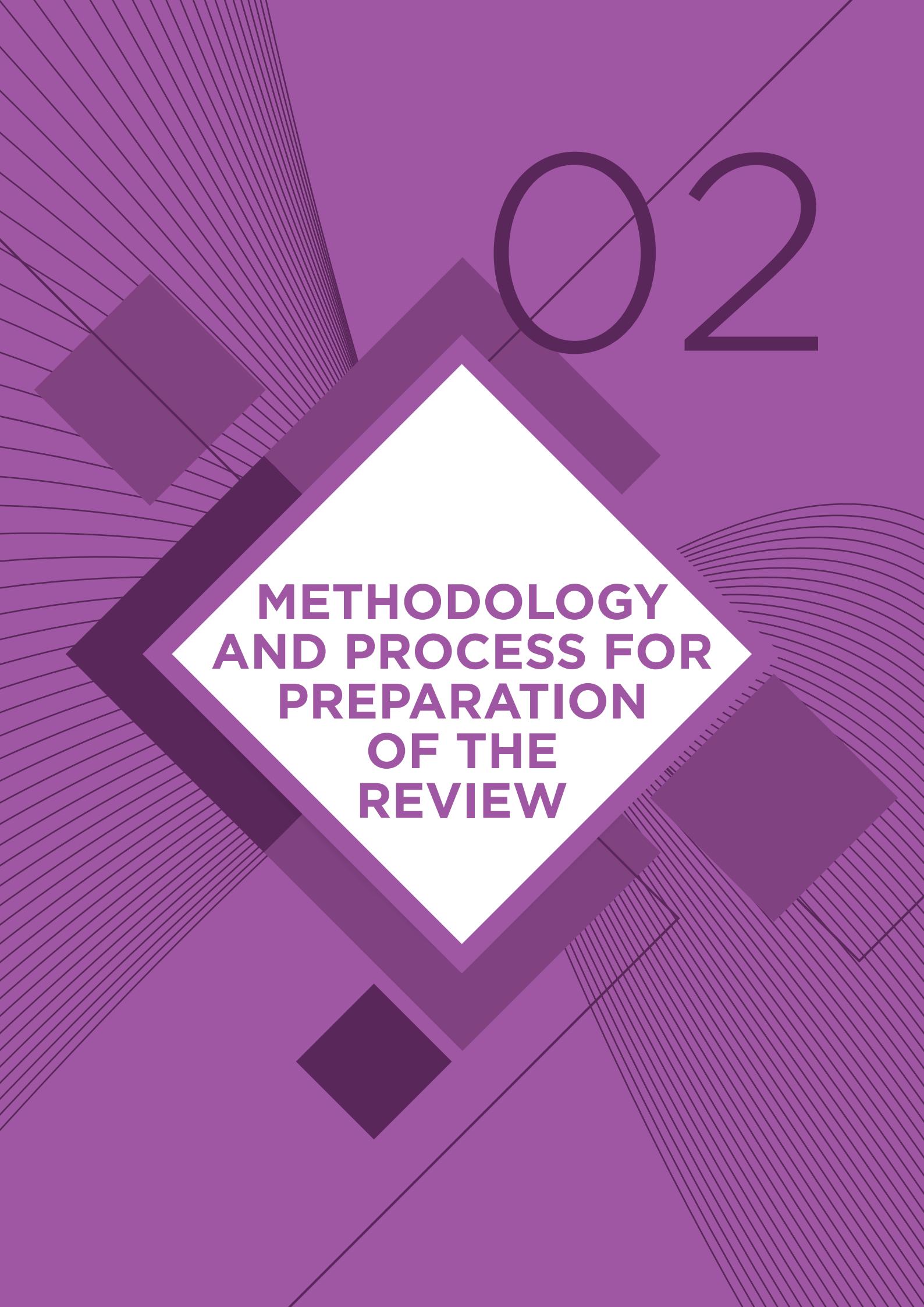
Sri Lanka's policy framework further reflects the country's adherence to sustainable development principles. The country's current strategic development framework can be examined via its long-term development plan, Vision 2025: A Country Enriched, its medium term development plan, Public Investment Programme: 2017-2020 (PIP), and its short-term plan, the 'Blue Green' Budget of 2018. The principles of sustainable development underscore the need to harmonize between economic, social, and environmental interests. Sri Lanka's strategic outlook presented in the above documents has integrated these dimensions in varying degrees: the PIP 2017-2020 provides for the implementation of social protection schemes for all necessary segments in the country, and has identified environmental management as a priority area, emphasizing the need to facilitate economic growth while also taking appropriate measures to ensure the quality of the environment; the Vision 2025 envisions the transformation of Sri Lanka as a knowledge-based, competitive, social market economy and identifies environment as a development priority under the theme of agriculture and sustainable development; the 'Blue Green' Budget of 2018 emphasizes the Government's vision to explore the full economic potential of the oceans while adopting an environmentally sustainable development strategy.

In compliance with the provisions of the 2030 Agenda declaration, Sri Lanka expressed interest to present its first Voluntary National Review (VNR) at the July 2018 High-level Political Forum (HLPF). The VNR process was undertaken in-line with the UN Secretary-General's Guidelines for the Preparation of VNRs. A multi-stakeholder approach was followed throughout the VNR process.

<sup>1</sup> UNDP (2016), 'Human Development Report 2016: Human Development for Everyone'. Available at [http://hdr.undp.org/sites/default/files/2016\\_human\\_development\\_report.pdf](http://hdr.undp.org/sites/default/files/2016_human_development_report.pdf)

This VNR report appraises the current status of SDG implementation in Sri Lanka while creating awareness and ownership of the SDGs. The report adheres to the structure proposed under the UN Secretary-General's Guidelines to a greater extent. As such, Section 2 details the methodology and process of preparing the VNR while Section 3 examines the policy and enabling environment vis-à-vis SDG implementation in the country. Section 4 provides an overview of SDGs 1-16 with a special emphasis on the SDGs reviewed in depth at the 2018 HLPF while SDG 17 is discussed in detail in Section 5 under the means of implementation. This is followed by Section 6 which provides a summary of the analysis and findings.

02



## METHODOLOGY AND PROCESS FOR PREPARATION OF THE REVIEW

The SDGs present an overarching and comprehensive framework that aims to provide a shared narrative of sustainable development, emphasizing the principle of leaving no one behind. As such, the Sri Lanka VNR process was designed as a collaborative and inclusive exercise that:

- Provides a comprehensive and detailed understanding of Sri Lanka's current status and progress with respect to the SDGs, and successes and challenges in achieving them;
- Discusses initiatives taken to mainstream SDGs in Sri Lanka;
- Identifies gaps and challenges and outlines the steps that need to be taken to enhance the implementation of the 2030 Agenda.

In order to guide the VNR process and develop the VNR report, a Task Force (TF) consisting of representatives from: The President's Office; the Prime Minister's Office; Ministries of National Policies and Economic Affairs, Foreign Affairs, Mahaweli Development and Environment, and Sustainable Development, Wildlife and Regional Development; the Finance Commission; Department of National Planning (NPD), Department of Census and Statistics (DCS), and the Department of Project Management and Monitoring (DPMM) was formed with the UN Country Office as an observer. The Institute of Policy Studies of Sri Lanka (IPS) facilitated the VNR report preparation.

The Sri Lanka VNR employed a mix of quantitative and qualitative methods for data collection and analysis to allow for optimum reflection and evaluation. As such, both secondary data collection tools (e.g. review of literature/ policy documents) as well as primary data collection tools (e.g. stakeholder consultations, and key informant interviews) were utilized to gather information.

## a) Review of Secondary Information

The reviewed secondary information included national and sectoral policy documents, statistical data and global literature on SDGs. Following key national policy documents were reviewed:

- 'Vision 2025' which sets out the long-term development trajectory of the country
- The 'Public Investment Programme 2017-2020' which details the mid-term investment plan of the Sri Lanka Government
- The Sri Lanka National Budget of 2018, the 'Blue Green Budget'

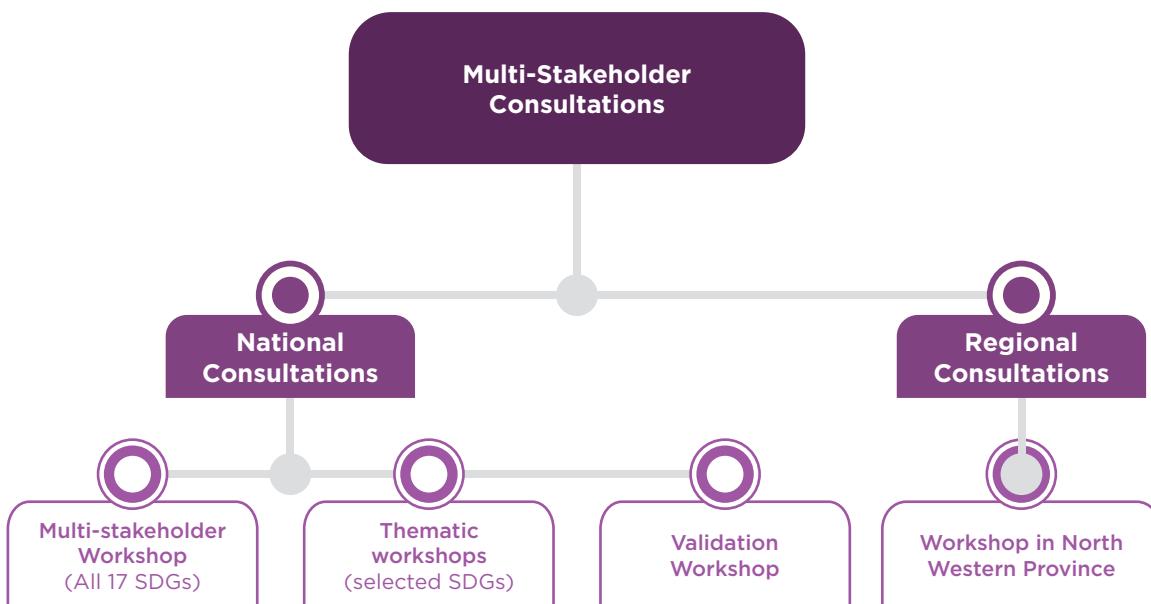
These documents were scrutinized to analyse the alignment with SDGs in the national policy outlook and the existing gaps in the national policy framework. In addition, relevant sectoral policy documents and statistical information were reviewed to evaluate the progress and the status of all 17 SDGs as well as to identify policies / programmes to achieve SDGs, ensuring that no one is left behind.

## b) Stakeholder Consultations

The Sri Lanka VNR process was a collaborative and inclusive process that included multi-stakeholder engagement - Government, private sector, academia, development partners and CSOs including Volunteer Involving Organizations (VIOs). As the first step, a Stakeholder Engagement Plan (SEP) was developed with two major objectives: i) to consult all stakeholders involved in the SDG process in the country to get inputs for the preparation of the VNR as well as to raise awareness; ii) to setup the platform for continuous stakeholder engagement in the post - 2018 VNR period. The SEP was developed in line with the Public Participation Spectrum developed by the International Association for Public Participation (IAP2).<sup>2</sup> In order to achieve the first objective, several multi-stakeholder consultative workshops were conducted. In addition, an online platform has been developed to engage all stakeholders in the SDG implementation – a process that goes beyond the VNR 2018.

2 For more details, refer section 3.1

**Figure 2.1: Multi-Stakeholder Consultations for the Sri Lanka VNR**



i. National Multi-Stakeholder consultative workshop for Sri Lanka VNR

Bringing together stakeholders from the Government, private sector, academia, and civil society to a single platform, this workshop discussed the status of SDG implementation in the country, successes, challenges, and the way forward. The workshop further aimed at identifying key initiatives undertaken by all stakeholders in implementing the 17 SDGs and at recognizing instances where the principle of ‘leaving no one behind’ has been incorporated.

ii. Multi-Stakeholder Thematic Workshops for Sri Lanka VNR

Two multi-stakeholder workshops were organised specifically aimed at conducting an in-depth analysis of the SDGs selected for in-depth review at the High-level Political Forum (HLPF) 2018. The second workshop was attended by over 200 participants including, Government officials, and representatives from CSOs, academic institutions and private sector representing all the districts in the country. The following goals were discussed in detail:



**Goal 6:** Ensure availability and sustainable management of water and sanitation for all



**Goal 7:** Ensure access to affordable, reliable, sustainable and modern energy for all



**Goal 11:** Make cities and human settlements inclusive, safe, resilient and sustainable



**Goal 12:** Ensure sustainable consumption and production patterns



**Goal 15:** Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss



**Goal 17:** Strengthen the means of implementation and revitalize the global partnership for sustainable development

### iii. Multi-Stakeholder Regional Consultative Workshop

This workshop was specifically aimed at bringing together representatives from the provincial, district, and divisional levels of Government as well as CSOs/CBOs operating at the grass-root level, in order to ensure that no one is left behind in the VNR process. The workshop further focused on: raising awareness of the SDGs at the grass-root level and creating ownership; identifying the institutional mechanisms at the sub-national level and to further examine strengths, weaknesses, opportunities and challenges in the SDG implementation; gathering the views and feedback of marginalized groups.

### iv. Report Review and Validation

The VNR report went through a thorough review process by the VNR Task Force in which the draft reports were circulated among the relevant line Ministries and other relevant Government entities for their inputs and feedback. The Validation workshop was organised with over 150 participants covering several stakeholder groups (Government, CSOs, academia, youth and the private sector) where a synthesis of the final draft of the report with key findings, challenges and way forward related to all 17 SDGs was validated. This workshop was also attended by several stakeholders who were involved at the previous multi-stakeholder consultative workshops organized as part of the Sri Lanka VNR.

3

## POLICY AND ENABLING ENVIRONMENT

Having endorsed the 2030 Agenda for Sustainable Development, proactive action is needed for the implementation and achievement of the SDGs. In this context, this section examines in detail the prevailing policy architecture of the country and the enabling environment vis-à-vis advancing the implementation of the SDGs in Sri Lanka. The first sub-section details the steps taken by the country to create ownership of the SDGs among all stakeholders in order to ensure inclusive participation in achieving this global agenda. The second sub-section on policy alignment evaluates the extent to which Sri Lanka's national policy framework aligns with the SDGs, and further investigates the integration of the economic, social, and environmental dimensions in the country's policy outlook. This is followed by the third sub-section which discusses how the country has adapted its institutional framework in order to implement the 2030 Agenda. Final sub-section assesses how the principle of leaving no one behind has been mainstreamed in Sri Lanka.

Successful achievement of the SDGs depends on how strongly these stakeholders identify SDGs with their own needs and aspirations. In other words, stakeholders should perceive a sense of ownership about the SDG process. Hence, creating ownership of SDGs among multiple stakeholders is an essential condition for success of achieving SDGs in Sri Lanka. A reliable method to create a sense of ownership among diverse stakeholders is to engage them through a participatory process. The UN recommends that at all stages, the SDG process should be an inclusive and participatory process that instils a sense of ownership among all stakeholders. In essence, the SDGs should be a multi-stakeholder initiative open for voluntary contributions while leaving no one behind.

The Government of Sri Lanka (GoSL), as a party to the 2030 Agenda has endorsed inclusivity as a vital element of sustainable development and recognizes that a participatory approach is key to achieving this objective. Hence, the GoSL, from the beginning, has remained committed to taking all efforts to ensure multi-stakeholder engagement by adopting a whole-of-society approach. Engagement with multiple stakeholders involves raising the awareness of stakeholders, consulting their views and getting their active support in the implementation and involving them in the review and monitoring process, providing opportunity to all concerned to communicate their needs, interests, and concerns throughout the process.

In order to create a strong sense of ownership and ensure maximum level of participation in the SDG process, a Stakeholder Engagement Plan (SEP) was formulated in the preparation of 2018 VNR of Sri Lanka to guide the stakeholder engagement during and beyond the VNR period adopting the IAP2 framework. The IAP2 framework introduces five levels of public participation – i.e. inform, consult, involve, collaborate and empower—with specific public participation tools designed to achieve each level. As far as the overall SDG implementation process is concerned, the first four levels of participation are more applicable while empowering stakeholders can be considered as the final aim of the whole engagement process. The proposed portfolio of stakeholder engagement tools identified for the VNR stage as well as the post-VNR period are presented in Table 3.1. During the 2018 VNR period, given the limited timeframe and consultation requirements of the task, the workshops were

# 3.1

## Creating Ownership of Sustainable Development Goals

Achieving SDGs calls for the engagement of all citizens of the country. The key stakeholder categories involved in the process include:



All sectors and all levels of Government including the Parliament



Civil society



Private Sector



Academia

given priority. However, the VNR Task Force has discussed in detail about the long-term measures for stakeholder engagement such as a

Multi-stakeholder Reference Group (MRG), to be attended to, once the more urgent tasks related to the Sri Lanka VNR are completed.

**Table 3.1: Tools of Engagement for VNR and Post-VNR Stages**

Level of engagement	Engagement tools used for the VNR	Long-term engagement tool	Responsibility for long-term engagement	Stakeholders
 <b>Inform</b>	<ul style="list-style-type: none"> <li>Information through websites</li> <li>Compile an email loop and develop communication channel with key stakeholders</li> </ul>	<ul style="list-style-type: none"> <li>Develop a SDG web portal</li> </ul>	<ul style="list-style-type: none"> <li>MSDWRD, UN Country Team and Task Force/ Consultative Committee</li> </ul>	<ul style="list-style-type: none"> <li>All stakeholders including the general public</li> </ul>
 <b>Consult</b>	<ul style="list-style-type: none"> <li>Open call through emails, web and social media facilities of IPS</li> <li>Planning meeting on SEP</li> </ul>	<ul style="list-style-type: none"> <li>Develop online SDG network connected with web portal</li> </ul>	<ul style="list-style-type: none"> <li>Web portal: All stakeholders</li> <li>Planning meeting: MSDWRD, UN country team, IPS, VNR task force stakeholders</li> </ul>	
 <b>Involve</b>	<ul style="list-style-type: none"> <li>3 national workshops</li> <li>1 sub-national workshops</li> <li>Validation workshop</li> </ul>	<ul style="list-style-type: none"> <li>Develop web profiles for workshops</li> </ul>	<ul style="list-style-type: none"> <li>Technical support of MSDWRD, UN Country Team to design workshops and web presence</li> </ul>	<ul style="list-style-type: none"> <li>National workshops: Govt., Pvt sector, CSOs, Academia</li> <li>Sub-national workshops: provincial, district, &amp; divisional level govt. representative, CSOs and CBOs, private sector and academia</li> </ul>
 <b>Collaborate</b>		<ul style="list-style-type: none"> <li>Multi-stakeholder reference group (MRG)</li> </ul>	<ul style="list-style-type: none"> <li>MSDWRD, Task Force/ consultative committee, UN Country Team</li> </ul>	<ul style="list-style-type: none"> <li>8-10 representatives from all stakeholder groups</li> </ul>

The Ministry of Sustainable Development, Wildlife and Regional Development (MSDWRD), the line ministry responsible for the subject of sustainable development in Sri Lanka, has taken several steps to engage other line ministries and national and sub-national stakeholders through awareness, consultation and capacity building training programmes during the 2015-2018 period, well before the inception of the VNR preparation process. These include activities designed and conducted for public sector officials, members of parliament, and stakeholders from other spheres such as the civil society, academia, and the private sector as well as the UN and other donor agencies.

Summarized below are key steps taken by Sri Lanka towards creating ownership in the SDGs and involving various stakeholders in the implementation of the 2030 Agenda.

### a) Involvement of Different Sectors and Levels of Government in SDGs

MSDWRD has taken initiatives towards identifying the roles and responsibilities of various Government agencies in implementing the SDGs and recognizing linkages, overlaps, and gaps in the institutional framework. Other line ministries have appointed focal points for sustainable development upon the request of MSDWRD. Focal points at the line ministries and provincial councils coordinate with the MSDWRD at the national and sub-national levels. In addition, the MSDWRD has taken the following steps to facilitate the involvement of public agencies in the SDG implementation process in Sri Lanka:

- A strategy for public service delivery has been drafted covering several goals related to sustainable development
- A draft handbook which maps SDG implementation responsibilities of 425 statutory agencies, based on the mandates of these agencies has been prepared

- A 'Task Force for Preparation of VNR' was appointed from key Government agencies to guide and assist the VNR process
- Publication of SDG Indicator framework in three languages

These efforts of the MSDWRD were complemented by the following joint efforts undertaken by other key agencies:

- Mapping exercises undertaken by the NPD to integrate SDGs in the development agenda, prioritize SDGs for implementation and to localize SDGs in sectoral policies in association with the MSDWRD (e.g. Agriculture sector)
- Assessments undertaken by the DCS to develop suitable indicators and identify baselines for measuring the progress of SDGs in Sri Lanka. The DCS launched a publication on the 'Status of Sustainable Development Goals Indicators in Sri Lanka' and a website with the SDG indicator framework
- Participation in the Regional Review of National Evaluation Systems and Capacities for Evaluating Progress towards the Sustainable Development Goals, through Sri Lanka case study by DPMM, UNICEF and UNDP

These initiatives involved several multi-stakeholder events that were participated by a number of public sector officers from ministries, departments and other statutory agencies, thereby helping to enhance the awareness on SDGs and creating a sense of ownership on the SDG process among public officers.

### b) Involvement of Parliament in SDGs Implementation

The Select Committee of Parliament on the United Nations 2030 Agenda for Sustainable Development has been established with the objectives of facilitating the implementation

<sup>3</sup> Interim Report of the Select Committee of Parliament on the United Nations 2030 Agenda for Sustainable Development, Parliamentary Series No. 226 of 2017 of the Eighth Parliament of the Democratic Socialist Republic of Sri Lanka (First Session)

of SDGs through reviewing, providing advisory services, coordinating activities with the Parliament and the respective Ministries, and providing advice on the smooth implementation of SDGs.<sup>3</sup> The committee consists of 15 members of Parliament. “The Select Committee is mandated to make recommendations on: formulating national policies and laws in consultation with relevant line ministries; allocation of adequate domestic resources and finding international funding resources; coordinating among Government implementing agencies; networking measures at national, provincial and local levels; encouraging public-private partnerships; obtaining the support of United Nations agencies and CSOs; sharing expertise and experiences among countries at regional and international levels; developing a separate database and reviewing progress periodically; and consideration of all matters which are connected with or incidental to the above issues.”<sup>4</sup>

### c) Involvement of CSOs, private sector and academia in SDGs

The MSDWRD has taken measures to ensure participation of non-state actors such as CSOs, private sector and academia at multi-stakeholder events. The ‘Consultative Committee on Sustainable Development’ has also been appointed consisting of representatives from the public sector, private sector, CSOs and the academia. In addition, special attention was given to ensuring the consultation of non-state stakeholders in the preparation of VNR. It was understood that the VNR process cannot be separated from the broader process of SDG implementation and therefore the foundation for a wider platform of post-2018 VNR engagement should also be planned from the VNR stage. Hence, the SEP was prepared to trigger a participatory and inclusive stakeholder engagement process that would remain active over the entire life of SDG implementation process, well beyond the 2018 VNR period with two major aims:

1. Consultation of all stakeholders involved in the SDG process in Sri Lanka to get their inputs for the preparation of the VNR and raise awareness

2. Setting up the platform for continuous engagement of all stakeholders in the post- 2018 VNR period

The major tool of engagement that was designed to ensure involvement of stakeholders during the VNR period was workshops. At the three national level workshops and the regional workshop, measures were taken to represent marginalised communities in the regional consultative workshop through CBOs operating at the grass-root level. As a step towards ensuring inclusive participation in the VNR process, applications were called via open calls as well, publicized via media, social media, and key websites.

The SEP has proposed the establishment of online engagement tools to ensure the involvement of all stakeholders throughout the SDG implementation process. Accordingly, Sri Lanka is currently developing an SDG Web Portal as a long-term stakeholder engagement platform. As a measure to further enhance the stakeholder involvement and continuous collaboration, the SEP further provides for the establishment of a Multi-stakeholder Reference Group (MRG) to provide inputs in the post-VNR implementation period in connection with the proposed SDG Web Portal.

### d) Involvement of the UN

The UN Country Team and the UN Economic and Social Commission for Asia and the Pacific (ESCAP) provide valuable support for the implementation of SDGs in Sri Lanka and have fostered strong relationships with the country’s public sector bodies as well as CSOs. The UN country team, along with ESCAP and IAP2, has assisted GoSL’s efforts through technical and financial support, as well as through facilitating multi-stakeholder engagement activities. UN’s assistance includes:

- Technical assistance for policy mapping and integration of SDGs into national policies through carrying out a Rapid Integrated Assessment analysing

<sup>4</sup> Ibid, p 43

the alignment between the country's Public Investment Programme 2017-2020 and the SDGs

- Providing financial support for the preparation of the VNR and sponsorships for various activities of the Government
- Participating in the national consultation process and providing inputs and sharing international experiences
- Carrying out a scoping mission on stakeholder engagement in the SDG process to provide recommendations for effective multi-stakeholder engagement
- Assisting design and organization of stakeholder engagement activities for preparation of the VNR
- Technical assistance in setting up of an online stakeholder engagement platform for the 2030 Agenda implementation

The United Nations also organized the First National Symposium on Data for the Sustainable Development Goals (#SDGDataLK) together with the GoSL in March 2018. This was a two-day event which provided a multi-stakeholder platform (consisting of representatives from the Government, UN agencies, academia, civil society, and data and research organizations) to discuss the present status of SDG indicators in Sri Lanka and strategize the way forward through improved data, knowledge management and evidence-based policy making.

## 3.2

### Alignment between SDGs and National Policies

As an initial step towards identifying whether a country is on track to achieving the 2030 Agenda, analysing the alignment between the SDGs and a country's policies provides valuable insight on existing policies which can advance the achievement of SDGs as well as any gaps that need to be addressed. As such, this section analyses three key national policy documents – Vision 2025, PIP 2017-2020,<sup>5</sup> and Budget 2018 – in terms of their alignment with the SDGs, taking into account previous studies undertaken in this regard. Additionally, this section examines integration of the three dimensions of sustainable development in these key policy documents.

#### Current National Policy Framework

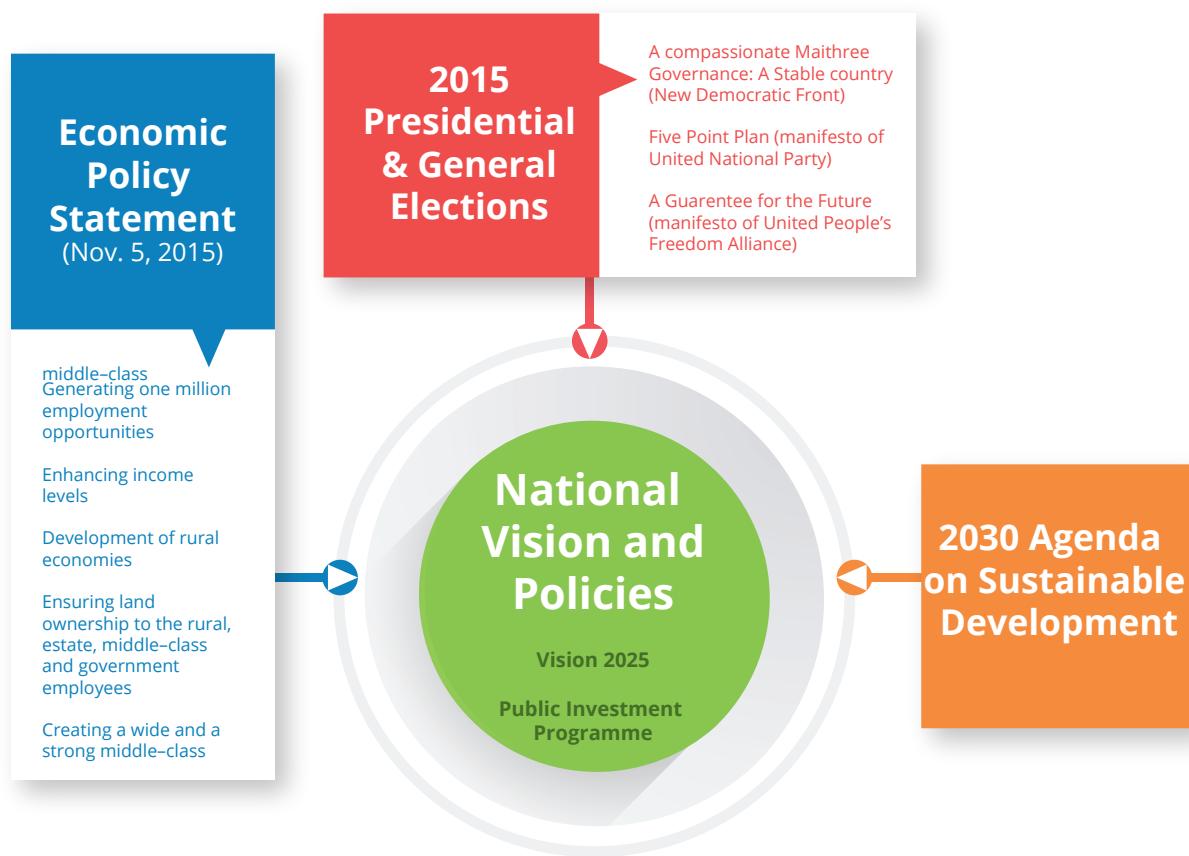
Vision 2025: A Country Enriched highlights the Government's vision to make Sri Lanka a prosperous country by 2025 by creating an environment where all citizens have the opportunity to achieve higher incomes and enjoy better standards of living by transforming the country into a knowledge-based, highly competitive, social-market economy.<sup>6</sup>

The achievement of the Vision 2025's long-term objectives of high, sustained growth is contingent upon the proper management of public investment within the limited fiscal space, via a comprehensive Public Investment Programme to allocate resources among medium-term development priorities. To this end, GoSL has developed a comprehensive Public Investment Programme (PIP) 2017-2020, detailing over a thousand on-going, annual, mature, and future projects. The PIP 2017-2020 has been prepared based on a broad spectrum of policy documents, election manifestos and most importantly the SDGs (Figure 3.1).

<sup>5</sup> Public Investment Programme (PIP) 2017-2020, Department of National Planning. Available at <http://www.mnpea.gov.lk/web/index.php/en/news-events/2-uncategorised/181-public-investment-programme.html>

<sup>6</sup> Vision 2025: A Country Enriched. Available at [http://www.pmooffice.gov.lk/download/press/D00000000061\\_EN.pdf](http://www.pmooffice.gov.lk/download/press/D00000000061_EN.pdf)

**Figure 3.1: Design of Sri Lanka's National Policy Framework**



The PIP has been shaped by Government's overall vision of development which was placed before the people in the form of "The Five Point Plan: A New Country in 60 Months", "A compassionate Maithree Governance: A Stable country" and "A Guarantee for the Future". The five goals of development in the policy statement include; (1) Generating one million employment opportunities; (2) Enhancing income Levels; (3) Development of Rural Economies; (4) Ensuring land ownership to the rural, estate, middle-class and Government employees and (5) Creating a wide and a strong middle-class. The PIP 2017-2020 was prepared mainly for the purpose of estimating the amounts of investable resources that become available to the Government during the given period. It also indicates how these are to be allocated among different sectors, sub-sectors and various Government agencies. Thus, it is closely connected to the Budget 2018 which denotes the short-term (annual) fund allocations of the Government.

The Budget 2018 has been themed the "Blue-Green Budget", mainly focusing on generating environmentally sustainable economic growth in Sri Lanka by utilizing the much

under-utilized ocean resources, thereby facilitating the diversification of the economy with the adoption of new and sustainable technologies. The budget particularly focuses on overcoming short-term challenges faced by the country including the continuously diminishing Government revenue, rising public debt, balance of payment crisis and the increasing incidence of natural disasters. In addition, the Budget 2018 identifies a number of initiatives to support the achievement of several medium-term targets such as per capita income growth, employment creation, encouraging FDI inflows, doubling exports, etc.

The Government has realized that the volunteerism is an important cross-cutting aspect that contributes to all 17 of the SDGs. While separate National Policies may align with each of the separate Goals, a National Policy on Volunteerism would go a long way to support the achieving of all the goals in general and is thus an essential requirement.

## Assessment of Policy Alignment with SDGs

Mapping of SDGs (Goals and Targets) against national/sub-national priorities as per the short, medium and long-term policy documents and plans such as National Vision Strategy, the National Development Plans, Sectoral Plans and Local Development Agendas, is essential in identifying the extent to which the country's policy framework is aligned with the SDGs. This will enable the identification of existing gaps and convergences, leading to solutions for better incorporation of the SDGs in the national policy framework. However, the unavailability and complexity of such documents make examining the policy alignment with SDGs a difficult task, most often compelling countries to confine the alignment analysis to a few key national policy documents.

UNDP carried out a Rapid Integrated Assessment (RIA) on the Public Investment Programme 2017-2020 to assess its alignment

with SDGs, while the NPD of the Ministry of National Policies and Economic Affairs carried out a separate supplementary analysis to elicit the gaps between the SDGs and national policy frameworks. The findings of these analyses are presented below.

### a) Rapid Integrated Assessment (RIA) of PIP 2017-2020

To proceed with the alignment exercise and develop an SDG profile of Sri Lanka, the SDG targets were mapped against the targets of the PIP 2017-2020 as illustrated in Table 3.2. The RIA has identified 16 targets out of 169 (9%) that are not applicable/not relevant to country policy development, or related to governance issues that are to be solved at the regional or global level. Further, 44 targets, though relevant to Sri Lanka, have been identified as not aligned (26%)

**Table 3.2: Mapping SDGs to Key Areas of Public Investment**

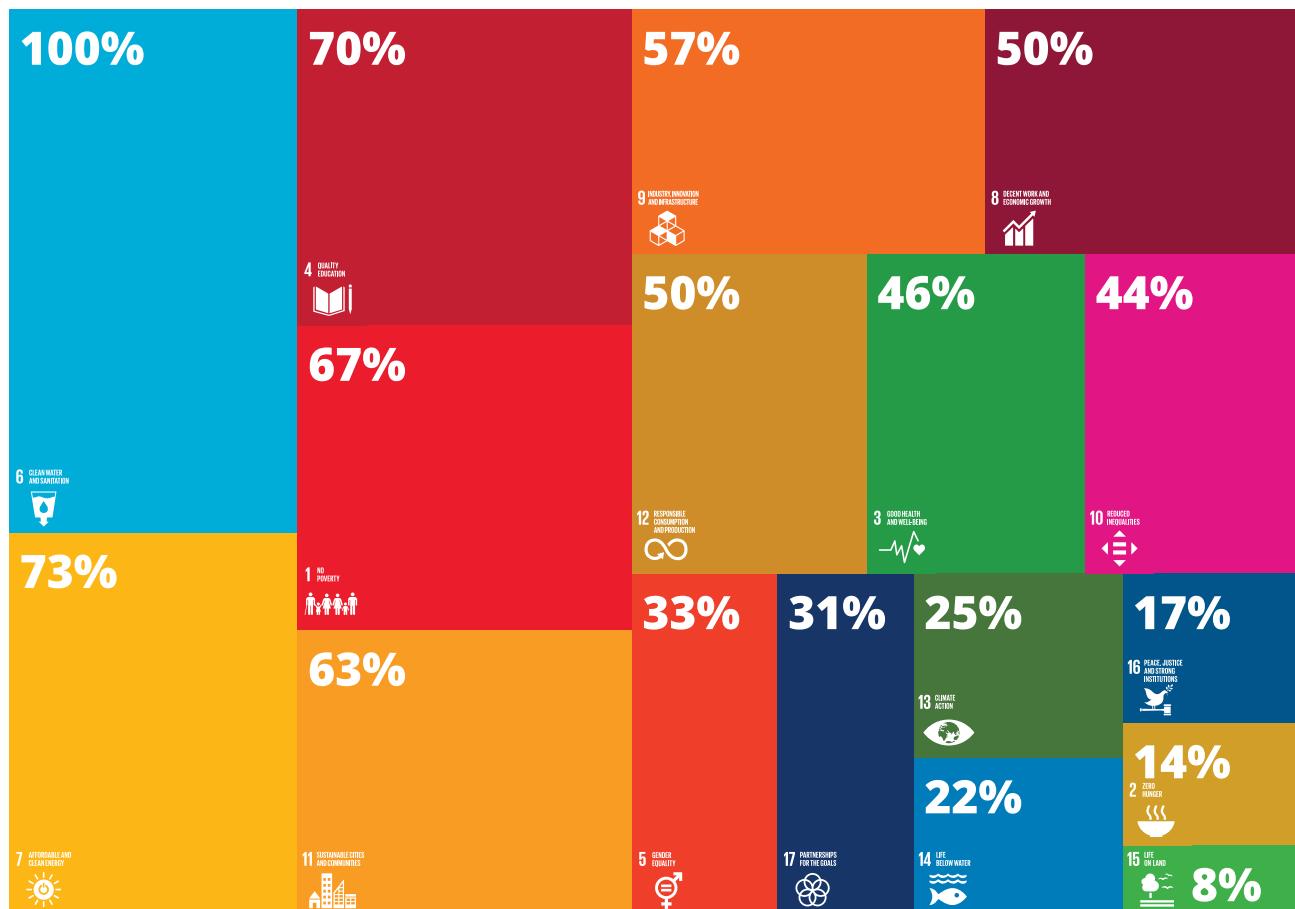
Goal	SDGs	Number of targets			% Alignment
		Total	Applicable	Aligned	
1	No Poverty	7	6	6	86%
2	Zero Hunger	8	7	5	63%
3	Good Health and Well-being	13	13	9	69%
4	Quality Education	10	10	10	100%
5	Gender Equality	9	9	6	67%
6	Clean Water and Sanitation	8	8	7	88%
7	Affordable and Clean Energy	5	5	5	100%
8	Decent Work and Economic Development	12	11	10	83%
9	Industry, Innovation, and Infrastructure	8	8	8	100%
10	Reduced Inequalities	10	7	6	60%
11	Sustainable Cities and Communities	10	9	9	90%
12	Responsible Consumption and Production	11	10	7	64%
13	Climate Action	5	4	4	80%
14	Life below Water	10	9	3	30%
15	Life on Land	12	12	4	33%
16	Peace, Justice, and Strong Institutions	12	12	5	42%
17	Partnerships for the Goals	19	13	5	26%
		169	153	109	64%

Source: MAPS Approach Supporting SDG Implementation in Sri Lanka, Government of Sri Lanka and UN Country Team in Sri Lanka, January 2018

The aligned targets have been further analysed to identify the extent of alignment (partial or full). Out of the 109 aligned targets, 64 targets have been identified as fully aligned (38% of total targets). Full alignment infers that there is a target in the national planning document

that corresponds to an SDG target, not only in text, but also in scope and ambition and in some cases, it has defined indicators to measure the progress and/or has allocated resources. The remaining 45 targets were identified as partially aligned (27% of total targets).<sup>7</sup>

**Figure 3.2: Full Alignment PIP 2017-2020 with SDG Targets**



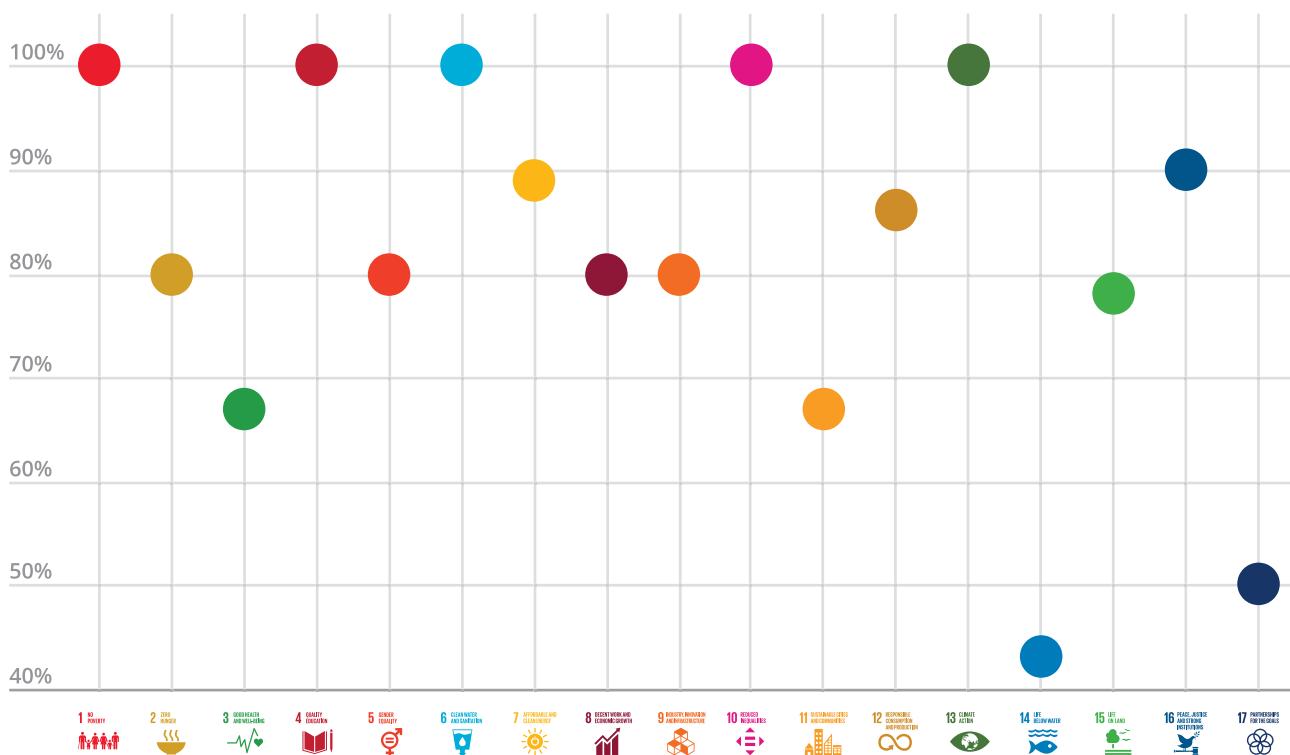
Source: MAPS Approach Supporting SDG Implementation in Sri Lanka, Government of Sri Lanka and UN Country Team in Sri Lanka, January 2018

Figures 3.2 and 3.3 further illustrate how the PIP's public finance projects and programmes align with the SDGs and respective targets. As Figure 3.2 shows, except for SDG 6 on Water and Sanitation which is fully aligned, all the other SDGs are less than 80% aligned. 60%-80% alignment can be seen in SDG 1 (Poverty), SDG 4 (Education), SDG 7 (Energy), and SDG 11 (Sustainable Cities). The goals having 40%-60% full alignment (SDG 3, SDG 8, SDG 9, SDG 10 and SDG 12) needs further improvements in

terms of aligning with the SDGs. The other goals having less than 40% full alignment need special attention to ensure addressing in the next PIP. Looking at figure 3.2, it is evident that there is room to further improve the SDG alignment of PIP's policy initiatives and public finance plans to successfully implement the 2030 Agenda in Sri Lanka. However, the study of both full and partial alignment in Figure 3.3 reveals that in total, 12 SDGs are more than 80% aligned and, most importantly, no SDG's alignment is below 40%.

<sup>7</sup> RIA is a tool that supports the countries to assess their readiness for SDG implementation, to determine the relevance of different SDG targets to the country context and inter-linkages across targets.

**Figure 3.3: Full Alignment PIP 2017-2020 with SDG Targets**



Source: MAPS Approach Supporting SDG Implementation in Sri Lanka, Government of Sri Lanka and UN Country Team in Sri Lanka, January 2018

The RIA also reveals an uneven alignment between the policy initiatives in the PIP 2017-2020 and the SDG target areas for the five themes (5Ps): Prosperity, People, Planet, Peace, and Partnerships. Based on the above results,

Prosperity (95%) is the most aligned theme followed by People (80%). There is a medium level alignment for the theme Planet (58%) while Partnerships and Peace are have less than 50% alignment (Table 3.3 and Figure 3.4).

**Table 3.3: Percentage of Alignment of the 2017-2020 PIP with the Sustainable Development Pillars**

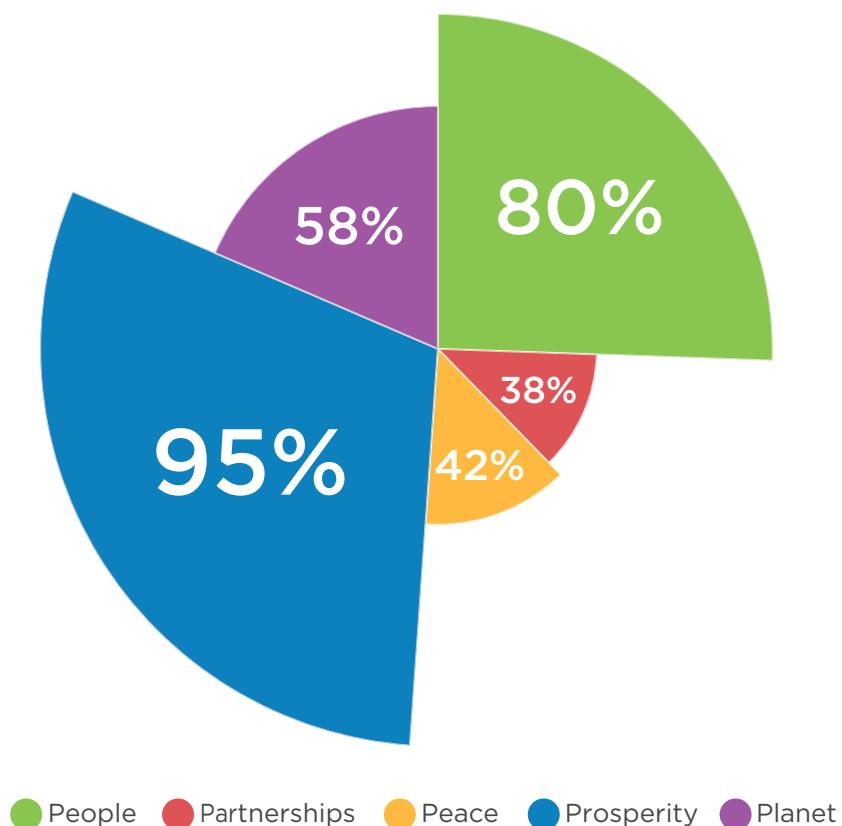
	No. Of Targets		% Alignment
	Considered	Aligned	
People	<b>45</b>	<b>36</b>	<b>80</b>
Planet	<b>43</b>	<b>25</b>	<b>58</b>
Prosperity	<b>40</b>	<b>38</b>	<b>95</b>
Peace	<b>12</b>	<b>5</b>	<b>42</b>
Partnership	<b>13</b>	<b>5</b>	<b>38</b>
	<b>153</b>	<b>109</b>	<b>71</b>

Source: MAPS Approach Supporting SDG Implementation in Sri Lanka, Government of Sri Lanka and UN Country Team in Sri Lanka, January 2018

This explains to a certain extent the current Government's policies which give more priority to the economy (Prosperity) and the rural development (People) since the PIP 2017-2020 has been necessarily guided by the development priorities and policies of the current Government, closely reflecting its socio-economic vision and

strategy. The current general policy environment aims at accelerating economic growth to take the country on a rapid journey towards upper middle income status in order to give everyone the opportunity to create wealth, prosperity and higher standards of living under the socially competitive market concept.

**Figure 3.4: Alignment between SDG Target Areas and PIP 2017-2020**



Source: MAPS Approach Supporting SDG Implementation in Sri Lanka, Government of Sri Lanka and UN Country Team in Sri Lanka, January 2018

This is further reflected in the priority areas of the PIP 2017-2020 that include Human Resource Development, Agriculture, Industry, Investment, Trade and Tourism, Infrastructure, Good Governance, Environmental Management, Social Protection, and Regional Development which are more related to the Prosperity and People. However, balancing across the themes is important in achieving the SDGs by 2030.

## b) Mapping of PIP 2017-2020 with the SDGs

NPD has also undertaken a similar analysis, albeit using a different methodology, to understand the alignment of national policies with the SDGs using the PIP 2017-2020 as the base document. As shown in Table 3.4, first, the key areas of public investment were mapped against the SDGs to obtain a broad overview on the SDG profile of the country. As the Table 3.4 shows, all the 17 SDGs have been covered by at least one thematic area in the PIP document implying a good coverage of the SDGs in PIP 2017-2020.

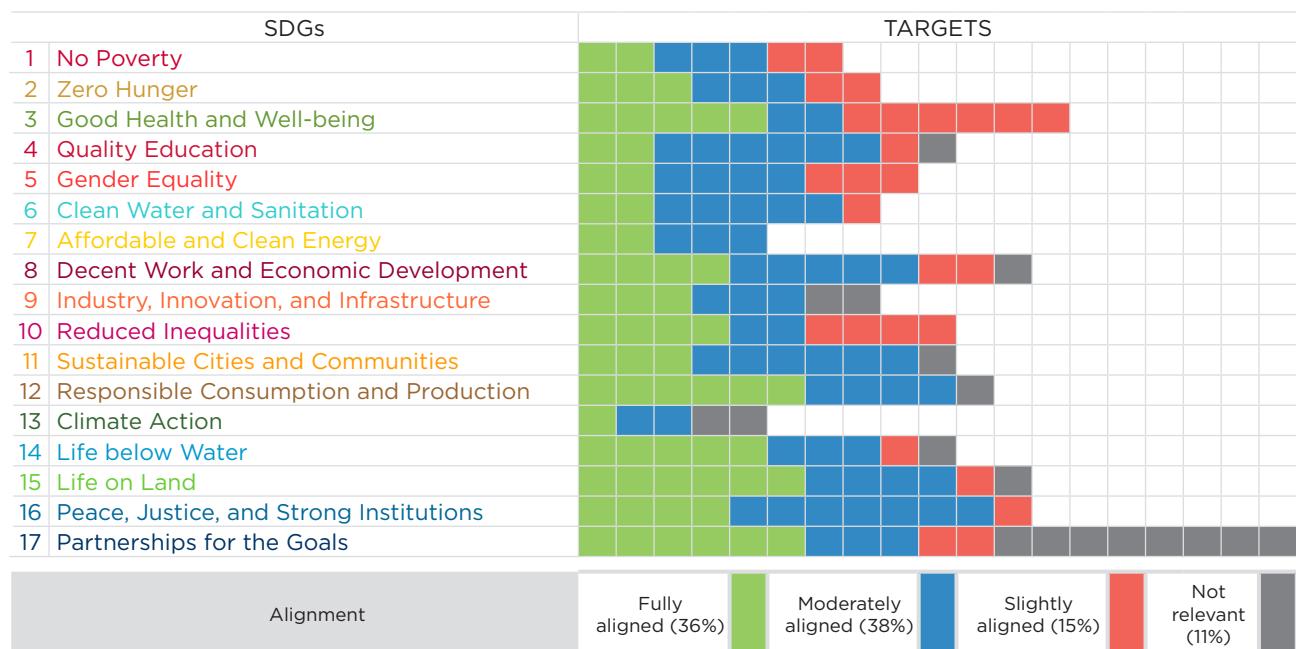
Secondly, the above SDG mapping was extended to undertake a further disaggregated analysis at the Target level to identify the coverage of different SDG Targets by the PIP and to identify the levels of alignment of PIP priority areas with the SDG targets. Based on this analysis, 36% of the SDG Targets were identified as fully aligned while a further 53% of the Targets were moderately (38%) or slightly (15%) aligned (Table 3.5). 11% of the SDG targets have been identified as not relevant to the country context.

**Table 3.4: Mapping SDGs to Key Areas of Public Investment**

Goal	SDGs	Sector/Theme in PIP
1	No Poverty	All economic and social sectors
2	Zero Hunger	Agriculture & Health
3	Good Health and Well-being	Health
4	Quality Education	Education
5	Gender Equality	Social Protection
6	Clean Water and Sanitation	Water & Sanitation, Irrigation
7	Affordable and Clean Energy	Power & Energy
8	Decent Work and Economic Development	Labour and all economic and social sectors
9	Industry, Innovation, and Infrastructure	Industry, Labour, Technology & Research and Infrastructure
10	Reduced Inequalities	Labour, Social Protection
11	Sustainable Cities and Communities	Urban Development, Housing, Culture, Religion & National Integration, Transport, Road
12	Responsible Consumption and Production	Agriculture, Environment & Disaster Management, Tourism
13	Climate Action	Environment & Disaster Management
14	Life below Water	Environment & Disaster Management, Fisheries
15	Life on Land	Environment & Disaster Management, Irrigation
16	Peace, Justice, and Strong Institutions	Public Management/Governance, ICT
17	Partnerships for the Goals	All economic and social sectors

Source: Department of National Planning (NPD)

**Table 3.5: Level of Integration of SDGs into National Development Agenda**



Source: Department of National Planning (NPD)

These two analyses, undertaken by the UNDP and the NPD can be used for examining the extent to which the implementation of the SDGs can be advanced through existing plans and strategies. The limitation, however, is that both assessments have taken into consideration only the PIP 2017-2020 document.

The PIP 2017-2020 certainly presents a good starting point for an alignment assessment of this nature, given the magnitude of its scope as well as the fact that it provides capital budget estimates for three years in the future. The preparation of the PIP is usually carried out as an annual exercise by adopting a rolling plan approach under which the performance of each year is reviewed at the end of the period and the planning period is extended by a further year, while preserving the medium term perspective. This enables the necessary adjustments and revisions to be incorporated into the plan without losing sight of the original goals and targets, making the PIP a dynamic tool, rather than a static document.

A holistic view of the SDG alignment ideally requires the inclusion of other development plans and policy frameworks. Their exclusion may lead the resultant analysis to underestimate the alignment and draw a misconceived depiction of the incorporation of SDGs in the national policy framework. For example, although the SDG profile shows low alignment of national policies in the case of the two themes of Planet and Peace, the Vision 2025 which underlines the Government's long-term policy direction has identified 'agriculture and sustainable development' and 'governance and accountability' as high priority areas. Moreover, the Government's short-term development plan, Budget 2018 has been named the 'Blue Green Budget', highlighting the significance attributed to the theme Planet.

Moreover, there are several sectoral plans that align with the relevant SDG targets including the agriculture sector modernization project undertaken by the Ministry of Agriculture; Multi Sector Action Plan for Nutrition (MSAPN) and several strategies and actions that have been taken by the Government to ensure long lasting peace and reconciliation.

## Integration of Economic, Social and Environment Dimensions

Underlying the endorsement of the SDGs is a commitment towards a development agenda that focuses on objectives across the key dimensions of economic development, social inclusion, and environmental sustainability. As such, it is important to examine the integration of the three dimensions of sustainability in the country's policy framework. In this context, this section presents policy initiatives that promote sustainable development in Sri Lanka focusing on the three pillars i.e. economic development, social inclusion and environment sustainability, and good governance.

Sri Lanka is reaching towards the upper middle income status with a per capita GDP of USD 4,066 in 2017.<sup>8</sup> However, a high income country generates over USD 12,235 GNI per capita which is more than three times that of Sri Lanka's GNI per capita (USD 3,956).<sup>9</sup> This reflects the gap that needs to be bridged through a rapid acceleration in the economic development. In order to accelerate the momentum to catch up with high income countries, Sri Lanka needs to undertake conducive reforms in the policy front such as enhancing productivity by promoting high-tech solutions, channelling resources selectively to high value added economic activities, promoting value chains etc., while continuously expanding and modernizing its resource base for sustaining economic development.

Sri Lanka's current strategic development framework as presented in Vision 2025 - A Country Enriched, PIP 2017-2020, and the Budget 2018 have sufficiently integrated the three key dimensions of sustainable development; Economic, Social and Environmental. The PIP 2017-2020 has been based on the overall vision of development placed before the people in the form of The Five Point Plan: A New Country in 60 months' which includes strengthening of the economy, and promoting investment and infrastructure development as means of accelerating economic growth to take the country rapidly towards upper middle income status within a short time. This highlights the integration of economic dimension in the development framework. As the PIP highlights,

8 CBSL (2018). 'Annual Report, 2017'. Central Bank of Sri Lanka

9 World Bank Country and Lending Groups Classification <https://datahelpdesk.worldbank.org/knowledgebase/articles/906519-world-bank-country-and-lending-groups>

the overall Policy of the Government includes implementing specific social protection schemes for all the necessary segments of the society to improve their living condition and empowering them to contribute to the development of the country; this highlights the integration of the social dimension. In terms of the integration of the environmental dimension, PIP identifies environmental management as a key priority area with a view to facilitating the economic growth through required investments while taking measures to ensure the quality of environment leading to sustainable development.

The Government's vision as stipulated by the Vision 2025 is to make Sri Lanka a rich country by 2025, transforming the country into the hub of the Indian Ocean, with a knowledge-based, highly competitive, social-market economy. In this light, even though Vision 2025 too has given higher priority to the Economic dimension followed by the social dimension (Social Protection), it has integrated the environment dimension under agriculture and sustainable development key area. Budget 2018 has integrated all three dimensions equally and increased the focus on the environmental dimension. As the Finance

Minister explained when presenting the Budget 2018, it is "Blue" because the Government plans to integrate the full economic potential of ocean related activities in formulating the overall growth strategy. It is "Green" because the Government hopes to build the economy of the country on an environmentally sustainable development strategy.

A green economy is characterized by low carbon, resource efficient, and socially inclusive growth that balances the social, environmental and economic dimensions of sustainable development. In a green economy, growth in income and employment adequately addresses resource constraints and climate change; it is driven by investments in greenhouse gas emission reductions, in cleaner energy and resource efficiency, and in healthy ecosystems that support sustainable and inclusive livelihoods. The blue economy concept completes and complements the green economy framework by recognizing oceans and marine and coastal ecosystems as essential sustainable development spaces of vast economic, social and environmental intergenerational value.

**Table 3.6: Proposed Actions for Key Areas of Sustainable Development**

 <b>Economic Sustainability</b>	 <b>Social Sustainability</b>	 <b>Environment Sustainability</b>
<b>Agriculture</b> <ul style="list-style-type: none"> <li>• Minimise post-harvest loss</li> <li>• Maintain competitiveness</li> <li>• Improve productivity</li> </ul>	<ul style="list-style-type: none"> <li>• Improve female labour force participation</li> <li>• Increase labour force accessibility to differently abled persons</li> <li>• Develop financing system to support the efficient urbanization</li> </ul>	<ul style="list-style-type: none"> <li>• Waste management</li> <li>• Control Carbon emission</li> <li>• Water management system</li> <li>• Disaster management and increase physical and financial resilience</li> <li>• Index based insurance</li> <li>• Promote organic agriculture</li> </ul>
<b>Industry</b> <ul style="list-style-type: none"> <li>• Establish cluster-based industrial zones</li> <li>• Promote SMEs</li> <li>• Research and development</li> <li>• Public private partnerships</li> </ul>		
<b>Services</b> <ul style="list-style-type: none"> <li>• Develop the transport sector</li> <li>• Enhance financial services</li> <li>• Sustainable Tourism for Development</li> </ul>		

Source: Department of National Planning (NPD)

# 3.3

## Institutional Mechanism

This section discusses how the country has adapted its institutional framework in order to implement the 2030 Agenda. This includes an overview of the existing institutional mechanism and the Sustainable Development Act No. 19 of 2017 which facilitates the engagement of prevailing structures to implement the 2030 Agenda. This is followed by a review of how these institutional mechanisms are employed in financing the SDGs as well as for related monitoring and evaluation purposes.

### Structure of the Existing Institutional Mechanism

The governance mechanism of Sri Lanka comprises of three layers of institutions, namely; national Government institutions, provincial Government institutions and local Government bodies. The national Government institutions represent a hierarchy of organizations that extends from ministries to the village officer level. At the topmost level of the hierarchy are the line ministries that take policy decisions over broad subject areas of national interests. There are various line agencies coming under each ministry that look after specialized areas of broad subjects handled by the ministry. Line agencies within a ministry include Government departments and state-owned enterprises (SOEs) such as statutory boards, corporations

and state-owned companies. The expenditure allocated to the ministries and departments are directly controlled by the Treasury whereas SOEs have some independence in handling their finances. The central Government has local representation through regional/local branches of different line agencies and a uniform system of district administration comprising of District Secretariats, Divisional Secretariats and Village Officer Units. Central Government ministries and line agencies coming under these entities together cover a broad range of subject areas that can address nearly all the SDGs and targets from policy decision-making to service delivery at the village level. In addition to the subject-oriented hierarchy of institutions, there are also 22 Special Spending Units that do not report to a line ministry. These include entities such as the Office of the President, Office of the Prime Minister, Office of the Leader of House, Office of the Leader of Opposition, Supreme Court, and various commissions and department that report directly to the parliament (e.g. Auditor General's Department, Election Department).

Below the level of central Government are Provincial Councils and Local Government Authorities (Municipal Councils, Urban Councils and Pradeshiya Sabhas) that are governed by locally elected people's representatives. These local authorities handle subjects devolved under Provincial Councils Act of 1987, and powers vested by three local Government acts within specified geographical boundaries of respective units. Special arrangements have been made for allocating finances to sub-national agencies through the Finance Commission and the Ministry of Provincial Councils and Local Government. Table 3.7 gives a summary of the types of public organizations.

**Table 3.7: Types of Public Organizations**

Type of organization	Number of units
Ministries	<b>43</b>
Departments	<b>121</b>
State owned enterprises	<b>272</b>
Special spending units	<b>22</b>
Provincial Councils	<b>9</b>
Local Authorities (Municipal Councils, Urban Councils, Pradeshiya Sabhas)	<b>335</b>

Source: Department of Management Services.

## SDG Mainstreaming

Overall, the GoSL has a well-entrenched system of public institutions that covers multiple subjects from the national level up to the grass root level of villages. Recognizing the coverage and strength of the existing system of public institutions, the GoSL has decided to use the same institutional mechanism for implementation of SDGs through mainstreaming them into institutional plans. The MSDWRD provides support to other Government agencies for mainstreaming SDGs into their institutional strategic plans.

## Sustainable Development Act

The Sustainable Development Act No. 19 of 2017 enforced in October 2017 provides the legal framework to implement the SDGs using the existing system of public institutions, applying the mainstreaming principle where the Sustainable Development Council (SDC) plays a central coordinating role. It proposes to establish a SDC as the national coordinating body for implementing SDGs. The SDC, which shall report to the Minister in-charge of the subject of sustainable development comprises of 12 members appointed by the President of which four are ex-officio members and eight are appointed members including three members to represent the Provincial Councils. The SDC has a regular staff headed by a Director General (CEO of the organization) to assist in fulfilling the functions entrusted to the Council by the Act. Sri Lanka is currently in the process of establishing the SDC and the members for the Council were appointed in April 2018.

## Institutional Mechanism

The Institutional mechanism to be established under the Sustainable Development Act can be summarized as follows.

- The SDC shall prepare the National Policy and Strategy for Sustainable Development (NPSSD) which will be submitted for the approval of Cabinet and the Parliament
- The NPSSD will become operational after being approved by the Parliament and thereafter will provide the guidance for all matters pertaining to the SDGs in Sri Lanka, setting a legally sanctioned framework for implementation of SDGs

- The Council shall further issue guidelines on sustainable development in respect of new development projects as well as facilitating and monitoring the mechanisms, and progress review processes of the implementation of the NPSSD
- After passing the NPSSD in the Parliament, all subject ministries, line agencies, and sub-national entities are required to prepare 'Sustainable Development Strategies (SDS)' within their subjects' scope in line with the NPSSD. This is expected to be done within a year after the Parliament approves the NPSSD
- All public entities that prepared SDSs are expected to carry out the implementation of SDGs within their scope. They are required to fulfil the following obligations.
  - Submit progress reports on SDS within periods specified by the MSDWRD
  - Carry out environmental and social audits for new development projects to ensure environmental and social security
  - Include a statement as to the compliance of their activities with NPSSD in the Annual Reports

The above mentioned arrangement offers a well-defined institutional mechanism for implementation of SDGs in Sri Lanka through the existing hierarchy of public institutions at national and sub-national levels.

## Financing SDGs

Mainstreaming approach provides the major advantage of using the existing public financing (budgeting) and monitoring and evaluation procedures for the implementation of the SDGs. Sri Lanka has a well-established budget process comprising of four steps that include budget planning, parliamentary approval, execution and accountability. All stages involve close interaction between the Ministry of Finance and recipient agencies starting from the annual budget call by the Budget Department at the beginning of the budget planning step to the final auditing of recipients' accounts by the Auditor General's Department. A number of departments in the Treasury such as the NPD, External Resources Department (ERD), National

Budget Department, Treasury Operations Department and Department of State Accounts are involved in the treasury cycle.

All budget operations are carried out within the timeframe of a calendar year. Sources for financing the budget involve tax and non-tax revenues of the Government as well as domestic and foreign borrowings. This process involves procedures for allocating recurrent and capital funds for national Government agencies (line ministries, and line agencies), district administration units (districts, divisions) as well as procedures for providing supplementary finance to sub-national Government units (provincial councils, local Government authorities) mediated by the respective line ministries and the Finance Commission. The mainstreaming approach coordinated by the SDC provides the opportunity for using these well-established, existing public financing procedures directly to channel necessary fund for implementing SDGs in Sri Lanka. The Ministry of Finance has sent a circular to all line ministries (budget call) asking for the preparation of ministerial annual budgets to be financed in medium term budgetary framework. Line ministries were instructed to submit project proposals to implement SDGs relevant to their ministries. The presentation of the national budget 2018 under the theme 'Blue-Green' reflects the Government's commitment to achieve sustainable development.

## Monitoring and Evaluation

The DPMM has established a proper monitoring mechanism to capture regular updates from all development projects, through respective project directors and line ministries. There are plans to strengthen this mechanism by establishing a web-based monitoring information system under the DPMM which will facilitate online reporting and review.

In addition, DPMM has taken steps to mainstream evaluation by formulating the National Evaluation Policy (NEP) for Sri Lanka, which is a long-awaited policy initiative. Currently, the final draft of the NEP has been completed through a wide stakeholder consultation process; it was published in newspapers and the official website of DPMM (<http://www.pmm.gov.lk>) in three languages to obtain public comments. The NEP will be in operation in 2019. The GoSL expects to develop the NEP as a three-year rolling plan which will capture outcomes of development projects and programmes and share the lessons

for future planning development in line with the SDG agenda.

Besides the steps taken by the DPMM to strengthen the monitoring and evaluation procedures that can be used for the implementation of the SDGs, the following measures have already been taken by the NPD and the Auditor General's Department.

- The NPD has requested all public agencies to identify the SDG targets applicable to their respective subject areas
- The Auditor General's Department of Sri Lanka has initiated steps towards taking SDGs into the purview of the Government's auditing process by sending out a questionnaire to inquire about the SDG involvement of all public agencies
- The Finance Commission (FC) has developed a structured framework for reporting the development activities carried out by Provincial Councils using the Central Government funds allocated through the FC under relevant SDG targets

## 3.4

### Leaving No One Behind

Inclusion is at the heart of the 2030 Agenda for Sustainable Development, envisioning a world where all are empowered and no one is left behind. The principle of leaving no one behind forms the core of the SDGs and thus, the achievement of the SDGs mandate the adoption of an inclusive growth approach. The GoSL has taken significant measures – legislations, policies and programmes – to ensure that no one is left behind.

The country's foundation for inclusiveness can be found in the Constitution of Democratic Socialist Republic of Sri Lanka which entitles every Sri Lankan the fundamental rights to: freedom of thought, conscience and religion; freedom from torture; right to equality; freedom from arbitrary arrest, detention and punishment, and prohibition of retrospective penal legislation; and freedom of speech, assembly, association, occupation, movement, etc.

The country's long-standing welfare policies and programmes further contribute to ensuring that no one is left behind. These include the country's health system, education system, and social protection programmes.



### **Education:**

The universal free education policy has been implemented (since 1945) to ensure that no child is left behind by providing access to education free-of-charge to all children from primary to the tertiary levels. Various other programmes have also been introduced to improve educational opportunities for children from low-income households including: free text books for all Government school students in Grades 1-11; free school uniform material for all Government school students; subsidised public transport for all students including at the higher education level; introduction of a scholarship exam that awards scholarships to deserving students from low-income backgrounds; and the provision of a mid-day meal to students from Grades 1-5 in selected schools.

A significant step towards addressing regional disparities in educational outcomes (further highlighted under the section on SDG 10 on Reduced Inequalities) is the 'Nearest School - the Best School' national programme under the 2016-2020 Mid-term Strategic Development Programme. This initiative aims at transforming selected schools in each Divisional Secretariat Division as 'super schools' through improved infrastructure, facilities, and human resources. In addition, the proposed 13-year compulsory education initiative has the potential to enhance the country's education system in ensuring that no one is left behind: under this, low-performing students have the opportunity to continue their education under a vocational stream, thus enhancing their employability and earning capacity.



### **Health:**

The Universal Free Health Policy entitles all citizens to free-of-charge healthcare at Government hospitals and has formed the foundation of the country's principle of ensuring equity in access to health. This is reflected in the National Health Strategic Master Plan 2016-2025 which aims at ensuring the equity of distribution of services to all patients, accessibility for each patient, quality of services provided to each patient, and the financial protection of each patient.<sup>10</sup> The country has taken a commendable step towards ensuring migrant welfare through the implementation of the Sri Lanka National Migration Health Policy with the aim of addressing health issues of inbound, outbound, internal migrants, and their families.<sup>11</sup> In addition there are nutrition programmes for pregnant and lactating mothers, and children carried out by various ministries.



### **Social Protection:**

There are a large number of social protection programmes implemented by Government agencies targeted towards the poor and other vulnerable groups like elderly, persons with disability and internally displaced persons. These include the Samurdhi program- the main poverty alleviation program, elderly assistance programme and disability assistance program. The establishment of the Welfare Benefit Board (WBB) in 2016 is a significant step towards ensuring access to social protection among the neediest groups. The WBB is tasked with the creation of an integrated social safety net with a unified social registry and the formulation of appropriate selection criteria for each social protection programme; this initiative is expected to help minimize targeting errors and provide social protection to the most vulnerable people in the country.

<sup>10</sup> MOH (2016), 'National Strategic Framework for Development of Health Services 2016-2025', Ministry of Health. Available at <http://www.health.gov.lk/enWeb/HMP2016-2025/National%20%20Strategic%20%20Framework%20%20.pdf>

<sup>11</sup> MOH (2012), ' Sri Lanka National Health Migration Policy', Ministry of Health. Available at <https://www.unescogym.org/wp-content/uploads/2017/05/SRI-LANKA-HEALTH-POLICY-2012.pdf>

The dividends of such programmes and initiatives have been reflected in Sri Lanka's inclusion by the UN in the category of countries with high human development. Nevertheless, disparities in income and access to services and opportunities exist as reflected by the poverty pockets. As a conscious effort towards addressing the needs of marginalized groups and lagging areas, GoSL has undertaken several programmes and projects to enhance the living standards of the poor and vulnerable.

In addition, the PIP 2017-2020 has identified key vulnerable groups and programmes in place to ensure that these groups are not left behind. Given the low political participation of women, steps for women's empowerment have been introduced through quotas for female representation in political institutions.<sup>12</sup> Additionally, there are several on-going livelihood development programmes that target vulnerable women.<sup>13</sup> In terms of improving the welfare of children, the country is aiming at reducing malnutrition and taking steps to ensure child safety especially in the face of increasing violence against children.<sup>14</sup> Sri Lanka has identified the challenges posed by the rapidly increasing ageing population and is currently developing a new model for elder care to ensure the protection of vulnerable elders.<sup>15</sup> With regard to improving the well-being of the differently-abled, Sri Lanka is focusing on supporting targeted welfare programmes for poor, severely disabled people and developing livelihoods through Community Based Rehabilitation.<sup>16</sup>

The principle of 'leaving no one behind' is well-entrenched in the country's legislations and policy frameworks. It is at the heart of Sri Lanka's development agenda. This has provided the foundation for the country to make significant progress under the 2030 Agenda. The Government is taking action to further enhance the inclusion of marginalized groups in making Government policies and plans at the provincial and national levels. In addition, it is essential to raise awareness of SDGs among all stakeholders<sup>17</sup> including the general public, and especially the vulnerable and marginalized

communities. Furthermore, there is a need for more disaggregated data - for example based on gender, disability status, migrant status, etc. - in order to enable evidence-based policy formulation fully equipped to ensure that no one is left behind.

---

<sup>12</sup> UN (2018), 'MAPS Approach Supporting SDG Implementation in Sri Lanka'

<sup>13</sup> PIP 2017-2020

<sup>14</sup> Ibid

<sup>15</sup> Ibid

<sup>16</sup> Ibid

<sup>17</sup> Ibid

4

## GOALS AND TARGETS

The chapter aims to assess the current status and trends, achievements/successes, gaps and challenges and way forward in relation to each SDG in Sri Lanka. The chapter is organized into two sub-sections. The first sub-section covers the SDGs selected for in-depth review at the 2018 High-level Political Forum (HLPF). The second sub-section discusses the rest of the SDGs.

# 4.1

## SDGs Selected for In-depth Review at HLPF 2018

The sub-section provides a comprehensive analysis undertaken on the SDGs selected for in-depth review at the High-level Political Forum (HLPF) 2018. These include,



**Goal 6:** Ensure availability and sustainable management of water and sanitation for all



**Goal 7:** Ensure access to affordable, reliable, sustainable and modern energy for all



**Goal 11:** Make cities and human settlements inclusive, safe, resilient and sustainable



**Goal 12:** Ensure sustainable consumption and production patterns



**Goal 15:** Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss

Sustainability and resilience are two important elements in the national development agenda in Sri Lanka at present. Sri Lanka continues to pay an increasing attention towards minimizing environmental costs of development and sustainably managing its natural resource stock. Further, building resilience towards various

shocks, including climate and natural disaster risks are now being emphasised. Hence the HLPF theme for 2018, and the goals selected for in-depth review at the HLPF 2018 are nationally important. Review of these goals helps to understand the current status and achievements, gaps and future policy directions.

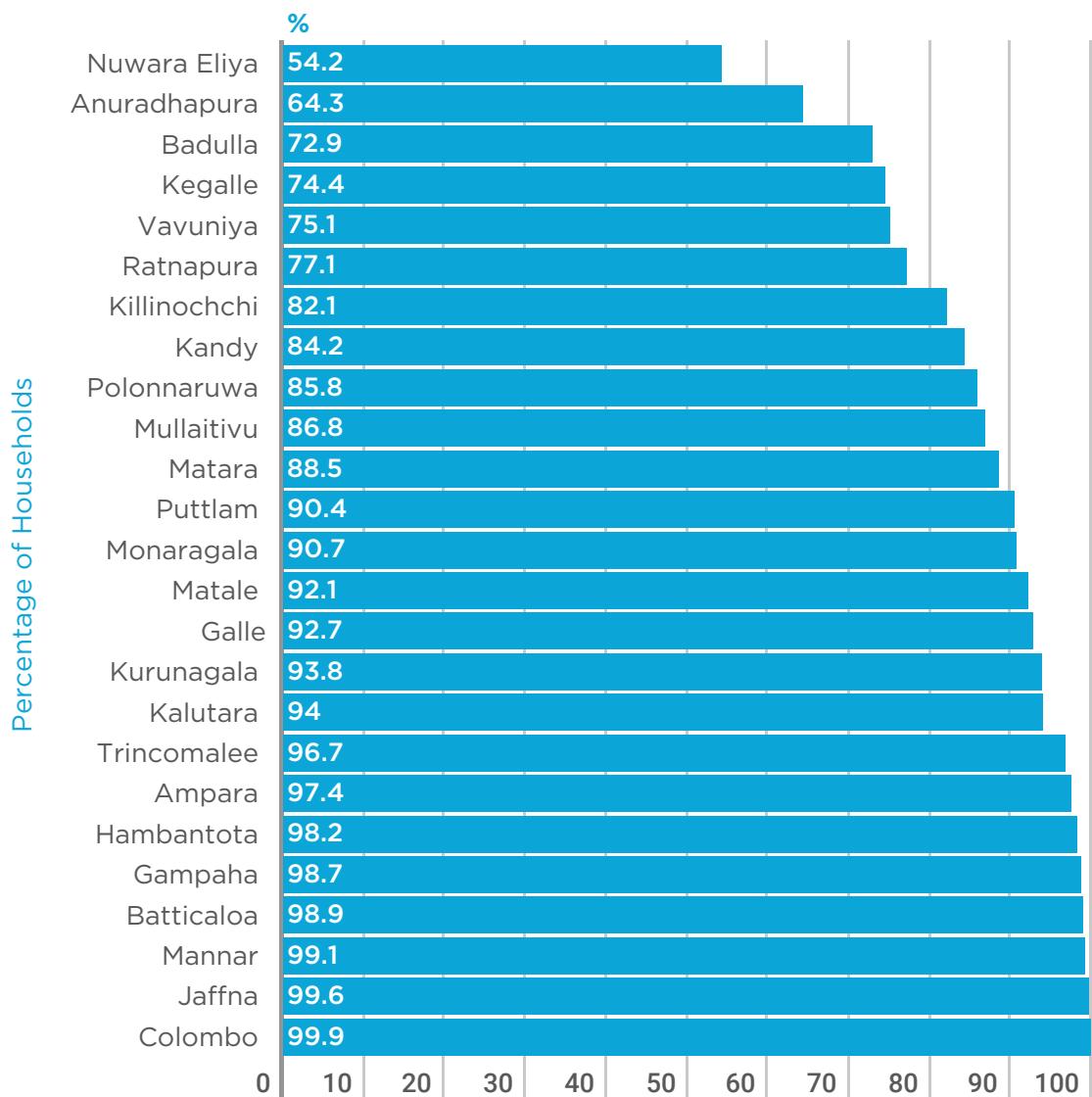
## 6 CLEAN WATER AND SANITATION



### Current Status and Trends

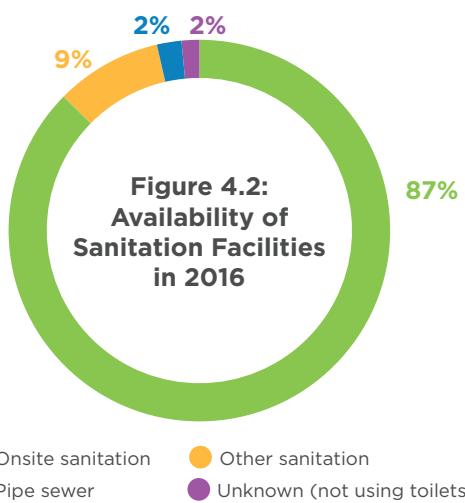
Sri Lanka has made good progress in terms of access to safe drinking water over the years. Around 88.8% of households have access to safe drinking water (Target 6.1) as at 2016. Protected wells within premises, protected wells outside premises, taps inside home, taps within unit/premises (main line), taps outside premises (main line), water projects in villages, tube wells, bowsers and bottled water are categorized as the sources of drinking water. All districts were reported as having more than 50% of the households covered with safe drinking water. Nuwara Eliya (54%) district has relatively low access to safe drinking water sources and it should receive prioritized attention in future interventions. A significant section of population in Nuwara Eliya is living in estates and they share common water sources which cannot be categorized as safe sources of water.

**Figure 4.1: Access to Safe Drinking Water in 2016 by District**



Source: Household Income and Expenditure Survey 2016, Department of Census and Statistics.

As far as sanitation facilities are concerned, 87% of the population possess onsite sanitation facilities, which can be considered as a significant achievement (Figure 4.2) (Target 6.2). However, the same can be said about the wastewater disposal where only 2% households currently have piped sewerage connections. The rest of the households dispose wastewater using on-site pits within the premises which could lead to various environmental and health issues, especially contamination of groundwater. The situation is particularly problematic in densely populated urban and sub-urban areas.



Source: National Water Supply and Drainage Board

Major sewerage facilities are available for Colombo, Ekala, Ja-ela, Moratuwa, and Ratmalana. In addition, septage treatment systems are being introduced to a few secondary towns including Chilaw, Mannar, Puttalam, and Vavuniya. The Government aims to have centralized sewerage facilities for all large and strategic cities by the year 2020 (Target 6.3).

Increase in water use efficiency and sustainable management of related ecosystems are important aspects as per the national level priorities in the water sector and other environmental sub-sectors in the country. At present, comprehensive estimates on water use efficiency are not generated to cover all the water use types in Sri Lanka (Target 6.4). However, water use efficiency estimates are mostly available for irrigation water for specific locations. Further, the National Environmental Act has a provision to regulate point source pollution of water through Environmental Protection Licence. However, there is lack of information on amount of wastewater generated.

The Ministry of City Planning and Water Supply is the key Government agency dealing with issues related to drinking water and sanitation in Sri Lanka through its line agencies; the National Water Supply and Drainage Board (NWSDB) and the Department of Community Water Supply. The NWSDB identifies persons and areas especially vulnerable to health hazards, without drinking water or sanitation facilities when determining priorities for supplying pipe-borne water. The Department of National Community Water Supply mainly focuses on areas which have not been covered by the NWSDB. At sub-national level, local authorities, CBOs, plantation companies, and private sector agencies are involved in supplying drinking water. Sri Lanka has formulated several plans, policies and programmes to cover specific sub-sectors in the water and sanitation sector, such as the National drinking water policy 2008, the National policy of sanitation, the Rural water supply and sanitation policy, and the Rainwater harvesting policy. Stakeholders have highlighted the need for an integrated policy framework for water management in Sri Lanka (Target 6.5) in the VNR consultations.

Drinking water availability in Sri Lanka is also significantly challenged due to changing climatic patterns. The National Adaptation Plan for Climate Impacts in Sri Lanka 2016 -2025 (NAP) therefore identifies the water sector as a key thematic area for climate adaptation activities.

The Nationally Determined Contributions (NDCs) for water sector also cover several measures to address the growing scarcity of water under rising threat of climate change. Key adaptation measures proposed to address climate change issues in water sector include; new water supply projects and schemes in water scarce areas, water safety management plans for the entire country to overcome pollution and climate change impacts, protection and conservation measures in all drinking water catchment areas, mobile laboratories to ensure safety during water supply, monitoring and recording for saline water intrusion into drinking water sources during the drought period and introducing a new management system focusing on community awareness creation programmes and water supply plans.

## Gaps and Challenges

Even though the percentage of coverage is satisfactory at national level, there are regional disparities in terms of access to safe drinking water and sanitation. Areas which are poor in terms of drinking water and sanitation facilities should receive special attention by future interventions.

The quality of safe drinking water is also an issue in certain parts of the country. It has been found that the availability of hard metals and agrochemical contaminations have largely caused water to become unsuitable for drinking in agricultural areas in the North Central and Northern Province. As a result, the prevalence of the Chronic Kidney Disease of Unknown etiology (CKDu) has become a notable issue. There are gaps in terms of the capacity to monitor the water quality levels.

In addition, similar to many other sectors, the lack of institutional coordination is also a challenge for the water sector. There are major national agencies and sub-national agencies involved in the supply of drinking water and drainage facilities. Proper coordination among them is essential for achieving the national targets.

## Way Forward

The national level targets for safe drinking water aim to cover most of the issues and challenges in the sector. These aim at making sure that all citizens are provided with safe drinking water by 2020. This includes the expansion of the pipe borne water supply coverage up to 60% by 2020, provision of piped water facilities to areas affected by kidney disease, ensuring the quality of water by 100%, fulfilling the water requirement for the industries 100% and taking necessary measures to ensure the efficiency of the institutional structure of supplying drinking water facilities. Installation of Reverse Osmosis plants for provision of purified water for areas where CKDu prevalence is an important intervention.

The targets and indicators of the goal are well in line with the national policy priorities in relation to the provision of clean water and sanitation in Sri Lanka. There are several cross linkages of the targets of the goal with other sectoral policies and plans; the achievement of the targets needs coordinated effort among all agencies involved. These initiatives should pay prioritized attention to areas where safe drinking water and sanitation facilities are lacking, in order to minimize the regional disparities.

The sanitation sector strategies cover increasing the usage of sanitation facilities, especially in the rural and estate sector, conducting of awareness programmes on sanitation and hygiene, improving the drainage facilities in main towns, and restructuring the functions of the NWSDB to improve its efficiency. It is aimed at ensuring 100% safe sanitation throughout the country by 2020. This also includes the provision of piped sewerage disposal facility to 3.3% of urban population by 2020. Programmes are in place to reduce non-revenue water. The Greater Colombo Water and Wastewater Management Improvement Investment programme is an example for this.

It is important to come up with baseline indicators for the targets which are not presently estimated periodically. Though relevant issues have been highlighted through research, there is no mechanism in place to generate such estimates as progress measurements. It is important that the relevant indicators are incorporated into the national data statistical system by the DCS.

Inter-agency collaboration is required in achieving the planned objectives in the water and sanitation sector. It also requires efficiency improvements in the provincial and local authorities in terms of managerial, technical and financial capacities.

## 7 AFFORDABLE AND CLEAN ENERGY



### Current Status and Trends

The energy sector plays an important role in sustainable development in Sri Lanka. The performance of the sector is implicated with a mix of achievements and challenges. A major achievement in the energy sector is the near universal coverage of domestic supply of electricity, reaching nearly 100% households in the country (Target 7.1). This has been achieved by persistent efforts of the Government through the rural electrification programmes of the Ceylon Electricity Board (CEB), the state-owned enterprise entrusted with the responsibilities over power generation and distribution.

A mix of multiple energy resources are used to fulfil energy needs of household, industrial, commercial, transport and agriculture sectors. Table 4.1 presents the composition of energy use by major user categories. Fuelwood being the

major source of energy for cooking and other domestic energy needs, especially in rural areas, household energy consumption is still dominated by biomass. A significant share of industrial energy needs, especially in small and medium industries, is also fulfilled by fuelwood used in boilers, driers, kilns, etc. In respect to electricity too, households are the main user category, consuming 38% of total power generation (Figure 4.3). The transport sector is the main user of petroleum. Having gradually exhausted the potential for further expansion of major hydro projects, since mid-1990s, thermal energy has become the main source of electric power generation overtaking hydro-electricity thereby increasing the demand for petroleum further. Driven by the increased demand for electricity and the high cost of petroleum, from 2010, coal—another fossil fuel energy—entered the power generation mix with the commissioning of the first coal-powered generation plant in Norochcholai at Puttalam District.

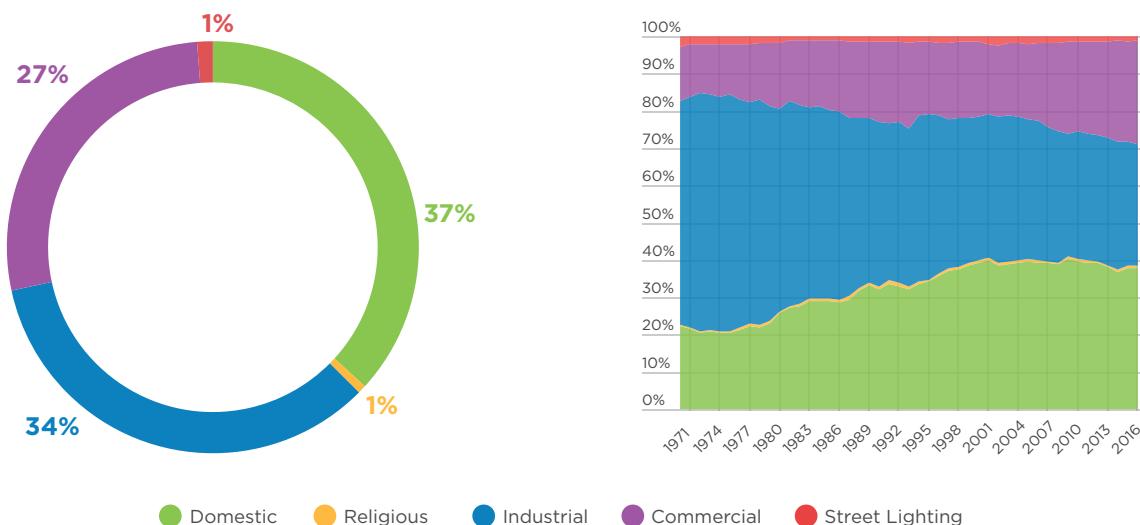
Increased demand for electricity is indicated from all sectors. The demand from the household sector has grown faster than other sectors, overtaking even the demand from the industrial sector (Figure 4.4). Demand from both household and commercial sectors has shown a steady growth while the demand from the industrial sector indicates periodic fluctuations. As a result, the relative share of demand for electricity from the industrial sector has decreased over time even though actual consumption has increased (Figure 4.3 (b)).

**Table 4.1: Demand for Energy by Major User Categories 2016**

Source of Demand	Considered									
	Electricity	LPG	Petrol	Kerosene	Diesel	Fuel oil	Coal	Bagasse	Fuel wood	Total
Household, Commercial and Other	<b>736.7</b>	<b>301.9</b>	<b>N/A</b>	<b>175.1</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>2829.5</b>	<b>4043.1</b>
Industries	<b>356.8</b>	<b>74.4</b>	<b>N/A</b>	<b>6.0</b>	<b>22.7</b>	<b>368.1</b>	<b>49.1</b>	<b>96.4</b>	<b>1714.0</b>	<b>2687.4</b>
Transport	<b>N/A</b>	<b>1.1</b>	<b>1594.7</b>	<b>N/A</b>	<b>2088.7</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>3,687.5</b>
Agriculture	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>0.6</b>	<b>0.2</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>0.8</b>
<b>Total Energy Use</b>	<b>1093.5</b>	<b>377.4</b>	<b>1594.7</b>	<b>181.0</b>	<b>2112.0</b>	<b>368.3</b>	<b>49.1</b>	<b>96.4</b>	<b>4543.4</b>	<b>10418.0</b>

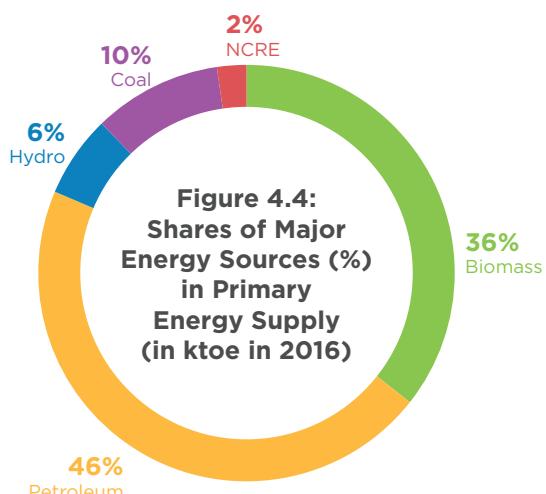
Source: Sustainable Energy Authority (2017)

**Figure 4.3: Electricity Consumption by Sector (in relative shares (%): 1970-2016)**



Source: Sustainable Energy Authority (2017)

Rising demand from transport and power generation sectors has increased the country's dependence on fossil fuel energy sources. Nevertheless, renewable sources of energy are playing an important role in the total supply of energy in the country. At the level of primary supply, a significant share of energy comes from renewable and indigenous sources. Figure 4.4 indicates that 36% of the primary supply comes from biomass sources. Taken together with hydro (6%) and non-conventional renewable energy (NCRE, 2%), renewable sources account for 44% of total primary energy supply (Target 7.2).<sup>18</sup> Fossil fuel sources contribute to 56%. Fuelwood is the major type of biomass widely used in households and industrial establishments whereas other forms such as coconut shells, bagasse and paddy husk play a limited role.



Source: Sustainable Energy Authority (2017)

The Ministry of Power and Renewable Energy has launched a new community-based power generation project titled 'Soorya Bala Sangramaya' (Battle for Solar Energy) in collaboration with the Sri Lanka Sustainable Energy Authority (SLSEA), Ceylon Electricity Board (CEB) and Lanka Electricity Company (Private) Limited (LECO) to promote small rooftopsolar power plants in households, religious places, hotels, commercial establishments and industries. It is expected to add 200 MW of solar electricity to the national grid by 2020 and 1000 MW by 2025 through this intervention. Under this program, the consumers will have options to generate and use electricity in their premises. They can sell electricity generated in excess of their requirement to the national grid or bank it for later use. According to the electricity usage, customers can select a preferred option from three schemes; net metering, net accounting and micro solar power producer.

Another important area is increasing the energy efficiency. Some important steps towards increasing the energy efficiency through demand side management measures have been taken (Target 7.3). Electricity is charged on increasing block tariffs; the block structure has been designed to discourage the over-use of electricity so that large-scale users are charged at higher unit rates over and above block threshold limits. Hence, the price structure gives some incentive for conservation of electricity.

18 Sustainable Energy Authority (2017). Energy Balance Data

This has encouraged the use of energy saving technologies such as CFL bulbs, LED lighting and solar net metering. Moreover, this structure helps small-scale users, usually low-income earners, to manage the electricity bills at relatively lower levels.

In the transport sector the Government has introduced fiscal policy instruments to promote the high-fuel efficient vehicles through manipulating the tax structure. These include engine capacity based taxing (higher tax/cm<sup>3</sup> for high engine capacity vehicles), age based import restrictions (should be less than 3 years) and taxing hybrid and electric cars at relatively low rates. As a result, the number of hybrid cars imported has shown an increasing trend since year 2012.

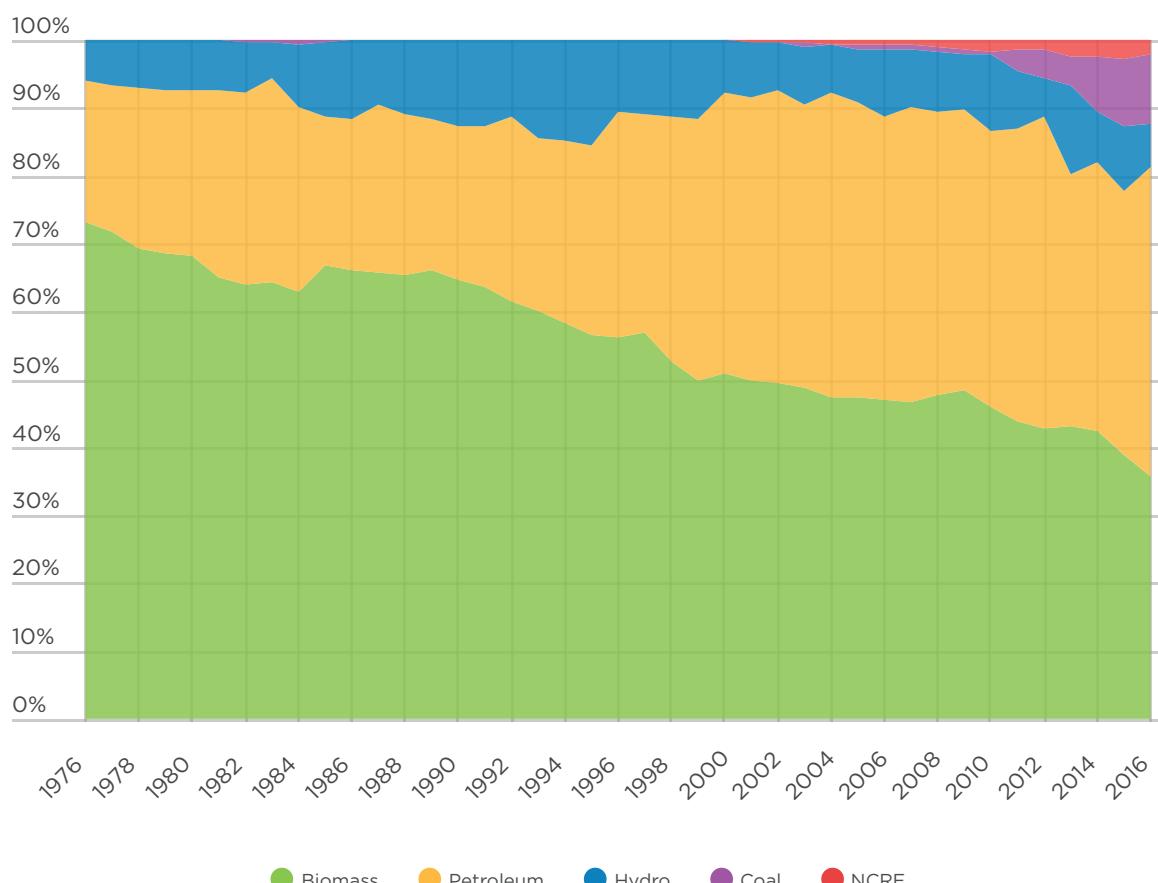
## Gaps and Challenges

Various gaps have been identified in policy documents and by stakeholders as challenges against sustainable future in the energy sector.

Broadly, they all appear to be connected to three overall challenges: growing dependency on power generation on fossil-fuel energy resources; challenges associated with energy use in households and key sectors such as transport and construction sectors that restrict improvements in efficient use of energy and; inefficiencies involved in domestic energy value chains of electricity and petroleum which are dominated by large state-owned enterprises.

Rising demand for electricity and limitations of major hydro power generation facilities to fulfil this demand under the growing incidence of rainfall uncertainties have compelled the expansion of the thermal power generation capacity from 1990s onwards. As a result, thermal generation has increased up to over 60% as a share of total annual generation and this trend appears to continue further. Figure 4.5 shows that the share of petroleum in the overall energy mix has increased from mid 1990s while the share of renewable energy has decreased gradually.

**Figure 4.5: Share of Different Sources in Primary Energy Mix (1976-2016)**

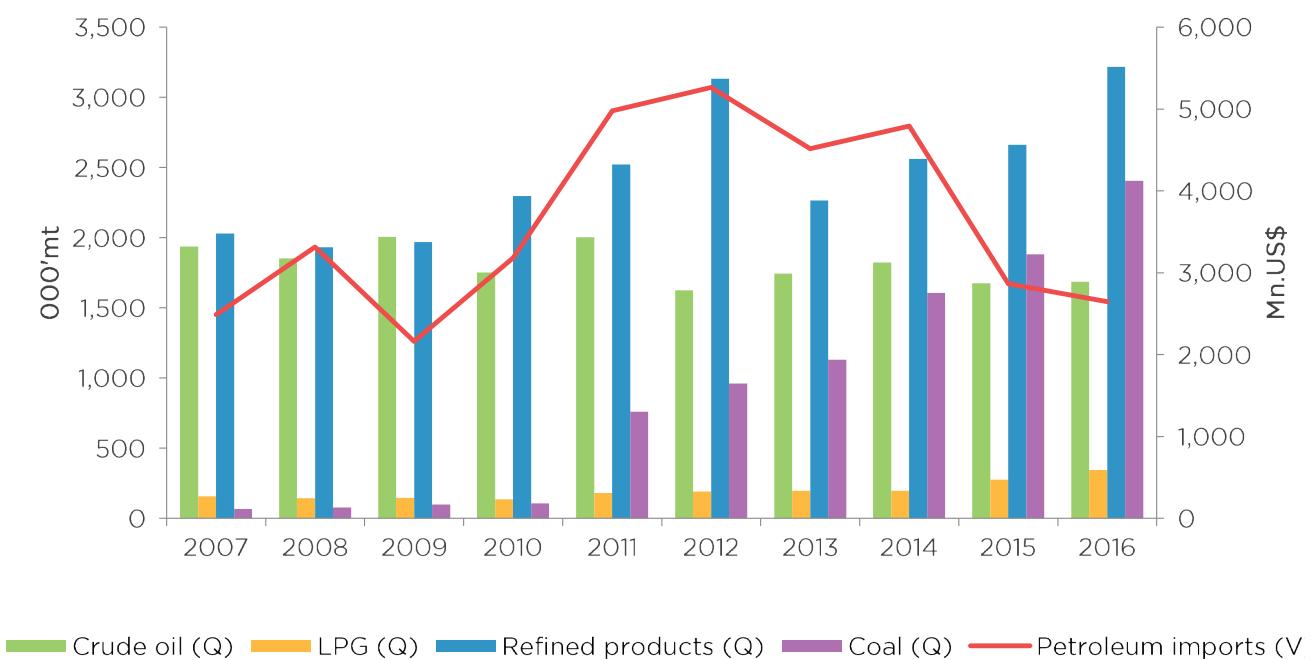


Source: Sustainable Energy Authority (2017)

Stakeholders have highlighted that the gaps and challenges concerning affordable and clean energy goes beyond the boundaries of the power and energy sector. When the overall picture of energy is concerned, the transport sector appears to feature as more important than even the electricity sector. Sri Lanka's vehicle fleet is rapidly growing and it has increased more than three times since 2000, creating a large demand for petroleum from the transport sector. In certain years, the annual growth has been as large as 12%. Details indicate that growth is reported mainly in vehicles for private modes of transport. Inefficiencies in the public transport system, limited development in alternative transport modes such as railways, and the growing congestion in road traffic in urban areas appear to be major push factors leading to this situation.

The country relies fully on imports to meet growing demand for petroleum and coal despite ongoing efforts in offshore oil and gas exploration. Rising dependency on fossil fuel energy sources has become a significant burden to the economy, creating balance of payment pressures on regular basis. Rising cost of fossil fuel imports due to increased volume as well as price hikes create balance of payment pressures on the economy. Figure 4.6 shows fossil fuel imports during the period 2007-2016. Import of fossil fuels amounted to over 20% of the annual cost of imports. As a share of total export earnings, the cost of fossil fuel imports amounted nearly 50% of export earnings in certain years, implying that half of foreign earnings from exports were spent on importing fossil fuels.

**Figure 4.6: Fossil Fuel Imports (2007-2016)**



Source: Sustainable Energy Authority (2017)

Overall, the achievement of both affordability and cleanliness especially in the power generation sector has been a challenge in Sri Lanka. Addressing these gaps and challenges need comprehensive strategies that cover associate sectors such as transport and construction sectors as well, which the Government is working towards.

## Way Forward

Sri Lanka formulated the National Energy Policy in 2008 and it is currently being updated to meet the new realities. The draft policy has been formulated to align Sri Lanka's energy sector with SDG 7 and includes several strategies designed to achieve relevant SDG targets. The broad areas of policy covered in the National Policy include energy security, access to energy, energy efficiency and conservation, safeguarding environment, promotion of renewable that could contribute achieving sustainable energy goals in a major way.

Overall, there are some positive practical steps taken by both public and private sector stakeholders towards directing the energy sector towards a sustainable path. The Government initiatives include: efforts of the Sustainable Energy Authority to promote and facilitate NCRE resources; interventions of the Public Utility Commission to regulate electricity and petroleum products markets which are dominated by large state-owned enterprises; slow but gradual expansion of the share of NCRE in the power generation mix of the CEB; infrastructure improvements in the national power generation and distribution facilities to enhance the supply efficiency and reduce wastage; demand-side management measures to increase the efficiency of the usage of power in selected areas (e.g. ODSM); tax incentives for fuel efficient vehicles such as hybrid and electric vehicles which are fast becoming popular in the country and; policy measures to create awareness and facilitate the adoption of energy efficient lighting and renewable energy solutions such as rooftop solar (e.g. solar net metering).

The current strategy of promoting NCRE such as domestic solar and wind power through various measures is contributing to the objectives of sustainable energy. In addition, the Government launched a programme on Operation Demand Side Management (ODSM) for saving 1,985 GWh in 2020 through measures such as promoting efficient domestic appliances, adopting standards, introducing regulations, energy labelling and green buildings.

To a significant extent, these measures have been complemented by efforts of the private sector for introducing energy efficient products through imports and local production (e.g. energy efficient lighting, domestic solar solutions) and investing on NCRE facilities (e.g. solar, mini-hydro). Some NGOs and civil society activists have come forward to advocate and make a strong voice on behalf of sustainable solutions. While the scale of these efforts may not be sufficient to bring in a major transformation yet, they are clearly favourable for achieving the targets of SDG 7.

In spite of these positive measures, the overall tendency is still towards a growing dependency on fossil-fuel mainly due to demand from the transport sector. Hence, improvements in energy efficiency in the transport sector are mandatory for achieving SDG 7. The draft National Transport Policy has adopted energy efficiency and environmental protection as one out of five policy principles such that 'all modes of transportation should be guided towards an efficient and cost saving energy policy... in a sustainable manner with minimum environmental disruptions'. The Government has prepared the Western Region Megapolis Transport Master Plan (WRMTMP) in 2016 that proposed the establishment of rapid transit system (RTS) to ease the passenger difficulties that arise due to poor public transport facilities including a network of light rail transits (LRT) that connects central business areas with suburban areas. Moreover, the Ministry of Mahaweli Development

and Environment (MMDE) has prepared a draft Fuel Quality Road Map for Sri Lanka that proposed to increase the fuel quality standards in Sri Lanka to comply with Euro 4 standards. Such investments in public transport, if designed strategically to achieve sustainable energy objectives too, could bring in win-win solutions.

Another strategically important area is green buildings. The Urban Development Authority (UDA) has recently developed green building guidelines. The Government has declared the intention to adopt green building concepts in the future development of public buildings. Overall, it appears that some strategic elements towards a sustainable energy strategy are gradually falling into place. The challenge is to raise the strength of all such strategic measures so that truly sustainable transformation in energy can be achieved.

## 11 SUSTAINABLE CITIES AND COMMUNITIES



### Current Status and Trends

As per official statistics, Sri Lanka is experiencing a slow pace of urbanization.<sup>19</sup> However, the National Physical Planning Policy and the Plan 2050 (draft) suggests that Sri Lanka's urbanization is unique and more people who live away from designated urban areas have embraced urban lifestyles. According to estimates of the National Physical Planning Policy and the Plan 2050 (draft), nearly half of the population in the country is more than 60% urbanized and are concentrated in about one tenth of the total

land area.<sup>20</sup> As per the forecasts, nearly 80% of the population is expected to be more than 80% urbanized by 2030<sup>21</sup> (Target 11.3). As in many other countries, urbanization in Sri Lanka has brought challenges mainly related to housing, transport and environmental management.

Sri Lanka has made good progress in terms of the percentage of population living in permanent houses, owing to several housing related projects implemented by the Government and the private sector. According to the censuses, this percentage has increased from 42% in 1981 to 81% in 2012. The census of Population and Housing 2012 shows that 17.8% and 0.8% of the population are living in houses which are constructed using semi-permanent or temporary materials.<sup>22</sup> As per the Target 11.1, only 0.8% of the population is living in slums.

Accordingly, The Housing Needs Assessment and Data Survey<sup>23</sup> conducted in 2016 shows that the number of temporary houses (80,615) is highest in the Colombo district. In addition, the number of homeless families who do not possess land is also the highest in the Colombo district, followed by Gampaha and Jaffna districts (Figure 4.7).

19 Ellis, Peter; Roberts, Mark. 2016. Leveraging Urbanization in South Asia: Managing Spatial Transformation for Prosperity and Livability. Washington, DC: World Bank

20 The Updated National Physical Planning Policy and the Plan 2050 (Draft), National Physical Planning Department, February 2018

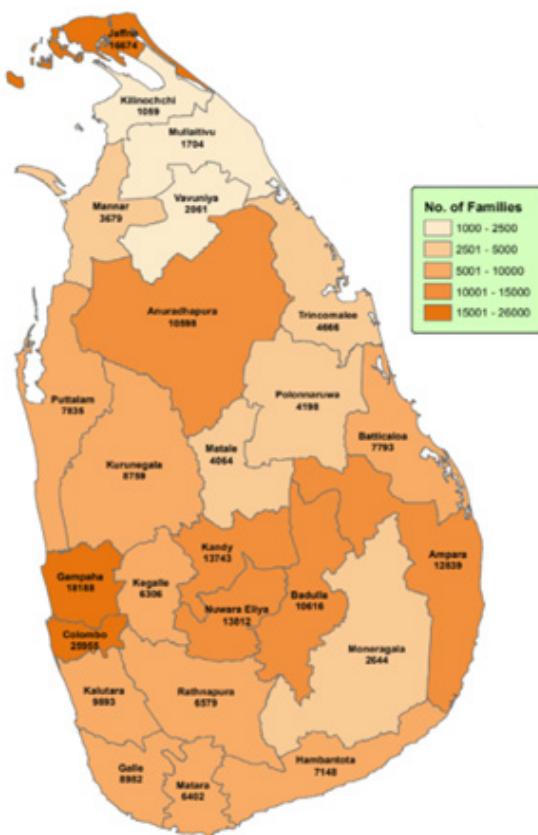
21 The Updated National Physical Planning Policy and the Plan 2050 (Draft), National Physical Planning Department, February 2018.

22 Status of Sustainable Goals Indicators Sri Lanka 2017, Department of Census and Statistics, Ministry of National Policies and Economic Affairs, Sri Lanka

23 Ministry of Housing and Construction (2016), The Housing Needs Assessment and Data Survey 2016

The Urban Development Authority (UDA) has launched a project to provide 50,000 housing units to low and middle income groups within five years starting from 2016 to cater to the growing demand for housing in urban areas. As at April 2018, 6,953 houses have been constructed and handed over to the users. It is planned to start construction of another 5,680 housing units in 2018, according to the UDA. Several housing projects have been launched under this initiative and the housing scheme for Government employees is one among them.

**Figure 4.7: Number of Homeless and Landless Families in Sri Lanka**

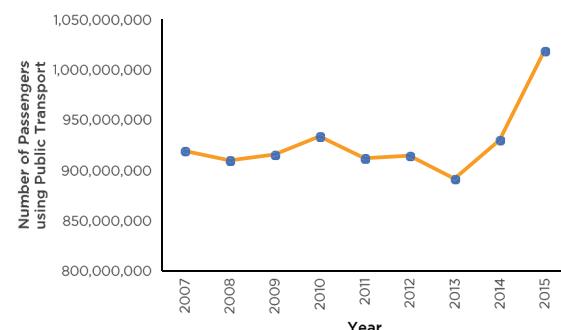


Source: Ministry of Housing and Construction

Transportation is a critical area that needs significant improvements in both infrastructure facilities and the supply of services. Bus transportation plays a major role, accounting for nearly 47% of the total motorized transportation (Target 11.2). State bus transportation contributes to 8.4%. Sri Lanka Transport Board (SLTB) is handing the state bus operations in the country. Regulation of private buses is undertaken by the National Transport Commission and Provincial

Road Passenger Transport Authorities. The number of passengers using public transport has been showing an increasing trend during last few years where statistics are available (Figure 4.8).

**Figure 4.8: Growth in Number of Passengers Using Public Transport**



Source: National Transport Statistics 2016

The Ministry of Megapolis & Western Development (MMWD) implements programmes to cope with issues related to traffic congestion, housing, physical infrastructure, public utilities, recreation and city economy on a short-term basis. MMWD initiated the “Sukitha Purawara” programme to develop 21 strategically important townships in the western region of the country, and has now extended to develop more townships throughout the country.

During stakeholder consultations, it was pointed out that despite the increasing number of public transport users, deficits in the quality of public transport are responsible for various inefficiencies in the current system. Stakeholders mentioned that the poor quality of transport services acts as a major push factor that drives middle-income households towards private modes of transport. As a result, the vehicle fleet in the country has increased three-fold since 2000, creating a host of urban transport issues. Recognizing this situation, the Sri Lanka Transport Board (SLTB) has launched several programmes to provide reliable transport services to various segments of the society such as:

- i. Gemi Sariya project: Started in 2008 the Gemi Sariya project aims to provide reliable and economical passenger transport services to the public who lack access to transport facilities in rural areas.

- ii. Nisi Sariya project: Aims to provide reliable and regular public bus service during late night hours.
- iii. Sisu Sariya: Dedicated for school children Sisu sariya aims to provide reliable and concessionary bus service

Moreover, MMWD has introduced bus priority lanes during peak hours in selected roads.

The increasing frequency and intensity of natural disasters have also been a key issue faced by many economic sectors of the country. For instance, the torrential rainfall in mid-May 2016 in Sri Lanka affected 24 out of 25 districts. The Post-disaster Needs Assessment carried out for the disasters which happened in May 2016 shows that the total estimated damages and losses for the country were over LKR 87,027 million and LKR 12,816 million, respectively. The economic impact, measured as damages to physical assets and losses in production flows is estimated as 0.11% and 0.78% of the Gross Domestic Product (GDP) in 2015. The combined effects of damages and losses were the highest in the social sectors followed by the productive sectors and infrastructure sectors. The number of deaths and missing individuals due to the incident amounts to 93 and 117, respectively (Target 11.5).<sup>24</sup> Urban areas are highly vulnerable to climate-induced disasters, due to high concentration of human activity and built environment. Thus, disasters could bring in serious repercussions on human lives and economic properties. Under Metro-Colombo Urban Development Project, MMWD supports priority improvements in flood and drainage management in Colombo water basin.

Air pollution is increasingly being identified as a potential environmental problem in certain urban areas, such as Colombo and Kandy in Sri Lanka. However, there is an improvement in the air quality in terms of certain indicators, due to implementation of several air quality management programmes. The Vehicle Emission Testing Programme which was launched in 2008 has helped to reduce PM 10 content in the air to 62-65 µg/m<sup>3</sup>.<sup>25</sup> Currently, Sri Lanka measures only the PM 10 level and the measurements are restricted to the Colombo city. PM 2.5 is not

currently being measured due to the absence of required equipment. A mobile monitoring station is available to measure the ambient air quality (which includes both PM 10 and PM 2.5) in selected locations, but it is not adequate to generate regular data on the air pollution. Thus, the measurement of urban air quality in Sri Lanka is largely constrained due to the absence of required equipment (Target 11.6). With regard to reducing air pollution, Clean Air 2025 Action Plan has been prepared and launched by the MMDE. The Air Resource Management Centre (AirMAC) is the responsible entity for the implementation of the action plan.

Urban waste management has emerged as a significant environmental issue in Sri Lanka. Densely populated urban areas generate solid waste in large quantities at a rapid rate and the disposal of these garbage loads has become an immense burden to local authorities in all urban and municipal areas throughout the country. The amount of waste generated in Sri Lanka has increased from around 6,400 ton/day in 1999 to 10,786 ton/day in 2009. Western Province is the biggest contributor (33%) to waste generation in the country. The waste collection rate in the Western Province is recorded as 51% (Target 11.6).<sup>26</sup> MMWD has initiated the Solid Waste Management Project at Aruwakkalu to provide final disposal facilities for the collected waste from Metro Colombo Region, suburbs and Puttalam district.

## Gaps and Challenges

Unplanned urban development has caused an array of problems and challenges in Sri Lanka. The National Physical Planning Policy and the Plan 2050 prepared by the National Physical Planning Department is presently being revised. The Policy aims to provide a broad national level guidance for all development agencies for the planning and execution of development activities. In relation to disaster risk reduction, immediate action is needed to mainstream climate change concerns into urban planning policy, climate change policy and disaster risk management policy.

<sup>24</sup> Sri Lanka PDNA, Floods and Landslides, Ministry of Disaster Management, Ministry of National Policies and Economic Affairs, Colombo

<sup>25</sup> Clean Air 2025: An Action Plan for Air Quality Management, Ministry of Mahaweli Development and Environment, May 2016

<sup>26</sup> Japan International Cooperation Agency (2016), Data Collection Survey on Solid Waste Management in Democratic Socialist Republic of Sri Lanka Final Report

In the housing sector, meeting the demand created due to rapid urbanization and growing middle-class while also ensuring the affordability and the quality of housing has been a key challenge. This is also associated with limited suitable lands, shortage of skilled labour and high cost of housing constructions. The Western Region Megapolis Project, Strategic Cities Development Programme and the Urban Regeneration Programme are important projects that aim to address most of the issues related to urbanization.

Key Challenges in the transport sector include traffic congestion in urban areas, promotion of public transport, improvements in road safety by minimizing road accidents, managing the increasing vehicle fleet in the country and reducing vehicular emissions. The goals of the draft National Transport Policy of Sri Lanka (January 2018) is in line with Target 11.2. The policy also takes into consideration the climate and disaster resilience aspects of the transport sector developments. In addition, there are several programmes in place to enhance the

railway sector by means of increasing the operating speed, construction of new railway lines etc. Road safety is still a major concern in the transportation sector in Sri Lanka. In 2013, the estimated Road Traffic Death Rate (per 100 000 Population) in Sri Lanka was 17.4; Sri Lanka stands at the 99th position out of 179 countries. Around 38,107 road accidents have been reported in 2015, of which 2600 accidents are fatal.

With regard to waste management, the usual method of disposal adopted by many local authorities is “open dumping”. This has considerable implications namely, the environmental and sanitary hazards associated with open dumping of garbage and the difficulty of finding suitable dumping sites as urban limits become more and more populated. This has led to the pollution of water bodies and other ecologically important habitats due to the haphazard dumping of garbage by city dwellers. There is a need to strengthen Local Authorities to manage garbage in their areas.

## Way Forward

Enhancing the sustainability of Sri Lankan cities require improvements in a number of areas that need to be addressed through an integrated approach. Key elements of such an integrated approach should be streamlining the spatial and physical planning process, development of infrastructure and service quality in public transport, increasing the disaster resilience and enhancing the municipal services such as waste management.

The National Physical Planning Policy and the Plan 2050 are currently being updated with stakeholder participation. Once officially adopted, they will provide an overall guideline for all the development activities in the country. All future regional and sectoral plans should be developed in accordance with the National Physical Plan and Policy and the existing ones should be realigned accordingly. All the development agencies have to adhere to the directions indicated in the Plan and the Policy. Necessary capacity development in relevant agencies should be carried out to strengthen the planning process.

Significant improvements in the public transport system are necessary to overcome the current inefficiencies in the system. This is an area that has received the attention of policy makers as well as the general public. As a result, large-scale public investments have been made to improve the transport infrastructure during the last decade and several plans/projects/programmes are being implemented by the ministries and line agencies responsible for transport, roads and highways and urban development sectors in the country. Despite significant recent investments, improvement in the quality of public

transport services and infrastructure facilities appear to be marginal. Hence, the on-going efforts need to be better coordinated and integrated to enhance the overall efficiency of the public transport system and reduce the adverse impacts such as environmental degradation. MMWD has constructed a multi-modal transport hub in Kottawa and has planned several such hubs in several main cities. It has planned to construct four Light Rail Transit lines and several integrated inland water transport systems in the Colombo Metropolitan Region.

Disaster management and climate change impacts have to be mainstreamed into urban planning policy. This requires the integration of climate change considerations into urban planning at all levels. The capacity of national stakeholders and local authorities to respond to effects of climate change at local levels has to be strengthened. Disaster mitigation and preparedness aspects should be improved in order to minimize the disaster related damages and losses. All infrastructural development activities should take into account disaster resilience aspects in order to minimize the economic losses of disasters.

The Disaster Management Centre has prepared the National Disaster Management Plan 2018 – 2030, which is to be submitted for cabinet approval. The Plan is based on four thrust areas namely (i) understanding disaster risk, (ii) strengthening governance to manage disaster risk, (iii) investing in disaster risk for resilience and (iv) enhancing disaster preparedness on effective response in recovery, reconstruction and rehabilitation for “build back better”.

The National Physical Planning Policy and the Plan 2050 will provide guidelines for all the development activities which should be adhered to by all the development agencies. Capacity development of all officers in the relevant agencies is also required.

The Ministry of Disaster Management, in collaboration with the Survey Department has prepared 1:5000 scale digital base maps for urban centres. The maps can be utilized to incorporate risk information into development planning in the urban centres.

Urban waste management in Sri Lanka requires a multi-strategy approach. Appropriate legal frameworks, institutional mandates and technical standards for waste management should be established. The proper handling of waste at the points of generation should be adopted as a short-term strategy. Attention needs to be paid in medium and long-term policies on sanitary land filling, approaches for waste conversion and behavioural changes in terms of sustainable consumption.

# 12 RESPONSIBLE CONSUMPTION AND PRODUCTION



## Current Status and Trends

Sustainable consumption and production (SCP) cut across many sectors in the economy and social life. Hence, the SCP cannot be achieved through interventions carried out by a single ministry or line agency. The MMDE has taken the leadership in preparing the draft National Policy on Sustainable Consumption and Production which provides overall guidance with regard to sustainable consumption and production aspects in all economic sectors. Under this, around 46 relevant national policies have been reviewed and gaps have been identified.<sup>27</sup> The draft policy covers 12 thrust areas namely; air, water, food, built environment, energy, health, transport, education & communication, science and technology, industry, tourism and, waste. The draft policy covers a number of areas identified under the SDG 12. In this line, the Ministry serves as the national focal point for the implementation of the 10-Year Framework of Programmes of Sustainable Consumption and Production (10YFP) carried out by the United Nations Environment Programme (UNEP) (Targets 12.1 and 12.2).

With the support of the SWITCH Asia, a project on Sustainable Consumption and Production National Policy Support Component for Sri Lanka is currently underway. The project aims to support the Sri Lankan Government in selecting, adapting and implementing suitable economic and regulatory policy instruments to promote SCP, thereby enhancing the long-term sustainability of consumption and production patterns. The overall purpose of this is to strengthen the institutional policy framework, ensuring a joint and effective SCP effort in Sri Lanka.

National Cleaner Production Programme has been in place for more than 15 years in Sri Lanka. A Resource Pack on sustainable consumption and production has been introduced to the universities and tertiary sector as modules/ credits or as orientation programmes. In addition, an active healthy lifestyle programme was introduced to pre-schoolers and their families. These initiatives intend to educate citizens regarding sustainable consumption and production and thereby encourage positive behavioural changes<sup>28</sup>(Target 12.8).

A Green Reporting System is being implemented by the MMDE. The green reporting system deals with 50 indicators which consist of six economic indicators, 20 social indicators and 24 environmental indicators. The first economic indicator deals with the direct economic value generated by the organization (Target 12.6).

With regard to post-harvest losses, Sri Lanka has not yet compiled the food loss index. However, post-harvest losses are considered a significant problem for many agricultural commodities. It has been estimated that post-harvest losses could be as high as 40% of the output of certain perishable agricultural products. Among others, vegetables, fruits and fish are highly vulnerable food categories to post-harvest losses. The Hector Kobbekaduwa Agrarian Research and Training Institute (HARTI) is maintaining a database on post-harvest losses of almost all the important food crops in Sri Lanka on an annual basis. Though Sri Lanka is not producing information related to post-harvest losses as an index, data is available to develop such an index in the future and thereby monitor the progress of reducing post-harvest losses. However, pre-harvest losses are not readily available. In the case of Sri Lanka, development of a post-harvest food loss index is feasible as per the data availability (Target 12.3).

Hazardous waste in Sri Lanka is classified as Scheduled Waste and regulated by the Guidelines for the Management of Scheduled Waste. The generators of scheduled waste must obtain the Scheduled Waste Management License (SWML). The monitoring of scheduled waste generating companies targets only those with SWML. The companies are obliged to report to the Central Environmental Authority (CEA) about the types

27 Stakeholder consultation inputs

28 Ibid

and amounts of their scheduled waste. As at 2016, around 350 entities had obtained the SWML. The amount of scheduled waste generated in 2003 was 53,000 tons (Target 12.4).<sup>29</sup> Sri Lanka is a signatory to the Stockholm Convention on Persistent Organic Pollutants and has ratified the Convention in 2005. Sri Lanka implements a revised National Implementation Plan under the Stockholm Convention on Persistent Organic Pollutants in Sri Lanka since 2015.

A green public procurement policy is being drafted in Sri Lanka, and this indicates that green public procurement is a nationally important aspect in Sri Lanka. In the National Action Plan for Haritha Lanka Programme, under its Mission 9 on Greening the Industries, two action items have been listed relevant to public procurement. The two items are; (a) Develop guidelines to facilitate industries to select and procure environmentally friendly raw materials, and (b) Promote green purchasing. The action plan has also identified two indicators for monitoring, namely, the availability of guidelines and the availability of the green purchased network for the two actions respectively (Target 12.7).

Waste management in Sri Lanka is mainly a responsibility of local Government agencies. However, a number of central Government agencies facilitate the waste management by helping the capacity development of local Government agencies and carrying out alternative waste management programmes. These include MMDE, Ministry of Megapolis and Western Development, Ministry of Health, Nutrition and Indigenous Medicine, National Solid Waste Management Support Centre (NSWMSC) and the CEA Local authorities who are responsible for collection and disposal of waste generated by residents who live in the region. Only in the Western Province, the Waste Management Authority (WMA), founded under the Western Provincial Council undertakes the cluster waste management system. The five-year Action Plan for 2015 – 2020 prepared by the Western Province Waste Management Authority aims to increase the recycling rate up to 38% by 2020 from 17% in 2015 (Target 12.5).

Promoting sustainability in the tourism sector is a much highlighted issue in the recent past,

given the increasing number of tourist arrivals to Sri Lanka. The star rating system was recently revised to include certain green concepts. With the aim of promoting sustainable tourism, the country has prepared the Sri Lanka Tourism Strategic Plan 2017-2020. Actions, responsible agencies, time frame and outcomes have been identified for each strategy.

Sri Lanka does not have up to date information with regard to total fossil fuel subsidies as a percentage of GDP. However, an assessment with regard to 2005 shows that the percentage is 0.8 for explicit subsidies and 1.0 for implicit subsidies.<sup>30</sup>

According to the inputs from the expert consultations, certain policy initiatives have been carried out to introduce Eco labelling for certain products (e.g. in CFL bulbs), based on the energy efficiency level of the bulbs.

The project of “Establishment of a mechanism to ensure quality and safety of Agricultural commodities to local and export markets through Good Agricultural Practices (GAP)” is implemented through Division of Agribusiness Counselling (DoAgbiz) of the Department of Agriculture. Accordingly, GAPs are introduced on crop basis for fruits and vegetables.

## Gaps and Challenges

The promotion of SCP mostly involves suasive policies based on voluntary commitments while some areas involve mandatory interventions (e.g. scheduled waste). The major challenge faced in voluntary commitments is the slow rate of adoption which largely depends on the level of knowledge and the awareness of stakeholders regarding the benefits of SCP. Some SCP initiatives could generate market advantages for participants (e.g. eco labelling, GAP) and in such cases there are incentives for stakeholders to adopt them. In other cases, raising awareness and creating incentive structures for adoption are the major options.

For instance, the green reporting system in Sri Lanka is taking place on a voluntary basis. Accordingly, the level of reporting that organizations wish to adhere to could be done

29 Japan International Cooperation Agency (2016), Data Collection Survey on Solid Waste Management in Democratic Socialist Republic of Sri Lanka Final Report

30 Baig, T., A. Mati, D. Coady, and J. Ntamatungiro (2007), Fiscal Affairs Department Domestic Petroleum Product Prices and Subsidies: Recent Developments and Reform Strategies, IMF Working Paper, International Monetary Fund

under five tiers. Reporting is not compulsory under 1st tier for two years. Reporting is voluntary for tier two. For tiers three to five, reporting is mandatory.

In case of mandatory interventions, ensuring compliance is the major challenge. Poor surveillance and monitoring capacity of enforcing authorities in Sri Lanka act as a barrier here. Moreover, the lack of information is particularly an issue in making effective decisions with regard to sustainable consumption and production. With regard to hazardous waste

management, the statistics about the amount of waste generated are lacking and this poses problems in managing hazardous waste.

Public procurement procedures geared towards least cost purchasing may not essentially be sustainable too. It may not be consistent with objectives of green procurement in some cases. Hence, a strategic procurement policy that can balance short-term economic gains as well as long-term objectives of sustainable development need to be formulated.<sup>31</sup>

## Way Forward

SCP policies have to be properly integrated to all national policies and plans for effective implementation. This should also be supported with proper awareness raising and education for all stakeholders. The MMDE with external support has already taken initiatives for this and the continuation of such efforts is vital in promoting SCP in the medium and long-term.

It is also necessary to develop surveillance and monitoring capacity of enforcing authorities in the case of mandatory interventions. Ensuring a higher rate of compliance also needs effective support of data. Hence, establishing data management systems is another important area.

The private sector also has a major role to play in promoting SCP. Proper avenues for creating and continuing links with the private sector should be created in this regard. Public education and awareness should be key elements in long-term approaches for promoting SCP.

<sup>31</sup> Stakeholder input from the VNR Validation Workshop

# 15 LIFE ON LAND



## Current Status and Trends

Sri Lanka (along with Western Ghats in India) is identified as one of the 35 biodiversity hotspots in the world. The forest area in Sri Lanka is around 1,951,472 ha<sup>32</sup>, which is 29.7% of the total land area as at 2016. This is based on the last forest cover estimate in 2010 and this includes 1.44 million ha of closed canopy forests and

0.44 million hectares of sparse forests. Forests in the south-western quarter have the highest biological diversity.<sup>33</sup> This includes 49,098 ha of World Heritage Reserves and 41,823 ha of Biosphere Reserves. The protected area in Sri Lanka amounts to 2.3 million ha (Table 4.2). Around 35% of the land extent is under protected areas (Target 15.1).

Natural ecosystems in Sri Lanka accommodate numerous species and a high-level of endemism can be observed in most taxonomic groups (Table 4.3). However, a considerable number of species are identified as threatened species in Sri Lanka. A national Red list is prepared periodically by the MMDE with the support from the International Union for Conservation of Nature (IUCN) in 2012 to assess the situation (Target 15.5). According to the National Red List, 44% of flowering plants, all pteridophytes and terrestrial vertebrates—freshwater fish (50%), amphibians (65%), reptiles (50%), resident birds (27%) and mammals (55%) were listed as threatened.

**Table 4.2: Protected Areas and Extent in Sri Lanka**

Protected Area Category	Extent (ha)	Percentage out of Total Land Extent	Percentage out of Protected Area Extent
<b>Department of Wildlife Conservation</b>			
Strict Nature Reserve	<b>31,574</b>	<b>0.5</b>	<b>1</b>
National Parks (Land)	<b>685,979</b>	<b>10</b>	<b>30</b>
National Parks (Marine)	<b>19,563</b>	<b>0.3</b>	<b>1</b>
Nature Reserve	<b>65,485</b>	<b>1</b>	<b>3</b>
Sanctuary	<b>262,911</b>	<b>4</b>	<b>11</b>
Jungle Corridor	<b>8,777</b>	<b>0.1</b>	<b>0</b>
<b>Total</b>	<b>1,074,290</b>	<b>16</b>	<b>47</b>
<b>Forest Department</b>			
Conservation Forests	<b>137,307</b>	<b>2</b>	<b>6</b>
Reserved Forests	<b>1,092,700</b>	<b>17</b>	<b>47</b>
<b>Total</b>	<b>1,227,007</b>	<b>19</b>	<b>53</b>

Source: National Biodiversity Strategic Action Plan 2016 - 2022

32 Department of Census and Statistics (2016), Statistical Abstract

33 Stakeholder input from the VNR Validation Workshop: Stakeholder expressed concerns that the real forest cover may vary from reported forest cover due to the inclusion of plantations as well

**Table 4.3: Endemicity in Some of the Main Taxonomic Groups in Sri Lanka**

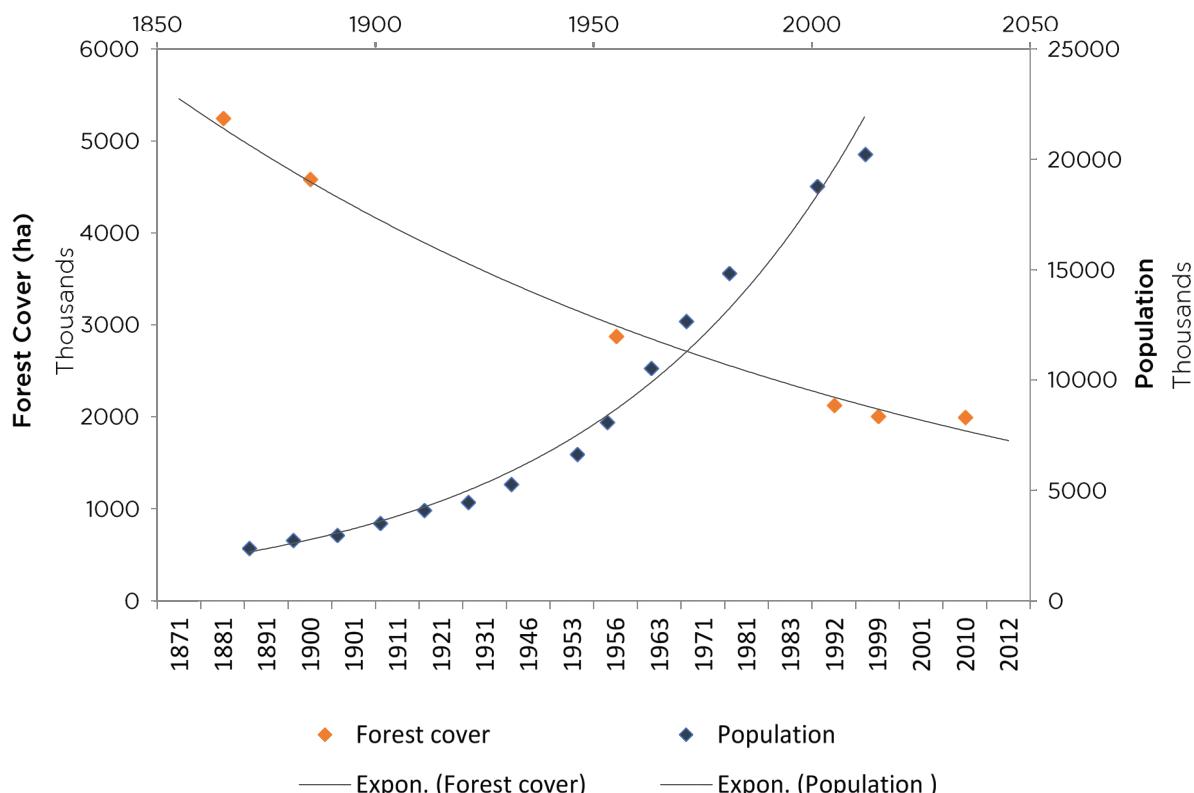
Taxonomic Group	Endemicity (%)
Birds	<b>06.83</b>
Butterflies	<b>10.57</b>
Mammals	<b>19.44</b>
Flowering plants	<b>21.21</b>
Dragonflies	<b>38.40</b>
Freshwater fish	<b>64.22</b>
Reptiles	<b>59.45</b>
Land snails	<b>79.92</b>
Amphibians	<b>87.39</b>
Freshwater crabs	<b>98.04</b>

Source: National Biodiversity Strategic Action Plan 2016 – 2022.

Deforestation is identified as the major cause of the loss of biodiversity in Sri Lanka. There are several key aspects that have led to deforestation and forest degradation in Sri Lanka. These include the growth of the export plantation economy in the wet zone, the colonial policy

on commercial timber extraction, colonization schemes and irrigation development in the dry zone and agricultural expansions.<sup>34</sup> Population growth over the years seems to have a clear linkage to the rate for deforestation as shown in Figure 4.9.

**Figure 4.9: Change in Forest Cover and Population in Sri Lanka**



Source: UN-REDD Programme (2014), Drivers of Deforestation and Forest Degradation in Sri Lanka: Assessment of Key Policies and Measures.

Forest resources in Sri Lanka are managed by the two state agencies namely the Forest Department and the Department of Wildlife Conservation. Sri Lanka is a signatory to international conventions such as Convention on Biological Diversity (CBD), International Plant Protection Convention (IPPC), and Convention for the Prevention of Pollution from Ships (MARPOL 73/78).

Several policies and laws are applicable for the management of forest and wildlife resources in Sri Lanka. These include the Forest Ordinance, National Forest Policy, Fauna and Flora Protection Ordinance, the Man and Biosphere (MAB) Programme, the National Heritage Wilderness Areas Act, and the National Policy for Wildlife Conservation. National Biodiversity Strategic Action Plan 2016 – 2022 highlights the national targets, strategic objectives, implementation plan (for capacity development, communication and outreach, resource mobilization) and the coordinating mechanism, monitoring system and the strategy that systematically promote the values of biodiversity (Target 15.2). The Plan is based on the ecosystem approach and is in line with the Aichi Targets and the SDGs (Target 15.9).

The forestry sector policies have cross linkages with other sectoral policies. National Physical Plan and Policy (2011-2030), Long-term Generation Expansion Plan (2013-2032), Tourism Development Strategy (2011-2016) and National Road Master Plan (2007-2017) are some of the policy documents which have significant implications on the forest resources in Sri Lanka. The National REDD+ Investment Framework and Action Plan (NRIFAP) aims to support the GoSL and key stakeholder agencies to establish mechanisms and processes necessary to implement broader goals of REDD programmes identified as REDD+.

Conservation of biological resources is identified as one of the key strategic programmes in the Punarudaya - National Environment Conservation Programme 2016 – 2018. The programme identifies the need for the conservation of threatened species and preventing bio-piracy. It further proposes to prepare a legal framework to prevent bio-piracy and commence the

preparation of an institutional framework for biodiversity exploration.

Invasive Alien Species (IAS) have posed significant impacts on the biodiversity and several economic sectors, including agriculture. The IAS Risk Assessment conducted in 2016 reveals that there are 32 flora species and seven fauna species that are currently considered as IAS priorities in Sri Lanka. The National Policy on Invasive Alien Species in Sri Lanka, Strategies and Action Plan has been formulated in 2016 by the MMDE. The Policy identifies four thrust areas for the management of IAS, namely, prevention of intentional and unintentional introductions of IAS, early detection and rapid response to the new invaders, containment, control and management of established and spreading invaders and restoring of ecosystems degraded due to the impacts of IAS (Target 15.8).

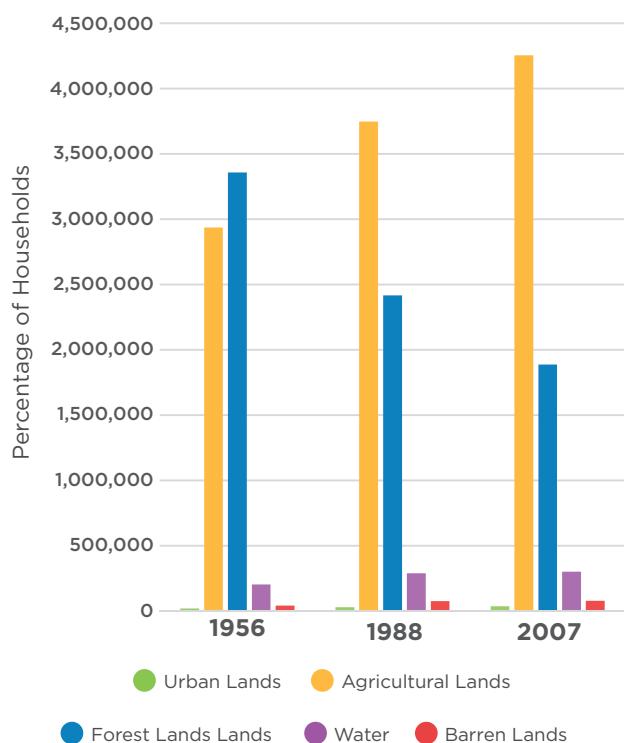
Intense conflicts between humans and wildlife have emerged in many areas of the country as a result of extending frontiers of agricultural and human settlements. Among others, human-elephant conflict has become the most serious issue.<sup>35</sup> This has claimed 212 human lives and 4070 incidents of property damages while resulting in 715 elephant deaths during 2014-2016.<sup>36</sup> The highest number of incidents was reported from North-western Province and Mahaweli regions. The Department of Wildlife Conservation (DWC) has introduced a number of programmes to overcome this problem including the capture and translocation of marauding elephants.

34 UN-REDD Programme (2014), Drivers of Deforestation and Forest Degradation in Sri Lanka: Assessment of Key Policies and Measures

35 Stakeholder input from the VNR Validation Workshop

36 Department of Wildlife Conservation (2016) Annual Performance Report

**Figure 4.10 : Land Use Changes in Sri Lanka**



Source: Land Use Policy Planning Department.

Land resources are being used by a number of economic sectors in the country, such as agriculture, forestry, irrigation and plantation industries. Per capita availability of land has been reducing over the years in Sri Lanka and land scarcity has become a notable problem. According to the National Action Programme for Combating Land Degradation in Sri Lanka 2015 -2024, the per capita availability of land resources has decreased from 1.8 ha in 1900 to

0.3 ha in 2010. Increasing the pressure on land has led to unsustainable uses of land that ultimately lead to land degradation and productivity losses. Among the key impacts of land degradation are soil erosion and declining soil fertility.

Land degradation has become a significant environmental issue in Sri Lanka and is associated with deforestation. It is particularly a problem in sensitive areas such as the hill country, with steep slopes, high intensity rainfall and inappropriate land use practices leading to heavy degradation of land. Unsustainable land use has aggravated the problem of land degradation in many parts of the country. Cultivation of crops such as potatoes, tobacco, vegetables and tea in sloppy lands without adopting proper soil management measures results in severe degradation problems.<sup>37</sup> Changes in land use patterns (Figure 4.10) have affected the degree of land degradation.

Loss of soil fertility is a direct consequence of land degradation, which poses significant problems for agricultural productivity. Soil erosion causes significant onsite and off-site costs (Table 4.4). The National Land Use Policy has been prepared by the Department of Land Use Policy Planning in 2007 to overcome the problem. The MMDE has developed the National Action Program (NAP) for combating land degradation in Sri Lanka (2015 – 2024). It identifies 25 programmes which are in line with relevant policy documents (Target 15.3).

Land resources are being used by a number of economic sectors in the country, such as agriculture, forestry, irrigation, plantation industries, etc. Due to inadequate legal interventions, land is being utilized unsustainably.

**Table 4.4: Economic Cost of Soil Erosion in Sri Lanka**

Cost Category	Cost
<b>Onsite Costs</b>	
Value of loss of productivity	<b>Rs. 3529 ha/yr</b>
Value of loss of nutrients	<b>Rs.5068 ha/y</b>
Estimated cost due to nutrient loss in Upper Mahaweli watershed	<b>Rs. 953.0 million</b>
<b>Off-site cost</b>	
Based on value of loss of productivity	<b>Rs. 3952 ha/yr</b>
Based on value of loss of nutrient	<b>Rs. 5481 ha/yr</b>
Estimated loss in hydro-power production and irrigation from the Upper Mahaweli Watershed	<b>Rs. 15.0 million per annum</b>

Source: National Report on Desertification/Land Degradation in Sri Lanka.

## Gaps and Challenges

There are critical ecosystems which offer numerous ecosystem services that are under the threat of rapid degradation due to human activities. Examples are inland and coastal wetlands that cover a total area of 274,000 ha<sup>[1]</sup><sup>38</sup>, including 41 wetland sites identified under Ramsar Convention for their international significance. Wetlands are affected by pollution from urban and industrial facilities, infrastructure and tourism development, garbage disposal, shrimp farming and encroachments.<sup>39</sup>

Forest management in Sri Lanka applies a command and control approach with limited community participation. Even though there are a few efforts to promote community involvement, these have not become significant success stories. As a result, forest conservation depends heavily on legal measures. Limited capacity for the enforcement of relevant laws has become a major challenge for sustainable management of forests in Sri Lanka. Limited enforcement capacity mainly arises due to inadequacy of staff, lack of collaboration and coordination among the line agencies, and the scarcity of relevant information.<sup>40</sup>

Even though there are several legislations to address the land degradation problem in Sri Lanka, these have failed to address the problem due to poor implementation. There are challenges in effective implementation of these policies due to the complicated nature of land management. Among others, two major issues, namely, destruction of upper watersheds and reservoir catchments are the most critical. The vegetation cover in the central highlands (upper watersheds) and reservoir catchments (in Ellangawa systems) offer numerous ecosystem services. The expansion of agricultural land uses such as tea, tobacco, potato and vegetables leads to rapid degradation of these systems.

Absence of proper information on land usage is also a significant problem. Lack of proper information constrains the effective implementation of policies while encouraging destructive human actions. Limitations in

information can be considered as a cross-cutting issue that aggravates all other challenges discussed above.

<sup>37</sup> UN-REDD Programme (2014), Drivers of Deforestation and Forest Degradation in Sri Lanka: Assessment of Key Policies and Measures

<sup>38</sup> Central Environment Authority (2007) Wetland Directory of Sri Lanka

<sup>39</sup> Stakeholder input from the VNR Validation

<sup>40</sup> National Biodiversity Strategic Action Plan 2016 - 2022

## Way Forward

Enhancing the land use planning process is the key for addressing most of the issues associated with natural resources management in Sri Lanka. Proper implementation of the National Physical Planning Policy and the Plan 2050 becomes crucial here. Essential steps in sustainable resource management include zonation and resource mapping.

Proper enforcement of related laws is important to minimize forest degradation and deforestation. This should be supported with clear demarcation of forest boundaries, strengthened capacity forest management agencies (Forest Department, Department of Wildlife Conservation) and increased public awareness.

Participatory governance in natural resource management is another area that needs more attention of policy makers.<sup>41</sup> Sri Lanka has attempted community participation in forest management with mixed results. Lessons from these exercises should be an important element in planning future policy interventions. Market based instruments can also help in mitigating certain problems related to forest and land management.

Sri Lanka should take necessary steps to implement the land policies effectively in order to facilitate sustainable land management in the country. Institutional capacity should be strengthened to promote effective implementation of relevant policies and laws. This would facilitate sustainable use of lands and discourage destructive activities that lead to land degradation.

Another area for improvement is establishing data and information systems for land and forest management. Sri Lanka is now in the process of creating a land database which will include the land details at the plot level. Sri Lanka REDD+ program has launched the National Forest Monitoring System (NFMS) which can be considered as a significant improvement.

---

<sup>41</sup> Stakeholder input from the VNR Validation Workshop

# 4.2

## Other SDGs

### 1 NO POVERTY

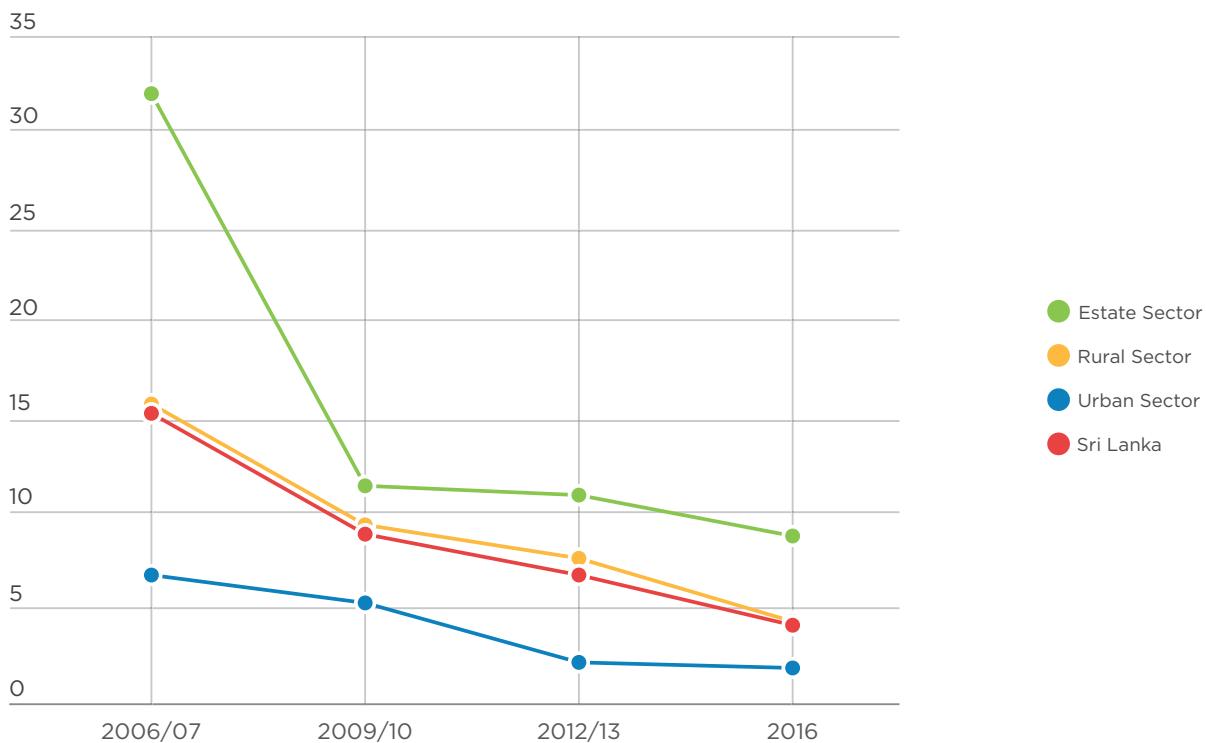


#### Current Status and Trends

Sri Lanka has made considerable progress in reducing poverty in the past decade, with the incidence of poverty declining at the national and sub-national levels as well as across different population groups.

As shown in Figure 4.11, the proportion of population below the national poverty line has declined from 15.2% in 2006/07 to 4.1% in 2016. This reduction in poverty is also reflected at the sector and provincial levels. The poverty incidence trend in the rural sector that accounts for about 80% of the poor in the country has closely mimicked the national poverty trend, while the poverty headcount index of the estate sector – which has historically been the sector with the highest incidence of poverty – has declined remarkably from 32% to 8.8% during the past decade. The incidence of poverty in the urban sector has continued to remain well below the national average (Target 1.2) declined remarkably from 32% to 8.8% during the past decade. The incidence of poverty in the urban sector has continued to remain well below the national average (Target 1.2).

**Figure 4.11: Poverty Headcount Index Trends at the National Poverty Line**

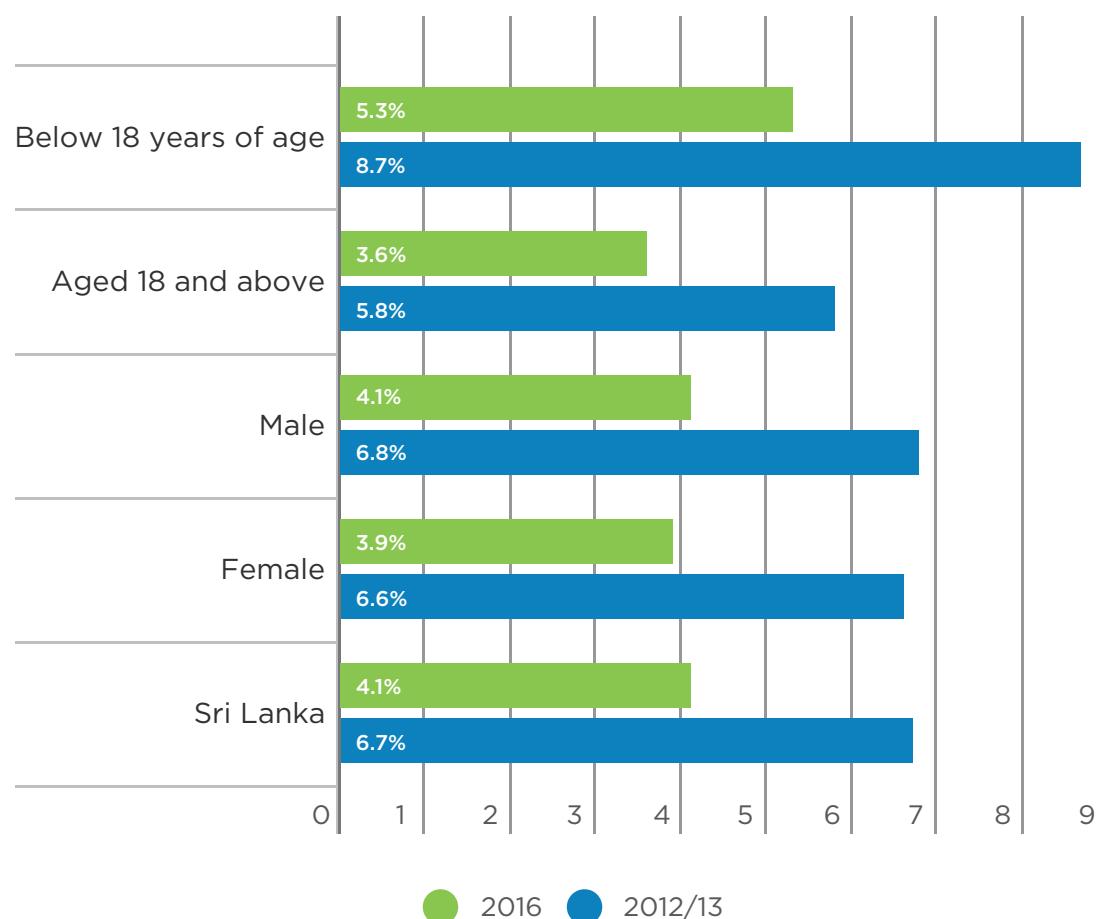


Source: DCS Household Income and Expenditure Final Reports 2006/07, 2009/10, 2012/13, and 2016, available at <http://www.statistics.gov.lk/page.asp?page=Income%20and%20Expenditure>

Figure 4.12 provides an overview of the poverty patterns across age and gender groups. Interestingly, the poverty among women is lower than men, although this is a marginal difference. Additionally, poverty among children (i.e. those aged below 18 years) is relatively high compared

to adults; in fact, child poverty headcount index exceeds the national average. Nevertheless, compared to 2012/13, poverty levels have shown a notable decline across all age and gender groups (Target 1.2).

**Figure 4.12: Overview of Poverty across Age and Gender Groups at the National Poverty Line – 2012/13 and 2016**



Source: DCS (2017), 'Status of Sustainable development Goals Indicators in Sri Lanka: 2017' Department of Census and Statistics, Colombo. Available at <http://www.statistics.gov.lk/sdg/application/publications/book.pdf>

The proportion of population below the international poverty line (i.e. USD 1.90 a day) was less than 1% (in 2016) with slight variations between males (0.74%) and females (0.70%) and across age groups<sup>42</sup> (Target 1.1). Multi-dimensional poverty Index also recorded poverty levels lower than those estimated based

on the national (income) poverty line. The multi-dimensional poverty level at the aggregate level was 3.8% in 2012/13<sup>43</sup> (compared to 6.7% based on the national poverty line), while that for males and females were 3.9% and 3.7% respectively<sup>44</sup> (Target 1.2).

<sup>42</sup> Estimates provided by DCS based on HIES 2016

<sup>43</sup> Latest available estimates by DCS on Multidimensional poverty is for 2012/13

<sup>44</sup> DCS (2017) Status of Sustainable Development Goals Indicators in Sri Lanka : 2017' Department of Census and Statistics, Colombo. Available at <http://www.statistics.gov.lk/sdg/application/publications/book.pdf>

The existence of an effective social protection system is key to reducing poverty and the level of vulnerability of a country's population (Target 1.3). Overall, about 34% of the Sri Lankan population received benefits from social assistance programmes and social insurance programmes, including household members who are indirect beneficiaries. Interestingly, nearly 45% of the elderly population (aged above 60 years) are covered by social protection, with a slightly higher coverage of elderly females (46.4% compared to 41.9% for males).<sup>45</sup>

Sri Lanka has made significant progress in ensuring access to basic services like health and education, electricity, safe drinking water and sanitation (Target 1.4). The percentage of households with access to electricity is 99.3 % (in 2016)<sup>46</sup> while the proportion of households with access to safe drinking water is 88.8% and improved sanitation facilities are 91.7% in 2016.<sup>47</sup> The World Bank's Global Financial Index data<sup>48</sup> reports that 82.7% of the adults in Sri Lanka have access to financial institutions (or have access to bank accounts), with 83% of women and nearly 80% of those belonging to the poorest 40% having access to financial institutions. This presents a remarkably higher level of financial access in Sri Lanka compared to other countries in South Asia. Moreover, Sri Lanka's Universal Free Education Policy and the Universal Free Health Policy introduced in 1940s have played a pivotal role in ensuring access to education and health facilities by its population, particularly the poor and the vulnerable. The continuing expansion in economic activities and the decline in unemployment rate to less than 5% throughout the past seven years, along with the Government's continuous allocation of funds towards rural infrastructure development have also contributed to boosting the income of the poor.

## Gaps and Challenges

Despite Sri Lanka's performance with regard to poverty reduction over the past two decades, there exist significant geographical variations. The Poverty Headcount Index varies across

districts from 0.9% in Colombo to 18.2% in Kilinochchi. However, most of the districts with high poverty are less populated. Moreover, there are significant 'pockets of poverty' even in districts where poverty levels have fallen (Target 1.2).

Although the poor account for only 4.1% of the population, a considerable proportion of the vulnerable population is clustered just above the poverty line, facing the risk of slipping into poverty due to various shocks like natural disasters (e.g. floods, droughts and landslides). It is important to improve the resilience of the poor and the vulnerable, especially given the rising incidence of climate-related extreme events in the country affecting lives and livelihoods of households (Target 1.5).

Despite Sri Lanka's progress in improving access to basic services like health and education, electricity, safe drinking water and sanitation, there are regional disparities with some districts and sectors (estate sector in particular) lagging. Measures to improve access to basic services and utilities in these lagging regions are crucial to eradicate poverty and achieve SDGs (Target 1.4).

Many social protection programmes have been implemented in Sri Lanka targeting vulnerable segments of the population such as the poor, elderly, disabled, children, and women. Despite the multitude of programmes, gaps are observed in the current social protection system. These include: issues in targeting, inadequate benefits and lack of coordination among programmes leading to high costs and overlaps of beneficiaries<sup>49</sup> (Target 1.3).

45 DCS (2017)

46 CBSL (2018) Central Bank Annual Report 2017

47 DCS (2018), 'Household Income and Expenditure Survey 2016 - Final Report' Department of Census and Statistics, Colombo. Available at [http://www.statistics.gov.lk/HIES/HIES2016/HIES2016\\_FinalReport.pdf](http://www.statistics.gov.lk/HIES/HIES2016/HIES2016_FinalReport.pdf)

48 World Bank (2015), Little Data Book on Financial Inclusion -15

49 IPS (2016), 'State of the Economy 2016'. Institute of Policy Studies of Sri Lanka, Colombo

## Way Forward

2030 Agenda on Sustainable Development affirms that poverty is the greatest global challenge and that eradication of poverty is a necessary condition for achieving sustainable development. As such, SDG 01 is crucial to the successful realisation of the SDGs. In fact, poverty alleviation has been at the heart of Sri Lanka's development agenda, as evident from the Government's declaration of the year 2017 as the year of 'Poverty Alleviation'.

Proper identification of marginalized groups and poverty pockets is key to eradicating poverty, as this would enable the formulation of strategies which can effectively address the specific vulnerabilities of each group. To this effect, poverty mapping exercises also have been undertaken in order to facilitate the identification of the geographical distribution of the poor.

It is further imperative to improve targeting of the social protection programmes and ensure that the deserving and the marginalized groups are sufficiently covered by these programmes. In addition, it is necessary to revisit the adequacy of benefits given under these programmes. As a significant step towards achieving this, the Welfare Benefit Board (WBB) was established in 2016, tasked with the creation of an integrated social protection system. At present, the WBB is in the process of compiling a unified database for four key programmes (Samurdhi, elder payments, disability payments, kidney patient payments), and refining their selection criteria. It is expected that in the long-term all social protection programmes in the country will be included in this integrated system, leading to improved targeting and minimized overlaps among the programmes.

The Government is taking measures to rationalize the expenditure on poverty reduction, via improving the efficiency of existing programmes as well as exploring innovative methods of mobilizing domestic resources for financing poverty (Target 1.a).



## Current Status and Trends

Rain-fed and irrigated agriculture contributes to 83% of domestic food availability (other than fish) and to over twenty five percent of Sri Lankan exports. The major export crops (tea, rubber, coconut and spices) represent the largest contribution (35%) to the agricultural GDP followed by paddy (29%). Around 25-30% of the population continues to be heavily dependent on agriculture.

The national level food availability in Sri Lanka is on the rise due to increased domestic food production. At present, 80% of Sri Lanka's food requirement is produced domestically and less than 20% is imported. Achieving near self-sufficiency in rice was one of the significant achievements in the food crop sector in Sri Lanka. The expanding road network and the rising household income with a long-term downward trend of overall poverty levels indicate the improved physical and economic access to food.<sup>50</sup> This is clearly reflected in the percentage of the food secure households of the country which was as high as 90% in 2014 based on the Household Food Insecurity Access Scale Score (HFIAS) with a value of 9.2 in a scale ranges from 0 (least food insecurity) to 24 (severe food insecurity).<sup>51</sup>

The agricultural production index has shown an overall increasing trend while reaching 216.9 in 2016 from 100 in the base period 2007-10.<sup>52</sup> This along with the aforesaid achievements in food production in the country clearly reflects country's progress towards achieving Target 2.3

(By 2030, doubling the agricultural productivity and incomes of small-scale food producers). Despite the growth in the availability of food, during the engagement workshops, the stakeholders expressed concern over the quality and safety of food.<sup>53</sup>

Nevertheless, the current status of nutrition security in the country is not adequate for achieving SDG Target 2.2 which requires ending all forms of malnutrition by 2030. The nutrition situation has hardly changed from 2006-07 to 2016 based on the DHS 2016: In 2016, 17% of children under age five years are stunted (short for their age); 15% are wasted (thin for their height); and 21% are underweight (thin for their age). The comparative figures in 2006-07 were 17.3% stunted; 14.7% wasted and 21.1% underweight. In 2016, 7% of married women were below the threshold height of 145 cm which is an improvement from 11% reported in 2006-07. The mean BMI for married women age 15-49 years is 24.8 which is an increase from 23.1 as measured in 2006-07. From the BMI distribution, only 46% of married women have a normal BMI (between 18.5 and 24.9) while 9%, 32% and 13% are considered thin (BMI<18.5), overweight (BMI between 25.0 and 29.9) and obese (BMI of 30 or higher) respectively.

## Gaps and Challenges

It is evident that apart from long-term and gradual changes, extreme climate conditions such as severe droughts and floods are frequent occurrences in Sri Lanka (Target 2.4). These threaten agricultural production; make those who are dependent on agriculture more vulnerable; and exacerbate the risks of food and nutrition security. Future food security depends on further increases in yield potential with varieties and associated technologies having higher input use efficiencies and resistance to biotic and abiotic stresses. Thus, maintaining the genetic diversity of seeds, cultivated plants, and farm animals through a progressive, proactive, farmer friendly and transparent system with equitable benefit sharing for utilization of genetic resources and associated traditional knowledge is essential (Target 2.5) which is an area that requires attention.

50 WFP (2017). 'National Strategic Review of Food Security and Nutrition Towards Zero Hunger'. Available at [http://www.wfp.org/sites/default/files/NSRFSNZH\\_FINAL.pdf](http://www.wfp.org/sites/default/files/NSRFSNZH_FINAL.pdf)

51 Household Food Security Survey-2014 Department of Census and Statistics

52 Production Indicators. CBSL. Available at <https://www.cbsl.gov.lk/en/statistics/statistical-tables/real-sector/production-indicators>

53 Stakeholder input from the VNR Validation Workshop

Changing weather pattern, rainfall in particular, has emerged as the biggest risk for the entire agriculture sector. Arguably the next big risk arises from the increasing reluctance of rural youth to engage in agriculture resulting in labour shortages. These two new risks combined together pose a severe challenge to the sustainability of the Sri Lankan agriculture. The fragmentation of land holdings with associated issues and continuing land degradation are other risks which have been developing over a long period of time.

The expansion of cultivated area has been severely hampered due to the present lack of new arable land. Moreover, the yield levels of domestically grown food crops have not been impressive, making the productivity and income improvements a real challenge.

Since its independence in 1948, Sri Lanka has been making substantial investments in rural infrastructure, irrigation, technology development and research and extension to increase its food crop production (Target 2.a). However, investment in agricultural research and extension which trended upward during the Green Revolution starting in the early 1970s began to decline in 1977 and settled at a low level thereafter. There is a gap in private investments in agriculture technology and food processing.<sup>54</sup>

GoSL has adopted several export incentives and finance instruments to stimulate food production. These include tax and various fiscal measures, a duty drawback scheme, the Temporary Importation for Export Processing Scheme, a manufacture-in-bond scheme, the Export Development Reward Scheme, Simplified Value-Added Tax Scheme, and establishment of an export-import bank.<sup>55</sup> However, the Government does not provide trade distorting export subsidies.

Marketing is one of the biggest issues that Sri Lankan agricultural producers face. Therefore, adopting measures to ensure the proper functioning of food commodity markets and their derivatives, and facilitating timely access to market information, including on food reserves,

in order to help limit extreme food price volatility (Target 2.c) are important areas of concern in Sri Lanka.

Coverage and quality of the services provided by Maternal and Child Health (MCH) Programmes and nutrition-specific essential actions need improvements. There are gaps in providing adequate nutrition counselling and education mainly due to lack of human resource capacities and the issue of compliance from the recipients.<sup>56</sup> These are severe in remote regional areas as can be seen in the prevalence of malnutrition. For example, Nuwaraeliya shows the highest prevalence of stunting (32.4%) and underweight (29.6%) and Monaragala shows the highest level of wasting prevalence (25%).

<sup>54</sup> ADB (2017). 'The Sri Lankan Economy - Charting a New Course'. Available at <https://www.adb.org/sites/default/files/publication/373316/sri-lankan-economy.pdf>

<sup>55</sup> ibid

<sup>56</sup> Weerasinghe, M., and S. Bandara (2015), "Health and Socio-economic Determinants of Malnutrition in the Plantation Sector of Sri Lanka: A Review", Working Paper Series No. 21, Institute of Policy Studies of Sri Lanka, Colombo

## Way Forward

Addressing the multidimensional problem of hunger, food insecurity and malnutrition needs a multi-faceted approach, with a vast number of policy and programmatic recommendations required along with concrete implementation plans. These include investments in R&D, agriculture extension, irrigation infrastructure, modern technologies, marketing and value chain development, public private partnerships, disaster mitigation, and climate adaptation, as well as land and seed market reforms.

A new national agricultural policy document is being prepared focusing on introducing innovative technologies to achieve inclusive and sustainable economic growth with an assured food security for the nation (Targets 2.1, 2.3 and 2.a). The Department of Agriculture's national food production programme for 2016-2018 consists of promoting the production of rice and other food crops, and a home-gardening programme (Target 2.1). Moreover, the Government has initiated several programmes for developing the dairy industry, modernizing fisheries, developing agricultural "mega zones" and value chains, developing public-private-producer-partnerships, and modernizing irrigation (Targets 2.1, and 2.a). The development objectives of the Agriculture Sector Modernization Project for Sri Lanka are increasing agriculture productivity, improving market access, and enhancing the value addition of smallholder farmers and agribusinesses (Target 2.1, 2.3 and 2.c).

A number of development initiatives have already been undertaken to mitigate climate risks, to enhance the resilience in agriculture and to ensure sustainable food production systems as stipulated by Target 2.4. Some of these include cascade development programme, micro irrigation programmes, climate tolerant varietal development and index based agriculture insurance programme which are closely related with SDG 13 (Climate Action). The proposed New Seed Act should be implemented to protect and regulate the quality of seed and planting material; to protect the rights of users of seed and planting materials; to protect the rights of users of seed and planting material handlers and to safeguard and conserve the genetic resources of indigenous seed and planting materials (Target 2.5). Reforming the current incoherent land and irrigation policies should be done to foster a shift from low value to high value agriculture while addressing the issues of low productivity, efficiency and equity implications for marginalized and vulnerable groups.<sup>57</sup>

To address challenges related to Target 2.2, National Nutrition Council (NNC) which was established in 2011 under the direct purview of the President of Sri Lanka for better coordination of nutrition related activities of all relevant ministries and prepared a Multi Sector Action Plan for Nutrition (MSAPN) for 2013-2016<sup>58</sup> within which different ministries and other stakeholders have specific mandates to implement. In addition, the Government has already taken initiatives to develop strategies to promote Good Agricultural Practices (GAP) and Good Manufacturing Practices (GMP) among producers. The SLGAP logo has already been developed and number of steps has been taken to raise awareness of farmers and to promote knowledge and technical knowhow on GAP/GMP.

57 Stakeholder input from the VNR Validation Workshop

58 Vision 2016: Sri Lanka, A Nourished Nation: Multi-sector Action Plan for Nutrition. National Nutrition Secretariat of Sri Lanka (2013)

Nevertheless, the realization current food production targets could be under threat unless a shift away from high water dependent agriculture to low water dependent / drought tolerant crops and varieties along with mechanization are not adopted. At the same time the scale constraint of small farmers need to be overcome via the formation of people's / farmer companies linked to longer value chains. As key recommendations, the following could be identified:

1. Enhance the capacity and the ability to better forecast seasonal rainfall and provide early warnings on extreme weather events leveraging on modern technology and develop institutional arrangements to speedily respond to such early warnings.
2. Develop drought tolerant crop varieties and cropping patterns which consume less water, labour and agro chemicals, and incentivize their adoption.
3. Educate farmers on the need to conserve water and the use of new technology for farming, value addition and marketing. Medium to Long-term results can be obtained thus.
4. Enable farmers to overcome the scale constraint so that less water using crops can be produced, stored, value added and marketed profitably. This will facilitate the provision of effective credit, input supply, storage as well as insurance in a sustainable/ commercially viable manner.
5. Educate consumers at large on better nutrition and appropriate changes in food habits. Consumption of less starch and sugar and increased consumption of fruits and vegetables may somewhat reduce the present high dependence on water for agriculture.

### 3 GOOD HEALTH AND WELL-BEING



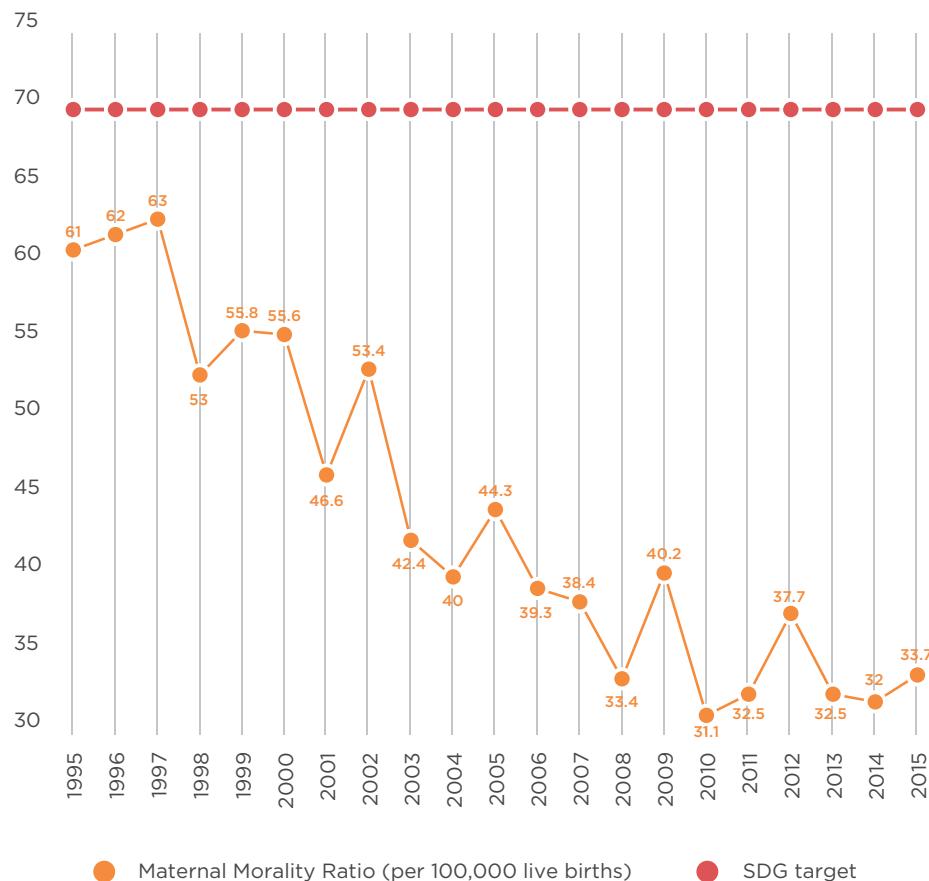
#### Current Status and Trends

Sri Lanka's health system is well-known for achieving outcomes such as, low maternal and child mortality, and rising life expectancy. However, emerging issues associated with the rapid increase of Non Communicable Diseases (NCDs) coupled with the swift rate of population

ageing and changes in diseases patterns have contributed to transforming the healthcare needs of the country.

Sri Lanka achieved the maternal mortality rate global target under the SDGs (Target 3.1) more than two decades ago (refer Figure 4.13). In 2015, Sri Lanka's maternal mortality rate was 33.7 per 100,000 live births, which is well below the SDG target of 70 per live births. Additionally, the under-five mortality rate and the neonatal mortality rates were 10 and 5.8 per 100,000 live births, respectively.<sup>59</sup> These mortality rates are also lower than the relevant SDG target under the SDGs (Target 3.2).

**Figure 4.13: Sri Lanka Maternal Mortality Ratio (1995-2015)**



Source: MOH (2017), 'Annual Health Bulletin 2015' Ministry of Health, Colombo. Available at: [http://www.health.gov.lk/moh\\_final/english/public/elfinder/files/publications/AHB/2017/AHB%202015.pdf](http://www.health.gov.lk/moh_final/english/public/elfinder/files/publications/AHB/2017/AHB%202015.pdf)

59 DCS (2017)

Sri Lanka's performance with regard to mitigating certain communicable diseases (Target 3.3) such as Malaria and Tuberculosis (TB) is also noteworthy. For example, in 2016 the World Health Organization (WHO) certified Sri Lanka as a Malaria free country<sup>60</sup>; the country's TB incidence rate in 2015 was 65 per 100,000 population, with a mortality rate of 5.6 per 100,000 population compared to the 37 per 100,000 population in the WHO South East Asian region as a whole.<sup>61</sup> However, other communicable diseases such as Dengue require close attention. The incidence of Dengue has increased from 142 cases per 100,000 population in 2015 to 260 cases per 100,000 population in 2016.<sup>62</sup> Moreover, the Demographic and Health Survey (DHS) 2016 shows that only 33% of women have comprehensive knowledge about HIV AIDS; although Sri Lanka's HIV prevalence is below 1%, there has been an increase in the reported HIV cases from 95 in 2009<sup>63</sup> to 285 in 2017.<sup>64</sup> In fact, this is the highest number reported in a year since the identification of the first HIV infected Sri Lankan in 1987.

The rate of injuries and deaths attributed to road accidents (Target 3.6) is also on the rise. It is estimated that the average number of daily deaths on road has increased from 6.6 in 2014 to 7.5 in 2015.<sup>65</sup> The death rate due to road accidents was 13.4 per 100,000 population in 2015.<sup>66</sup>

The entire population is covered by Sri Lanka's public health system (Target 3.8). However, more than half of the total health expenditure in the country is private expenditure, out of which 83% is out-of-pocket payments by households.<sup>67</sup>

## Gaps and Challenges

Sri Lanka faces a greater challenge in terms of the threat posed by NCDs (Target 3.4), with 71% of all annual deaths in Government hospitals being due to chronic NCDs.<sup>68</sup> Cardiovascular diseases,

cancer, diabetes, and chronic respiratory diseases are the major NCDs that are burdening the country's population; in 2012, ischaemic heart disease was the leading cause of death among Sri Lankans.<sup>69</sup> In addition, Chronic Kidney Disease (CKD) has been recognized as an issue of concern in the country.

Non-adherence to a proper referral system and the shortage of facilities at primary healthcare units have become challenges. These have, resulted in secondary and tertiary care institutions becoming overcrowded. The overcrowding and long-waiting lists at Government facilities have propelled patients to seek private healthcare, increasing their out-of-pocket expenditure on health.<sup>70</sup>

The quality of the country's healthcare sector needs further improvement in terms of maintaining health standards in the areas of infrastructure, equipment, healthcare staff, patient safety etc. With regard to ensuring that no one is left behind (Target 3.8), GoSL focuses its attention on improving the provision of healthcare services to the estate sector community where access to healthcare is lower than the urban and rural sectors and reports low levels of nutrition.<sup>71</sup>

Although Sri Lanka has achieved commendably low national averages in maternal and child mortality rates, considerable regional disparities denote challenges that are yet to be overcome in ensuring that no one is left behind (Targets 3.1, 3.2, and 3.8). Furthermore, there is much scope for improving the access to sexual and reproductive health-care services (Target 3.7): Only 55.9% of women of reproductive age have had their need for family planning satisfied with modern methods.<sup>72</sup> Issues such as the lack of comprehensive sexual educational information in school curricula, and the lack of adult

60 CBSL (2017), 'Annual Report 2016' Central Bank of Sri Lanka, Colombo

61 WHO (2017), 'Bending the Curve, Ending TB: Annual Report 2017'. Available at <http://apps.who.int/iris/bitstream/handle/10665/254762/978929022584-eng.pdf?sequence=1&isAllowed=y>

62 CBSL (2017)

63 MOH (2015), 'Annual Report 2015: National STD/AIDS Control Programme', Ministry of Health, Colombo

64 National STD/Aids Control Programme (2017), 'Update : 4th Quarter 2017', Department of Health Services, Colombo

65 Ibid

66 DCS (2017)

67 WHO (2015), 'World Health Statistics 2015', World Health Organization, Geneva

68 MOH (2012), 'Annual Health Bulletin 2012', Ministry of Health, Colombo

69 WHO (2017), 'Sri Lanka: WHO Statistical Profile'. Available at <http://www.who.int/gho/countries/lka.pdf?ua=1>

70 PIP 2017-2020

71 Ibid

72 DCS (2017)

education on the subject as well as improving attitudes towards sexual education need to be addressed.<sup>73</sup>

In terms of communicable diseases (Target 3.3), attention is required on eradicating/reducing emerging and re-emerging diseases such as dengue, rabies, HIV, leprosy, tuberculosis etc. even though they have not posed a threat for now.<sup>74</sup> Additionally, the lack of awareness and the lack of multi-sectoral coordination have been identified as emerging issues, especially in the case of Dengue; there is a need for improvement in the identification of new cases.<sup>75</sup>

Among factors that are expected to contribute to the increasing prevalence of NCDs (Target

3.4) are: Sri Lanka's rapidly ageing population, increasing prevalence of CKD, increasing household income coupled with unhealthy food habits, and the rise of alcohol and tobacco consumption (Target 3.5).<sup>76</sup> Furthermore, given the rising incidence of CKD in farming-concentrated areas - which points to the possibility of chronic diseases resulting from exposure to pesticides<sup>77</sup> – it is necessary to focus on reducing the number of deaths and illnesses from hazardous chemicals and pollution (Target 3.9). These challenges need to be overcome in order to gain ground on the fight against NCDs.

## Way Forward

The quality of the country's health sector needs to be further improved so that all emerging issues can be attended to in a timely manner. It is necessary to strengthen the provision of primary healthcare which would lead to reduction in private healthcare expenditure (and out-of-pocket expenditure) as well as overcrowding at secondary and tertiary healthcare facilities. In addition, there is a need to improve customer care at public hospitals and to improve access to and perception of general public on mental health services.<sup>78</sup> Reduction of NCDs prevalence is essential given its impact not only on mortality and morbidity but also on poverty and economic growth.

The Government is continuously focusing on developing infrastructure facilities, providing essential drugs and services, and ensuring the systematic development of the current health system. By developing a new Health Policy (2016-2025) and a Primary Healthcare Policy, the Government has initiated the following reforms to overcome challenges in ensuring universal health coverage:

1. Restructuring the primary healthcare system ensuring easy access and early detection with related essential services and a proper referral system to reduce the overcrowding in specialized care hospitals.

73 Stakeholder input from the first thematic workshop

74 PIP 2017-2020

75 Stakeholder input

76 PIP 2017-2020

77 IPS (2016), 'State of the Economy 2016' Institute of Policy Studies of Sri Lanka, Colombo

78 Stakeholder input from the VNR Validation Workshop

2. Strengthening healthcare organizations, and the provision and regulation of healthcare services not only to deliver services effectively and efficiently but also to provide citizen-centred, quality care to ensure patient satisfaction.
3. Developing a ‘citizen-centric, integrated healthcare system’ which is affordable and sustainable, ensuring continuous care for every patient by establishing Primary Medical Care Units (PMCUs) for identified populations.
4. Minimizing inequality and improving the quality and safety of healthcare service delivery

The achievement of SDG 3 on good health and well-being is entwined with the achievement of the other SDGs as well: high healthcare expenditure can neutralize the effect of poverty eradication efforts (SDG 1 & SDG 10); Poor performance in nutrition (refer section on SDG 2) has negative impact on children’s physical and mental health and well-being (SDG 2); education and awareness on disease prevention is a necessity to ensure a sustainably healthy population (SDG 4); it is necessary to reduce mortality and morbidity from environmental pollution through provision of clean water and sanitation (SDG 6) and clean energy (SDG 7), as well as by promoting sustainable consumption and production patterns (SDG 12); innovations for resource mobilization from the private sector is essential to reduce the Government’s healthcare expenditure burden (SDG 8); the quality of healthcare infrastructure needs to be improved (SDG 9); urban planning should focus on cleaner, safer, and healthier living in terms of housing, transport and access to green spaces (SDG 11); steps should be taken to insure against risks to health from climate-related hazards and disasters (SDG 13); sustainable management of life below water (SDG 14) and life on land (SDG 15) is essential to ensure the safety of food supply and access to healthy diets; it is necessary to identify and address the detrimental effect of conflicts and violence on both mental and physical well-being (SDG 16); SDG 17, finally, provides for the societal structures based on good governance and coherent macro-economic policy background which allow people to thrive and lead healthy lives.<sup>79</sup>

---

<sup>79</sup> Based on <https://unsdglk.socialcops.com/>

## 4 QUALITY EDUCATION

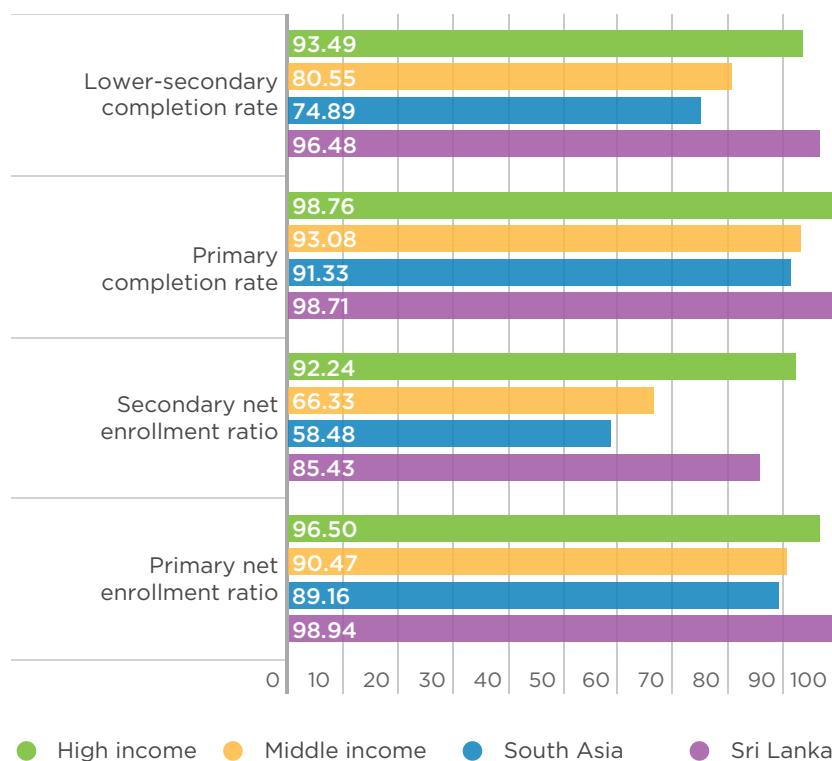


### Current Status and Trends

Sri Lanka boasts an impressive record in terms of its educational attainments, and stands as a notable over-achiever not only within the South Asian region, but also amongst both middle-income and high-income countries. The country has been successful in achieving all

three MDG targets related to universal primary education well before 2015. By 2012/13, 100% of the pupils who had started grade 1 completed their primary education, and 96.5% completed lower secondary education.<sup>80</sup> The net primary enrolment rate stood at 99% in 2015, which is above the average for high income countries (Figure 4.14), while the secondary enrolment rate was also high at 85%, considerably higher than both the middle income and South Asian averages. These achievements have been recorded across all districts in the country, and for both males and females. Sri Lanka has also made notable progress on the literacy rate for 15-24 year olds, which rose from 95.8% in 2006/2007 to 97.8% by 2012 - the latest year for which data is available - once again across districts and gender.<sup>81</sup> The provision of Free State education since the Free Education Act of 1945 has largely contributed towards these achievements and has helped in ensuring that no one is left behind (Box 4.1).

**Figure 4. 14: School Enrolment and Completion Rates**



Notes: Data on Sri Lanka and world averages are for 2015, with the exception of the lower-secondary completion rate in Sri Lanka, which is for 2011. Data on South Asian averages are for 2014.

Source: World Bank, 2017

80 United Nations (2015) Millennium Development Goals Country Report, 2014

81 Ibid

## Box 4.1: Universal Free Education in Sri Lanka

In 1943, Dr C. W. W. Kannangara, the then Minister of Education, introduced the Free Education Bill in the State Council, which came into effect on 1 October 1945. This policy states that every school child above the age of five until the first-degree university level is entitled to free education, and has largely contributed to Sri Lanka's commendable educational achievements. The government, at its various levels, primarily finances publicly provided education in the country. These publicly funded educational inputs comprise both investment inputs—such as expenditure on buildings, furniture and equipment, and recurrent inputs—such as expenditure on teachers and other staff, consumable supplies, provision of school uniforms, meals and text books, as well as administrative and development related expenditure.

The mid-day meal programme is an important component of the Free Education Act, which targeted poor children and linked education to nutrition, and was expanded to cover all schools in 1950. Another important initiative is the scholarship scheme that started in 1952 for talented students from poor families to enter better schools and receive a monthly bursary, conditional on performance at the grade five scholarship examination.

To further reduce the financial burden of education-related expenditures on poor families, the free provision of school textbooks began in 1982, which was extended to the provision of free uniform material and subsidized transport in 1993. The year 1993 also saw the creation of decentralized divisional education offices in all provinces that were transformed into education zones in 1995. This policy aimed at overseeing and managing education programmes at a more disaggregated level, thereby paying more specific attention to schools at the zonal level.

Another important policy contributing to high enrolment rates is the enactment of Compulsory Education Regulations under the Education Reforms of 1997, where schooling for children aged 5-14 years was made compulsory in 1998, thereby ensuring at least nine years of compulsory education for all children.

## Gaps and Challenges

The SDG 4 agenda goes beyond the MDG targets to “ensure equal opportunity in access to quality learning opportunities at all levels of education in a lifelong perspective.” While Sri Lanka’s primary and lower-secondary enrolments are noteworthy, statistics are less impressive at the upper-secondary and tertiary levels. For example, the share of the 15 and above population that has completed upper secondary and tertiary education stands at 35% and 13%, respectively.<sup>82</sup> The quality of education and learning outcomes, while still relatively good in the South Asian region, can also improve. Specific target-level challenges are discussed below. In recognition of the central role played by education in driving further economic growth and development, the Government has already identified many of these challenges and has proposed policy measures to address them, as discussed under the way forward.

Access to early childhood education (ECE) has increased over time, but is still low compared to most middle- and high-income countries (Target 4.2). While 76% of three to five year-olds are in some form of learning programme, only 50% of children aged 3-5 attend a preschool program, and there also exist disparities by income and location: only 39% of 3-4-year-olds in the poorest quintile are enrolled in a preschool program, compared to 56% in the richest quintile.<sup>83</sup> Moreover, a large share of early education centres lacks adequate resources for teaching and learning, especially for children with special needs. Successive Sri Lankan Governments in recent decades have recognized early childhood care and education as important for achieving Sri Lanka’s human capital and equity objectives.<sup>84</sup>

Enrolments in tertiary education and Technical

and Vocational Education and Training (TVET) are concerns in Sri Lanka. Only 18% in the 20-24 age group are enrolled in universities, other educational institutes, or vocational training programmes.<sup>85</sup> Sri Lanka’s gross tertiary enrolment rate stands at 21%, lower than both the lower-middle income and upper-middle income averages of 22% and 44%, respectively.<sup>86</sup> Main reasons behind low enrolments include capacity constraints of the state university system, lack of a proper parallel higher education system with private sector involvement, and an infant TVET sector (Target 4.3).

The quality and relevance of both university and TVET education also needs to improve, as seen in the skewed distribution of enrolments and the low employability of graduates. Over 50% of students are enrolled in the arts and social sciences, while enrolments in the natural sciences are much lower.<sup>87</sup> This is largely owing to the fact that only 10% of schools have facilities for the choice of studying sciences up to grade 13—mostly concentrated in urban areas. Further, first-time job seeking graduates are viewed by employers as lacking job-specific skills as well as soft skills such as problem solving, critical thinking, creativity, teamwork, and communication skills<sup>88</sup> (Target 4.4).

Census of Population and Housing data reveals that nearly one fourth of 5-14 year old children with disabilities are not in school.<sup>89</sup> Moreover, participation in education declines with age: around 55.4% of the disabled population aged 15-19 and 86% of the disabled population aged 20-24 years were not engaged in any educational activity or vocational training.<sup>90</sup> Access and quality concerns also exist for vulnerable students from disadvantaged backgrounds. There are wide disparities in exam pass rates among rich and poor students: in 2012/13, around 60% of students belonging to the richest expenditure decile passed the O-Levels and

82 Arunatileke, N. 2016. Labour Market Analysis using Census Data. Colombo: UNFPA

83 Dundar, H., Millot, B., Riboud, M., Shojo, M., Aturupane, H., Goyal, S. and Raju, D. (2017). Sri Lanka Education Sector Assessment: Achievements, Challenges, and Policy Options. Directions in Development—Human Development;. Washington, DC: World Bank

84 Ibid

85 IPS. 2017. Sri Lanka State of the Economy 2017. Colombo: Institute of Policy Studies

86 Ibid

87 Dundar, H., Millot, B., Riboud, M., Shojo, M., Aturupane, H., Goyal, S. and Raju, D. (2017). Sri Lanka Education Sector Assessment: Achievements, Challenges, and Policy Options. Directions in Development—Human Development. Washington, DC: World Bank

88 Department of Census and Statistics. 2017. Report on Labour Demand Survey 2017

89 Jayawardena, P. and M. Abeyawickrama, 2016, Barriers and Opportunities in the Provision of Education for Children with Learning Disabilities in Sri Lanka. UNICEF

90 Ibid

A-Levels, compared to only 20% in the lowest expenditure decile.<sup>91</sup> Distribution of school resources also favours more affluent students attending privileged schools, while low income students lack high-quality school infrastructure and teachers<sup>92</sup> (Target 4.5).

Research based on School Census data indicates that Sri Lanka has an overall surplus of secondary teachers in subjects such as mathematics, science, and English. However, the shares of qualified and experienced teachers are much lower, with shortages recorded in schools across all provinces, particularly in underprivileged schools.<sup>93</sup> Inadequate opportunities for pre-service teacher training and issues relating to teacher deployment practices have largely contributed to this shortage (Target 4c).

---

91 Jayawardena, Priyanka and Ronald. Miller, (2017), "Bridging Skills for Employment in Sri Lanka" in "Sri Lanka Fostering Workforce Skills Through Education - Employment Diagnostic Study ", Asian Development Bank and International Labour Organization

92 Abayasekara, A. and Arunatilake, N. 2017. "Better Schools for Better O-Level Results in Sri Lanka". Colombo: Institute of Policy Studies

93 Arunatilake, N. and Abayasekara, A. 2017. "Are there Good Quality Teachers for All Classrooms in Sri Lanka?" Colombo: Institute of Policy Studies

## Way Forward

Building good quality schools across the country is critical in improving equity of education opportunities and outcomes. The GoSL, under the 2016-2020 Mid-term Strategic Development Programme, has implemented the ‘Nearest School-the best school’ national programme in this regard. The overall objective of this programme is to provide equal opportunities in education for all, and it envisions transforming selected schools in each Divisional Secretarial Division as ‘super-schools’ and thereby controlling the populations in oversized popular urban schools. Under this programme, steps will be taken to develop; (1) 600 schools to represent each divisional secretariat; (2) 1,200 schools with advanced level classes that are not included in other recent development programmes; (3) 776 schools as part of a secondary schools development program; and (4) 3,577 schools under a primary schools development project.<sup>94</sup> Development will take place in the areas of constructions and repairs, human resource development and the provision of goods and equipment, including the construction of classrooms, teachers’ and principals’ quarters, sports complexes, laboratories, sanitary facilities, water facilities, upgrading schools, dental health facilities and major and minor repairs. This proposal is also important in addressing the skewed nature of tertiary enrolments and skill mismatches in the labour market, by improving access to science education.

Also essential are reforms in education curricula in improving graduate employability. The Government has taken some important steps to equip individuals with skills in line with demands of the global market. A new Advanced Level Technology Stream—in addition to the Science, Commerce and Arts streams—was introduced in 2013 with the objectives of generating more science scholars to meet demands in the current job market and providing students with technical and professional skills.<sup>95</sup> New Technology Faculties were also established recently in four state universities. It is equally important to develop linkages between universities and the private sector when designing courses to match skills demand of a globalized labour market. Including internship and volunteering programmes in schools and universities can also help in equipping students with job-relevant skills.

The Government also plans to integrate ICT literacy into school curricula and improve facilities available for digital-based teaching and learning, especially in rural areas, to impart important ICT skills to the younger generation.<sup>96</sup> In January 2017, Sri Lanka’s first ‘Cloud Smart Classroom’ was declared open in a school in the Western Province, which has already seen significant progress in terms of student and teacher motivation, attendance, and learning outcomes. The Ministry of Education plans to develop such classrooms in a further 25 selected schools as a pilot project. Further, an initiative titled “Internet of Things” (IoT) has been introduced to the school education system under the collaboration of the Ministry of Telecommunication & Digital Infrastructure and the Ministry of Education. The Pilot stage, covering 128 schools, has been launched in partnership with BBC micro:bit Foundation of the United Kingdom, enabling exposure of teachers and students for innovation based on IoT devices. Relevant curriculum modification and teacher training has been continuing since 2017.<sup>97</sup>

94 Ministry of Education of Sri Lanka. 2018. “The Nearest School is the Best School Programme.”

95 Ministry of Education of Sri Lanka. 2017

96 Vision 2025

97 Ministry of Telecommunication, Digital Infrastructure, and Foreign Employment, 2018

The Government has also committed to improving the quality, relevance, and accessibility of the TVET sector, to equip young people with job-relevant skills. The Government plans to implement a 13-year compulsory education initiative through introduction of a vocational stream with applied subjects for low-performing students at the G.C.E. Ordinary Level exam.<sup>98</sup> This is an important initiative under the ‘leaving no one behind’ principle, with those dropping out of the academic stream having opportunities to continue their education under the vocational stream. Resources to vocational training institutes will be mainly allocated in districts with high unemployment and underemployment, which in turn will support inclusive growth.

Attention also needed to increase facilities and access to education for the disabled, by improving related school infrastructure, implementing appropriate training programmes for special education teachers, as well as nurturing appropriate mindsets of principals, teachers, and fellow-students in accommodating and assisting differently-abled children throughout their school career. In this regard, the Government has pledged to improve education access for the differently abled through more targeted education programmes.

In improving the overall quality of teachers, the Government has focused attention on expanding opportunities for pre-service teacher training in universities. In this regard, the Government has proposed the offering of Bachelor of Education degree programmes at non-state higher education institutes.<sup>100</sup> It also intends to strengthen pre-service teacher training through conversion of National Colleges of Education into institutions awarding degrees specifically catering to teacher service. Further, in-service teacher training will also be improved through strengthening teacher centres through professional development of its instructors and E-learning systems dedicated to teachers.<sup>99</sup>

There is also a need to improve the teacher allocation and deployment by providing monetary and other incentives (additional credit towards promotions, small class sizes, support from principals and the school community, good living quarters etc.) to attract and retain quality teachers in remote schools. Recruiting teachers at the school-level, as opposed to the central Ministry of Education level, can also help in minimizing teacher transfers between schools, by affording less flexibility to teachers in transferring between schools. The Government has already initiated school-level recruitment policies in Estate sector schools to address acute Tamil medium teacher shortages in such schools.

In addition to the initiatives discussed above, the Ministry of Education has launched a flagship project for the ‘Development of the Education Sector in Sri Lanka’ under the following thrust areas, which will also assist in driving forward identified key policy reforms:

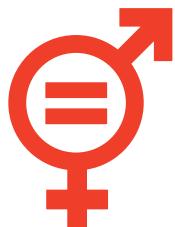
- Strengthen equity in education: equitable learning opportunities for all children
- Improve the quality and accountability of education
- Strengthen empowerment of schools through the implementation of school based management
- Strengthen education governance and capacity development
- Enhance education policy, planning, research, and results-based monitoring and evaluation

98 Vision 2025

99 Ibid

100 PIP 2017-2020

# 5 GENDER EQUALITY



## Current Status and Trends

Sri Lanka presents a mixed picture with respect to gender equality. Sri Lanka was ranked 73rd out of 188 countries in the UNDP's gender inequality index (GII), which measures gender inequality using three dimensions: reproductive health, empowerment, and labour market participation. The country's rank in the 2017 Global Gender Gap Report produced by the World Economic Forum is low at 109 out of 144 countries, driven by a large gender gap in wages for similar work.

Universal access to free health and education services for seven decades, with the intention of leaving no one behind, has contributed to gender parity in many related indicators (Target 5.1). The maternal mortality rate has declined to 33.7 deaths per 100,000 live births (in 2015) compared to the South Asian average of 182 deaths.<sup>101</sup> Gender equality also exists in primary, secondary enrolments and school completion rates, while girls have higher enrolment and retention rates in upper secondary and tertiary education and higher performance levels at public examinations. However, wide gender imbalances favouring men in enrolment in the natural sciences and information technology limit female access to high skilled and remunerative employment in technology-related fields.<sup>102</sup> Sri Lanka has a dedicated Ministry for women—the Ministry of Child Development and Women's Affairs which is in the process of drafting national legislation, such as the Women's Rights Bill and the National Plan of Action.<sup>103</sup>

## Gaps and Challenges

A key issue is the failure to translate female educational achievements into labour market achievements, with gender disparities recorded in labour force participation (LFP) and unemployment rates (Target 5.1). There is a large concentration of economically active women in both the informal labour market and in unpaid family labour, particularly in agriculture. Labour force participation is also low at 35%.<sup>104</sup> Cultural stereotypes as to women's roles in society and child-rearing responsibilities which often disproportionately fall on mothers are among main causes behind low female LFP.<sup>105</sup> Women-headed households, which account for 24.3% of all households, are subsequently more prone to poverty and marginalization.

Another area in which gender inequalities are apparent is in terms of political participation (Target 5.5). Although women have had the right to exercise their vote and to participate in political activities since 1931, the representation of women in Parliament has always been below 6%, in comparison to an 18% average in South Asian countries. There is a need for data to enable evidence-based decision making.

101 World Bank. 2017. World Development Indicators

102 ADB. 2015. Country Gender Assessment Sri Lanka: An Update. Manilla: ADB

103 Ibid

104 Department of Census and Statistics. 2017. Sri Lanka Labour Force Survey: Annual Report 2016

105 Gunewardena, D. 2015. "Why aren't Sri Lankan women translating their educational gains into workforce advantages?" The 2015 Echidna Global Scholars Working Paper, Centre for Universal Education

## Way Forward

Measures to boost FLFP, such as introduction of flexible working arrangements, working from home arrangements and part-time work, providing transportation and allowances, and creating suitable avenues for females to re-enter the labour market after career breaks, are important. Future research might be needed to determine the best type of affirmative action policies to suit the Sri Lankan context. Eliminating gender violence calls for more awareness building of existing legislation, proper enforcement of laws, and provision of adequate support services for victims such as crisis shelters, legal aid, and counselling. The availability of national level prevalence data will further strengthen and streamline responses and prevent gender violence. There also needs to be targeted responses to address those left behind, including women in informal employment and those who head households.

Government policies are currently being formulated to address gender violence—six new shelters have been set up in various locations for the protection of survivors of violence and a digital database system has been developed to collect gender-based violence data with support from the police and other stakeholders.<sup>106</sup> A National Framework for Women-headed Households (2017–2019) has also been introduced, especially to improve the socio-economic situation of women affected by conflict, support the economic empowerment of rural women, and encourage girls to enter technological fields to improve employment opportunities.<sup>107</sup> The Government has further focused on increasing female political participation of women, with an amendment to local electoral law to reserve 25% of all seats to women being passed in 2016.<sup>108</sup>

---

<sup>106</sup> UN Women, 2018, “Sri Lanka commits to update national action plan, and sustain firm commitment to gender equality and women’s empowerment (updated)”, <http://www.unwomen.org/en/get-involved/step-it-up/commitments/sri-lanka>

<sup>107</sup> Ibid

<sup>108</sup> Ibid

## 8 DECENT WORK AND ECONOMIC GROWTH



### Current Status and Trends

Sri Lanka has been successful in keeping a large proportion of its population employed, recording low unemployment rates of below 5% in recent years.<sup>109</sup> LFP rates, on the other hand, are less impressive at around 54%.<sup>110</sup> The annual growth rate of real GDP per employed person (in constant 2011 PPP \$) has grown at around 6.3% in the post-conflict period (Target 8.2).<sup>111</sup> The contribution of informal sector employment to total employment is relatively large at about 60.2%, of which 60.6% is in the non-agricultural sector (Target 8.3).<sup>112</sup> Sri Lanka has signed and ratified the eight core ILO Conventions including Convention 138 on the Minimum Age for Employment and Convention 182 on the Worst Forms of Child Labour. The country appears to be well on track to eliminate all forms of child labour by 2025 (Target 8.7), with children engaged in child labour accounting for only 1% of the total child population in 2016.<sup>113</sup> Social protection programmes in Sri Lanka cover multiple sectors including health, education, elderly population, employees and the economically disadvantaged, and are administered via elderly pension schemes, superannuation benefits (EPF), employee injury compensation, maternity benefits, and the Samurdhi scheme. The 2017 budget allocated LKR 13.9 billion of its public investment expenditure to social protection spending, which amounts to around 0.1% of GDP (Target 8B).<sup>114</sup> The increase to the minimum daily

wage of tea pluckers—one of the poorest and marginalized groups in Sri Lanka—from LKR 620 to LKR 730 (US\$5) in October 2016 is a positive development.

The stock of migrant workers in Sri Lanka is estimated to be 1.8 million, with remittances sent by these workers accounting for a major part of Sri Lanka's annual GDP (Target 8.8). The International Organization for Migration (IOM) has provided support to regularize recruitment agencies of migrants by operationalizing the code of conduct procedure, which is expected to benefit unskilled women labourers who wish to go for foreign employment.<sup>115</sup> Tourism in the country has picked up significantly in the post-war period, with tourism earnings as a share of GDP increasing from 1.8% to 5.6% between the 2009-2016 time period (Target 8.9).<sup>116</sup> In 2016, the tourism industry provided 146,115 direct employment opportunities and 189,544 indirect jobs.<sup>117</sup>

### Gaps and Challenges

Although the overall unemployment figure is commendable, wide variations exist by gender and education levels. The female unemployment rate is more than double the corresponding rate of males, while unemployment also tends to increase with the level of education, and is highest among those with G.C.E. A-Level qualifications and higher.<sup>118</sup> The same is true of LFP rates, which stand at only 36% for females compared to 75% for males.<sup>119</sup> Youth unemployment is another related challenge (Target 8.6), which has averaged at 19% over the last six years, and is once again considerably higher for females. Youth that are not in employment, education, or training as a share of the total number of youth, which considers all young people who are neither employed nor in the labour force, is also high, at 26.1%.<sup>120</sup>

109 DCS. (2017). Labour Force Survey 2016

110 Ibid

111 World Bank. World Development Indicators 2017

112 Ministry of Labour and Trade Union Relations

113 DCS. (2017). Child Activity Survey 2016

114 Ministry of Finance.(2017). Annual Report 2016

115 Input from Multi-stakeholder Consultation Workshop

116 World Bank. World Development Indicators 2017

117 CBSL (2017)

118 DCS. (2017). Labour Force Survey 2016

119 Ibid

120 Ibid

Higher unemployment rates among the youth and educated are reflective of sectoral mismatches in the Sri Lanka labour market—a majority of vacancies in the private sector are for routine and non-routine manual jobs, whereas the educated search for white-collar jobs.<sup>121</sup> Poor soft skills, such as communication, problem-solving, English and computer skills have also been identified as constraints in securing jobs.<sup>122</sup>

Ensuring safe and secure working conditions for all employed citizens (Target 8.8) also remains a challenge. As of 2013, out of 4.7 million total wage employees, 56% (2.6 million) were in non-standard or precarious forms of employment, including temporary or casual workers and workers without a permanent employer.<sup>123</sup> Such work often does not benefit from social security schemes such as EPF, while employees are not given a written work contract, thereby diluting worker rights stipulated in labour legislation. Moreover, large unexplainable wage differences exist between permanent and temporary workers—individuals in standard employment earn a monthly wage that is 89% higher than their counterparts in nonstandard employment.<sup>124</sup>

---

121 DCS. (2017). Labour Demand Survey 2017

122 Ibid

123 Jayawardena, P., (2017), Why People Choose to Participate in Non-Standard Forms of Employment in Sri Lanka, Colombo: Institute of Policy Studies

124 Ibid

## Way Forward

Reducing the gender gap in unemployment calls for more flexible work arrangements for females—such as ‘flexi-hours’, working from home, and part-time work options, as well as the availability of affordable and dependable child care options, as discussed under SDG 5. Providing incentives to companies that do offer such flexible work arrangements, such as tax concessions, can help in encouraging the adoption of such policies.<sup>125</sup> Addressing the shortage of skilled jobs requires sustained economic growth and corresponding job creation, particularly in the manufacturing and services sectors. The current Government has identified the creation of one million jobs as one of its five main goals under its national development policy, and aims to coordinate with the private sector through innovation, promotion of entrepreneurship, and sufficient investments to create high-quality decent jobs.<sup>126</sup>

The deficit of soft skills calls for changes in the education system, particularly in incorporating relevant skills development in curricula. The Government has also taken measures to address this challenge, for instance by introducing a new Technology Stream into the A-Level examination and the development of Technology Faculties in state universities, to produce students with technical skills needed for the job market, as discussed under SDG 4. While these are long-term measures to address skill mismatches, other short-term strategies including skills training for unemployed youth and incentives in place for companies to hire youth are important. The Government has identified the importance of encouraging youth to follow vocational training courses in line with labour market demand in this regard. For instance, formulating strategies for recruiting trainees for vocational education from students who complete the technology stream in the general education system as well as to absorb school dropouts into vocational education through Zonal Education Directors, National Youth Corps and the National Youth Services Council, have been identified as important in the short-term.<sup>127</sup>

Another instrumental way to enhance soft skills of young people would be encouraging volunteering and creating enabling conditions for volunteers as well as Volunteer Involving Organizations. In 2014, 8.6 million Sri Lankans volunteered at least once a year. That is equivalent to around 40% of the country’s able population, many of whom are in rural areas. 96% of surveyed young volunteers agree that volunteering has helped them develop their skills. On the ideas on ways to encourage more young people to volunteer, 57% agree that schools/universities/employers should allocate time for volunteering.<sup>128</sup>

Measures also need to be taken aiming at restricting the expansion of precarious work, while improving the working conditions of precarious workers through regulations that safeguard worker rights. These include limiting the number of temporary workers, offering legal protection for agency-hired workers, regulating manpower agencies, and providing social protection for such workers.

125 Stakeholder input from the VNR Validation Workshop

126 PIP 2017-2020

127 PIP 2017-2020

128 “Sri Lankan Youth: Volunteering to make a Difference”, United Nations Volunteers, 2014

## 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



### Current Status and Trends

The Government's policy for the industry sector aims at supporting private sector development especially in export oriented industries with an emphasis on the diversification of products and geographical location, promoting industrial harmony, and fostering high value added and productivity driven industrialization.<sup>129</sup> Sri Lanka has undertaken numerous attempts in recent times to improve the manufacturing sector through policy measures such as the Productivity Decade 1997-2006, and the formulation of a National Framework for Small and Medium Enterprise Development in 2015 through different institutional mechanisms including Industrial Development Board (IDB), Sri Lanka Institute of Textile Apparel (SLITA), National Enterprise Development Authority (NEDA), etc. The impact of these can be seen in the significant progress of the sector towards achieving the SDG 9.

Target 9.1 stipulates the development of high quality, reliable, sustainable, and resilient infrastructure, including regional and trans-border infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all. Massive investments have been made in the infrastructure sector that includes transport, electricity and communication as these are vital for the industrialization and the economic development of the country. The demand for road transportation which contributes to 93% of total passenger transportation and 97% of freight transport has shown an increasing trend over the years. While the current road density of

Sri Lanka is around 1.96 km of roads per square kilometre, around 50% of the roads have a gravel surface.<sup>130</sup> Only 12,210 kilometres belonging to A and B class roads are maintained by the Road Development Authority. The total passenger kilometres in bus transport increased from 11,907 million km in 2011 to 16,144 million km in 2016 while that in rail transport increased from 4,574 million km in 2011 to 7,413 million km in 2016. 95.4% of the rural population live within 2 km of an all-season road which is a great achievement.

Air passenger kilometres in Sri Lankan Airlines have increased from 10,677 million km in 2011 to 12,855 million km in 2016. While air freight increased from 90,000 tonnes in 2011 to 108,000 tonnes in 2016, railway freight ton kilometres declined from 154 million in 2011 to 140 million in 2016. Vessels arrived and cargo handled through port services increased from 4,332 vessels in 2011 to 4,998 vessels in 2016 and 6.5 million MT cargo in 2011 to 8.7 million MT cargo in 2016. Electricity generation has increased from 11,528 GWh in 2011 to 14,149 GWh in 2016. The public telephone density per 100 persons increased from 105.1 in 2011 to 135.7 in 2016 largely due to growing mobile phone availability in the country. The total number of mobile telephone connections available in the country increased from 1.8 million in 2011 to 2.6 million in 2016. Fixed wire-line telephone connections increased from 0.9 million in 2011 to 1.1 million in 2016. With regard to internet services, total internet connections grew remarkably by six-fold from 0.8 million in 2011 to 4.9 million in 2016.<sup>131</sup>

Target 9.2 requires the promotion of inclusive and sustainable industrialization and, by 2030, significant raise in the industry's share of employment and gross domestic product, in line with national circumstances. In 2016, Sri Lankan economy grew by 4.4% in real terms with the industry activities recording the highest growth of 6.7% largely due to the recovery in construction activities and mining and quarrying activities. Moreover, industrial activities such as manufacturing, electricity, water and waste treatment activities also positively contributed to the industrial growth. It contributed to 26.8% of the GDP in 2017 and accounted for 77% of the total exports providing gainful employment

129 PIP 2017-2020

130 Ibid

131 Central Bank Annual Report, Various issues

to over 2.2 million persons which is about 26% of the total formal sector workforce.<sup>132</sup> Both manufacturing value added as a proportion of GDP and per capita and manufacturing employment as a proportion of total employment are 18% each in 2016. Achievement of Target 9.3 requires increasing the access of small-scale industrial and other enterprises to financial services including affordable credit, and their integration into value chains and markets. The proportion of small-scale industries in total industry value added (Small industries - 10 to 25 persons engaged.) was 2.7 in 2013/14.<sup>133</sup>

Target 9.5 requires enhancing scientific research, upgrading the technological capabilities of industrial sectors, including, by 2030, encouraging innovation and substantially increasing the number of research and development workers per 1 million people and public and private research and development spending. However, Sri Lanka is lagging behind in terms of Science, Technology and Innovation. Sri Lanka hasn't shown any improvement in innovation ranking at 90th out of 127 countries in the Global Innovation Index (GII) 2017 with a score of 29.9 in a 0-100 scale, 100 being the most innovative. Sri Lanka has performed poorly in sub-indices of Institutions (111th) Human Capital and Research (105th) while showing strength in Infrastructure (63rd) and Knowledge and Technology Outputs (68th). The country ranked 86th in Market Sophistication sub index, 83rd in Business Sophistication, and 86th in Creative Outputs.

## Gaps and Challenges

Although the Industry sector shows remarkable achievements during the last few years, there are some challenges which have hindered the development of the sector. First, the growth of industrial sector was mainly driven by construction activities and mining and quarrying activities, but not necessarily by the manufacturing sector which can contribute to achieving SDG 9 (Target 9.2 and 9.3). In addition,

the manufacturing sector has remained highly concentrated among apparel, food products and rubber products and other labour intensive industries producing goods of low technological intensity.

Furthermore, the GDP growth has been less supported by growth in the manufacturing sector, especially after 2000 when Sri Lanka lost comparative advantage from cheap labour.<sup>134</sup> While growth rates of the manufacturing sector have remained below GDP growth rates throughout most of the last 15 years, the share of the manufacturing sector in GDP remained low and stagnated around 15-16% during the same period.<sup>135</sup> The contribution of the manufacturing sector to GDP in Asian industrialized countries such as Taiwan (29.9%), Korea (29.5%), Thailand (26.5%) and Malaysia (22.8%) is substantially higher than Sri Lanka (15.4%) in 2015.<sup>136</sup>

Major challenges that hinder industrialization and the growth of the manufacturing sector in particular include the lack of entrepreneurship, innovations, technology and management skills; low investor confidence; shortage of labour; poor diversification of products and the quality of the domestic market as well as problems of gaining access to international markets (Target 9.2 and 9.5). The poorly regulated and congested transport system in Sri Lanka which does not have the capacity to adopt to the dynamic needs of the people in an efficient manner is also a significant constraint to economic development (Target 9.1).

The low priority given to investments in science, technology, research and development over the past several years as well as the lack of a robust network consisting of Government institutions, regulators, research institutes, universities, enterprises, consulting firms and professional/business groups are major barriers in promoting innovations and industrialization (Target 9.5). In addition, state dominance and the lack of private sector research have strong implications on the rate of commercialization and adaptation of research.<sup>137</sup>

132 CBSL Annual Report (2017)

133 Report on "The Status of Sustainable Development Goals Indicators in Sri Lanka: 2017", Department of Census and Statistics of Sri Lanka

134 CBSL (2018), 'Annual report 2017'. Central Bank of Sri Lanka, Colombo

135 Department of Census and Statistics and Central Bank of Sri Lanka

136 World Bank, World Development Indicators 2017

137 Wijesinghe (20110). 'Dynamic Growth in Sri Lanka: the Innovation Imperative', Talking Economics Digest, Institute of Policy Studies of Sri Lanka, Colombo. Available at <http://www.ips.lk/talkingeconomics/2011/10/13/dynamic-growth-in-sri-lanka-theinnovation-imperative/>

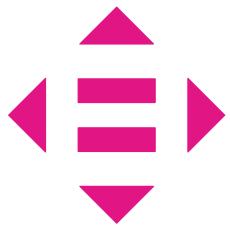
## Way Forward

These key challenges need to be addressed in a systematic manner to ensure the sustainability of the industrial sector. The manufacturing sector of a country can play a major catalytic role in a country's economic and social development. First and foremost, it is imperative to develop and to diversify the manufacturing sector into technology-led and export-driven industries with more investments. Furthermore, measures to develop infrastructure, promote research and development, and upgrade skills of the human resources will help attract both local and Foreign Direct Investment (FDI). Strong collaboration needs to be built between Research and Development (R&D) institutions and especially small and medium industries such that the product development needs of these industries can be identified by the R&D institutions. Moreover, the Government should create a conducive environment for improving investor confidence including political stability, consistent support by public institutions, sound regulatory and legal frameworks, efficient and reliable infrastructure, minimum trade barriers, and low-cost and highly efficient human resources in order to achieve the targets stipulated in SDG 9.

The Government has been undertaking several measures to develop the science, technology and research sector. The National Commission on Science and Technology (NASTEC) has developed a complete and comprehensive National Science and Technology Policy (NSTP), which the Government approved in 2009 (Target 9.5). NASTEC worked on a five year (2011 – 2016) integrated institutional action plan for implementing the NSTP, developed with the collaboration of the scientific institutions coming under the relevant ministries of the Government. In the meantime, the Ministry of Technology and Research developed a five year (2010 – 2015) Science, Technology and Innovation Strategy (STIS). The Coordinating Secretariat for Science, Technology and Innovation (COSTI) was established in 2013 to coordinate and monitor the progress and implement the strategy. In 2016, the Ministry of Technology and Research developed a National Research and Development Investment Framework with the objective of aligning the S&T activities with the country's development agenda.

National Agribusiness Development Programme (NADeP) collaborates with private sector entities or Farmer Based Organizations (FBOs) to undertake partnership ventures in the value chain development and marketing linkages by targeting the smallholder agri-producers.

# 10 REDUCED INEQUALITIES



## Current Status and Trends

Although Sri Lanka has performed well over the years in terms of poverty reduction, income inequality remains a concern. The decrease of poverty HCR from 8.9% in 2009/10 to 4.1% in 2016 has been accompanied by a slight lessening of inequality as evidenced by the decrease in the Gini coefficient of household income from 0.49 to 0.45.<sup>138</sup> The household income per capita of the bottom 40% has grown faster at 26% during 2012/13 - 2016, compared to the 18% of the national average<sup>139</sup> (Target 10.1). By contrast, with regard to household expenditure, the Gini coefficient shows an increase in inequality (from 0.37 in 2009/10 to 0.41 in 2016) while the growth rate of the bottom 40% has also been slower than the national average (9.1% vs. 13.3% during 2012/13-2016).<sup>140</sup>

In addition, the proportion of country's population living below 50% of the national median income was 12.3% (in 2016), with slight variations among gender and age groups (Target 10.2).

Ensuring equal opportunities and reducing inequality in outcomes is key to addressing income inequality. The GoSL has taken various measures to address inequality in opportunities and services. Sri Lanka's Universal Free education Policy and Universal Free Health policy as well as some of the social protection programmes have played a major role in dampening the effect

of income inequality on the poorest segments (Targets 10.3 and 10.4). Yet, regional disparities are observed with regard to access to services as well as outcome indicators such as under-five mortality rates and education performance.<sup>141</sup>

Remittances can be beneficial for low-income households in overcoming the effects of income inequality. This is especially relevant for Sri Lanka where migrant remittances account for 8.9% of GDP; almost one in every eight household is a remittance recipient.<sup>142</sup> Sri Lanka's National Labour Migration Policy<sup>143</sup> which first came into effect in 2008 provides for the governance of the migration process, protection and empowerment of migrant workers and their families, as well as for linking migration and development processes. Since 2010, the ILO has supported the Government in implementing this policy which is currently under review for revision. In 2016, GoSL established the over-arching Safe Labour Migration Programme with the support from the Swiss Government. In terms of recruitment costs, research on select migration corridors show mixed results: in the case of Saudi Arabia, the total cost is borne by the employer; in contrast, a migrant to South Korea bears the entire migration and recruitment cost.<sup>144</sup> In January 2017, GoSL established a minimum wage for migrant workers at USD 300 (Targets 10.7 and 10.c).

In terms of other external financing inflows for development, FDI inflows have increased by 11% from 2006/08 to 2015 while Official Development Assistance (ODA) has decreased by 11%; Japan remains the number one donor of Aid for Trade, followed by EU Institutions<sup>145</sup> (Target 10.b).

On a global-scale, as a developing, small island state, Sri Lanka's voice in international decision-making is limited. However, Sri Lanka's participation in many international economic and financial institutions can be identified as a factor that has served to enhance the country's voice in the international arena. In fact, Sri Lanka was among the original founding members of

138 DCS (2018)

139 DCS (2017)

140 Ibid

141 United Nations (2015) Millennium Development Goals Country Report, 2014

142 Weeraratna (2017), 'Did the Blue-Green Budget Forget Migrants and their "Greenbacks"?' Talking Economics Digest. Available at <http://www.ips.lk/talkingeconomics/2017/12/18/did-the-blue-green-budget-forget-migrants-and-their-greenbacks/>

143 Ministry of Foreign Employment Promotion and Welfare (2008), ' National Labour Migration Policy for Sri Lanka' Available at <http://www.ilo.org/dyn/migpractice/docs/268/Policy.pdf>

144 Weeraratne, B et al (2018) 'Cost of Low-Skilled Migration to Saudi Arabia, South Korea and Malaysia: Value Chain Analysis - Sri Lanka', Labour Economics Series No. 20, Institute of Policy Studies of Sri Lanka, Colombo

145 OECD, WTO (20017), 'Sri Lanka: Aid for Trade at a Glance'. Available at [https://www.wto.org/english/tratop\\_e/devel\\_e/a4t\\_e/profiles\\_e/LKA\\_e.pdf](https://www.wto.org/english/tratop_e/devel_e/a4t_e/profiles_e/LKA_e.pdf)

bodies such as the United Nations Conference on Trade and Development (UNCTAD) and the General Agreement on Tariffs and Trade (GATT) which later became the World Trade Organization (WTO); a Sri Lankan has served as the Secretary-General of UNCTAD during the period from 1974-1984 (Target 10.6).

In terms of securing preferential access to foreign markets, Sri Lanka is currently enjoying the benefits of the Generalised System of Preferences (GSP) facilities offered by several countries including the United States of America (USA), the European Union (EU), Japan, and Norway. However, Sri Lanka's exports under the Global System of Trade Preferences (GSTP) have marginally declined in 2016. Sri Lanka's pursuit of trade agreements with countries such as Singapore, China, Bangladesh, Malaysia, Indonesia and Thailand is also expected to yield advantageous results in accessing foreign markets on preferential terms<sup>146</sup> (Target 10.a).

## Gaps and Challenges

Despite Sri Lanka's reduction in poverty and achievements with regard to basic health and education indicators, much scope remains to reduce income inequality and address regional disparities (Targets 10.1 and 10.2).

Sri Lanka's level of integration with the global economy is rather low, compared to many emerging economies. The country's declining trade openness, lack of diversification in both the export products and the markets, as well as unsatisfactory level of trade facilitation have also contributed to the situation. Sri Lanka is presently in the process of establishing a National Single Window to improve trade facilitation in the country.

Increase in migration through private sources and decrease in migration through licensed agencies can be identified as a challenge that the country needs to overcome in order to ensure the safety of migrant workers<sup>147</sup> (Target 10.7).

## Way Forward

**Reducing inequality is key to ensuring that no one is left behind. Inequality in income is entwined with inequality in opportunities and access to services, hence achieving SDG 10 is closely linked with many SDGs. For example, achievement of SDG 01 on ending poverty in all its forms is vital to reduce inequality. In addition, achieving the SDG 08 on providing decent work for all is essential in addressing the issue of inequality in income as well as opportunities.**

**The Government has taken various initiatives in recent years to reduce inequality in access to services and opportunities. Yet, further policies/strategies are required to address the existing regional disparities and to improve resource distribution.<sup>148</sup>**

**Furthermore, in order to improve migrant workers' welfare, it could be beneficial to explore the impact and implications of recruitment costs and transaction costs with regard to migrant labour. In addition, it would be advantageous for the country to encourage high income earning and professional/skilled migration.**

**The GoSL focuses on improving the country's integration with the rest of the world, so as to further enhance the country's voice in global decision-making, as well as to better reap the benefits of foreign financial inflows**

146 CBSL (2017)

147 Ibid

148 Stakeholder input from the validation workshop

# 13 CLIMATE ACTION



## Current Status and Trends

Climate change has become a major threat looming over the economic and social development of the country. Unmistakable signs of climate change are manifested by the growing frequency and intensity of extreme climate events. The country has been experiencing climate-induced disasters on a regular basis recently, incurring immense losses to economic and social life. Economic losses and damages due to the 2015 flood events alone have been estimated at LKR 99.8 billion.<sup>149</sup> In 2017, 219 deaths were reported due to disaster incidents.<sup>150</sup> Moreover, an analysis of past meteorological data indicates a countrywide increase in ambient air temperature. Even though no clear pattern of change in rainfall has been recognized from the analysis of past data, observations suggest that the pattern is fast becoming erratic. Recent projections by the Department of Meteorology up to year 2080 indicates a tendency towards more polarized distribution of rainfall in future—wet regions are becoming wetter and dry regions getting drier. Besides, being a tropical island with an extensive low-lying coastal belt, Sri Lanka is vulnerable to sea level rise in the long-run.

Impacts of projected changes in climate could have far reaching consequences. Livelihoods in agriculture and fisheries would be disrupted by multiple impacts of climate change in short, medium and long-term horizons. A study undertaken by ADB in 2014 has projected that climate change will affect rice yields negatively in seven major agro-climatic zones in the country in a cumulative and progressive manner. Losses would be as high as one third of current

yield levels in some areas by 2080. Residents in certain districts of the dry zone are predicted to face severe scarcity of water for economic and household uses. In the long run, economic and social lives in coastal areas would be vulnerable to rising sea levels, creating pressures for migration. It has been projected that the country would experience economic losses in the range of 6% of GDP under business-as-usual scenario for the period 2010-2050 unless proper measures of adaptation are initiated to overcome the negative impacts.<sup>151</sup>

In terms of GHG emissions, it has been estimated that the country generates 2.16 tons of annual emissions per capita. Even though this level of emissions ranks among the lowest in the Asia Pacific Region, Sri Lanka has declared commitment to fulfil obligations towards mitigation of global climate change by signing the Paris Climate Agreement and submitting Nationally Determined Contributions (NDCs) covering mitigation, adaptation, loss and damage and means of implementation.

Given the cross-cutting nature of climate change impacts, the public sector response strategy is oriented towards 'mainstreaming', which implies implementing activities pertaining to adaptation, mitigation and loss and damage management through relevant existing sectoral agencies. The MMDE - the National Designated Agency (NDA) for the UNFCCC - has assumed the central coordination role of mainstreaming process. The MMDE established the Climate Change Secretariat (CCS) to facilitate its coordination role (Target 13.3). The CCS has undertaken the task of developing policy frameworks and coordination mechanisms for mainstreaming climate action. Major milestones of this process include formulating the National Climate Change Policy (NCCP) in 2011, preparing the National Adaptation Plan for Climate Change Impacts 2016-2025 (NAP-CC), and submitting NDCs for adaptation, mitigation and loss and damage in 2016 (Target 13.2).

The NAP-CC identified adaptation actions for nine vulnerable sectors, namely; food security (crop-livestock-fisheries), water, health, human settlements, biodiversity and ecosystems,

149 Ministry of Disaster Management and UNDP (2016). Sri Lanka Post Disaster Needs Assessment

150 Ministry of Disaster Management and UNDP (2017). Sri Lanka Rapid Post Disaster Needs Assessment: Floods and Landslides

151 ADB (2014). Assessing the Costs of Climate Change and Adaptation in South Asia

coastal and marine, export agriculture, industry-energy-transportation, and tourism (Target 13.1). The CCS has also given leadership for technical initiatives such as Sector Vulnerability Profiles (SVPs) for selected economic sectors, undertaking Technical Needs Assessments (TNA) for Adaptation and Mitigation, preparing Initial (2001) and Second National Communications (2012) on Climate Change, and implementing selected National Appropriate Mitigation Action (NAMA) projects supported by donor assistance. The CCS is currently in the process of preparing the Third National Communication on Climate change (TNC).

Sri Lanka's NDCs for mitigation pledged to reduce the GHG emissions against business-as-usual (BAU) scenario unconditionally by 7% (energy sector 4%, and 3% from other sectors) and conditionally 23% (energy sector 16% and 7% from other sectors) by 2030. From the energy sector, 4.88 million tCO<sub>2</sub> emission reduction (cumulative reduction of 74.56 million tCO<sub>2</sub> for the period of 2015-2030)—a 4% reduction from the 2010 baseline—is expected from existing hydro, non-conventional renewable energy (NCRE) and future hydro developments. The intended emission reduction target from other sectors - namely transport, waste, industries and forest - is 3% unconditional and 7% conditional against BAU.

The other major national agencies involved with climate change in Sri Lanka are the Department of Meteorology (DM) and the Disaster Management Centre (DMC). They are responsible for the provision of climate information for planning and coordinating disaster management activities, respectively. Both of them come under the Ministry of Disaster Management (MDM). The DM is the National Focal Point (NFP) for both IPCC and WMO whereas the MDM is the agency responsible for implementation of Sendai Framework in Sri Lanka.

Other than the coordinating roles played by these central agencies, there are several line ministries and agencies that hold the mandate for initiating adaptive actions against climate change impacts in different sectors (e.g. Ministry of Agriculture, Ministry of Irrigation and Water Management, Ministry of Plantation Industries, Department of Agriculture, Department of Irrigation, Coast Conservation Department). There are some sectoral plans/programmes of action that have identified climate change as an emerging threat that needs to be addressed

through sectoral policy actions. Key examples are the Coastal Zone and Coastal Resources Master Plan (CZCRMP) in 2016, the National Biodiversity Strategic Action Plan 2016-2022 (NBSAP), Sri Lanka Comprehensive Disaster Management Programme 2014-2018 (SLCDMP), and the National Action Programme for Combating Land Degradation in Sri Lanka 2015-2024 (NAP-LD) (Targets 13.1 and 13.2). The MDM is currently in the final stage of preparing the Sri Lanka National Disaster Management Plan 2018-2030 (SLNDMP) which is to be implemented in three stages. The National REDD+ Institutional Framework and Action Programme (NRIFAP) is the only sectoral plan focusing on mitigation. The above are recently prepared multi-sector, multi-agency programmes/plans to be implemented under the mainstreaming principle. Their coordinating agencies are currently facing the challenge of bringing them into action with the support of relevant agencies, a daunting task.

As far as ground level climate actions are concerned, in general higher level of awareness, readiness and initiatives for action can be observed in the agriculture and water management sectors (Target 13.3). The situation in the other sectors appears to be comparatively lagging behind. Three relatively large projects - namely the Climate Resilience Improvement Project (CRIP), Climate Resilient Integrated Water Management Project (CRIWMP), and the Project for Addressing Climate Change Impacts on Marginalized Agricultural Communities Living in the Mahaweli River Basin of Sri Lanka - have been initiated with the support of the World Bank, and the Green Climate Fund and Adaptation Fund, respectively. These three projects aim at strengthening the resilience and adaptive capacity of vulnerable farmers in large and medium irrigation schemes, small tank cascade systems, and selected farming communities in the Mahaweli River Basin (Target 13.1).

## Gaps and Challenges

Addressing the impacts of climate change through measures of adaptation and mitigation is a relatively new area of intervention in public policy. Hence, policy frameworks and institutional arrangements to address the threat of climate change are gradually evolving. The NAP-CC has identified five gaps that restrain effective adaptation actions against climate change impacts in all sectors: information gap, technology gap, policy gap, institutional gap, and resource mobilization gap. Among these,

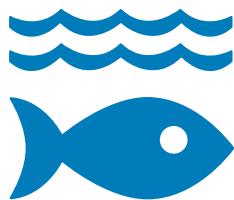
information gap and institutional gap appear to be the most critical at the present juncture. Information gap refers to the lack of reliable information products to figure out future changes in climate against which adaptation measures have to be taken. In the short-run, this refers to the unavailability of accurate weather forecast products that are required to take necessary decisions regarding the adjustments on respective livelihood activities (e.g. farming, fishing, travel planning). In the long-run, the information gap refers to the lack of reliable projections on long-term changes in climate that are useful for policy decision making. Limited human resources and technical facilities have constrained the development of reliable weather forecasts and climate change projections by the DM, a gap that needs to be bridged through necessary capacity building measures.

The institutional gap does not necessarily refer to the lack of institutions for taking appropriate climate actions since Sri Lanka has a number of line agencies that can address sectoral and cross-cutting impacts of climate change. More precisely, it refers to the capacity limitations and the poor coordination among the existing mandate holders to take coordinated actions against climate change impacts in various sectors. As mentioned above, there are national policies and plans that have provisions to take action against climate change. These have been designed to be implemented under the mainstreaming principle that requires coordination among relevant institutions. The implementation of these policies and plans has suffered due to the lack of institutional coordination and capacity among different stakeholder agencies.

## Way Forward

Sri Lanka has developed a number of policy measures and plans to address the threat of climate change in different sectors during the recent past. Among others, institutional and information gaps seem to have hindered the effective implementation of those plans. Hence, the essential aspect that needs urgent attention at this juncture is the speedy implementation of these policies and plans by overcoming information and coordination gaps. Overcoming the information gap is largely a responsibility of the DM and hence capacity building of the DM to produce appropriate climate information products is an essential pre-condition. Recognizing this situation, 2018 national budget has allocated substantial provisions for capacity developments of the DM. Institutional gaps that obstruct the implementation are far more deep-rooted and require more comprehensive measures. The most important step is establishing an effective monitoring and evaluation framework that can track the progress of plans, programmes and projects on a continuous basis.

# 14 LIFE BELOW WATER



## Current Status and Trends

Citizens of Sri Lanka are entitled to reap the benefits of significant marine resource endowment comprised of Exclusive Economic Zone (EEZ), Contiguous Zone, Territorial Sea and Historical Waters which altogether covers an area of eight times the size of the country's land extent. Sri Lanka has also submitted its claim to the United Nations Convention on Law of the Sea (UNCLOS) for a sea bed zone that extends beyond the EEZ. The Island has a coastline that extends over 1700 km, studded with numerous coastal and marine ecosystems. Major economic activities based on the coastal and marine resources include fisheries and aquaculture, tourism and ports and shipping. In certain areas of the coastal zone, manufacturing industries and power generation facilities are located. Around 300,000 families make their living out of fisheries whereas around 350,000 persons are estimated to be engaged in tourism related activities.

The shallow sea in the continental shelf-area is rich with numerous marine species including several economically harvested finfish and crustaceans. Sea areas around the island are also rich with habitats of whales, dolphins and other sea mammal species that has attracted the attention of tourists around the world. The main economic activities that are involved with marine biodiversity in the country are fisheries and tourism. Marine fisheries in Sri Lanka have two major components, coastal fishing and offshore/deep sea fishing. In addition, fishing in inland water bodies contributes to a small share of the total supply. In 2015, the coastal fishing contributed 51% to the total production even though the share of coastal fishing has been decreasing due to the rapid growth of production from offshore and deep-sea areas with the introduction of multi-day fishing crafts since 1980s.

A booming whale and dolphin watching industry is developing in certain locations such as Mirissa, Kalpitiya and Trincomalee around the country. While many locations along the coastline offer the opportunity for enjoying 'sun and sand beaches', some areas have become popular destinations for near-shore recreation. Coastal locations with unique habitats such as coral gardens in Hikkaduwa, Bar Reef in Kalpitiya, and Pigeon Island and Arugam Bay in the Eastern Coast have become major tourist attractions.

Marine and coastal pollution is an emerging environmental issue in Sri Lanka that affects ecosystems and organisms adversely. Marine and coastal environments get polluted due to land-based as well as ocean-based pollutants. Land-based pollution is a result of rapid urbanization, increased tourism operations, growing industrial activities and poor waste management facilities in the coastal zone. Major pollutants of land-based origin are garbage and wastewater/sewerage from coastal townships and tourism facilities, industrial pollutants from near-shore facilities, agro-chemicals from coastal agriculture and aquaculture and pollutants carried with riverine flows from inland areas. Major sources of ocean-based pollution are oil/chemical spills from transportation and accidents in the sea, disposal of non-degradable litter substances by vessels (e.g. plastics), periodic dry docking and servicing of vessels and ballast water discharges. Several incidents of oil/chemical spills and marine accidents have been reported from near-shore areas around the country from time to time.

Marine and coastal resources are complex systems that are being exploited by a wide range of stakeholders. For instance, marine fisheries in the country are multi-craft, multi gear and multi species fisheries. Therefore sustainable management of resources requires appropriate policy, legislative and institutional frameworks to address complicated resource management issues. Sri Lanka has introduced a number of policy measures with the aim of protecting marine and coastal environments while harvesting resources on a sustainable basis (Targets 14.2, 14.4 and 14.7). These include legislative acts, national policies, plans and programmes. The legislative acts have established a legal framework and an institutional set-up that deal with different aspects of marine and coastal resource management. The legal framework of sustainable management of marine (and coastal resources) in the country is structured by a few

key legislations, namely; Fisheries and Aquatic Resources Act of 1996 (Department of Fisheries and Aquatic Resources), Coast Conservation Act of 1981 (Coast Conservation and Coastal Resources Management Department), Marine Pollution Prevention Act of 1981 (Marine Environment Protection Authority), Fauna and Flora Protection Ordinance of 1937 (Department of Wildlife Conservation) and Sri Lanka Coast Guard Act of 2009 (Sri Lanka Coast Guard). The national legal framework is bound by a number of international treaties and conventions signed by the Government. This legal framework provides for the creation of special areas (for example Special Management Areas in the coastal zone, Fisheries Management Areas, Fisheries Reserves, Marine National Parks and Marine Sanctuaries) and the implementation of measures to protect selected species and/or habitats through imposing regulations to control harvesting, exporting or importing of species under threat (Targets 14.5 and 14.4). In addition to the legal framework, the conservation and sustainable management of marine and coastal resources are empowered by a number of national policies and plans. These include the National Fisheries and Aquaculture Policy (Draft), the National Wildlife Policy of 2000, the National Biosafety Policy of 2005, the Coastal Zone and Coastal Resource Management Plan (2016), the National Oil Spill Contingency Plan of 2005, and the National Biodiversity Strategic Action Plan 2016-2022. The specific mandate holders implementing the legal and policy measures are also assisted by the Sri Lanka Navy. Overall, Sri Lanka has developed a comprehensive policy, legal and institutional framework to address the issues of marine biodiversity which can be considered as a significant achievement.

The Government has made significant efforts to increase the fish supply from marine sources (Target 14.7). However, rapid production growth reported during the last two decades can mainly be attributed to increased private investments on modernized crafts and technology that has enabled long-distance fishing operations in offshore/deep sea regions. As a result, the total size of the fishing fleet has more than doubled since 1980. Nearly 60% of the fleet in 1980 consisted of traditional crafts. Private investment in motorised crafts such as inboard-multiday, inboard-day, outboard-FRP, and motorized traditional crafts has increased steadily since then, exceeding the number of traditional crafts. Private sector initiatives were facilitated by state support for infrastructure facilities such

as fishing harbours, landing sites, storage and marketing facilities. The Government established the Fisheries Harbour Corporation for the construction and management of fisheries harbours around the country. Growth of deep sea fishing helped developing a fish processing industry, attracting private investments even from foreign sources for export markets, thereby earning foreign exchange. The Government is also involved in research, extension and training of fishing community (Target 14.7). The National Aquatic Resources Research and Development Agency (NARA) and Sri Lanka Ocean University undertake research and training activities.

To overcome the environmental and resource management issues associated with increased fishing efforts encouraged by supply side interventions, the Government implements regulatory measures such as registering boats, issuing licenses, controlling uses of harmful fishing gear and promoting participation of fishers' organizations in management of local fisheries to prevent over-exploitation (Target 14.4). These interventions are undertaken by the Department of Fisheries Aquatic Resources (DFAR) under the provisions of Fisheries and Aquatic Resources Act. The objective of these measures is to maintain production levels under sustainable limits, preventing over-exploitation.

## Gaps and Challenges

Marine and coastal ecosystems around the island are getting exposed to growing maritime activities in the busy sea lanes of the Indian Ocean. Simultaneously, Sri Lanka's efforts to capture 'blue economy' opportunities also bring them under stress. As a result, there are a number of emerging gaps and challenges that could affect sustainable management of marine biodiversity, including some of the most critical issues that are listed below:

- Unlawful fishing operations by South Indian fishers in Sri Lankan waters using harmful bottom trawling methods is a major challenge for the sustainability of fisheries. This has developed into a problem of such scale that even the naval force of the country finds it hard to cope with. Poachers continue to defy all diplomatic efforts and law enforcement measures.
- Growth of Illegal, Unreported and Unregulated (IUU) fishing operations

is a major threat that could impart significant damage to local fisheries. Besides its harmful impact on the resource base, it could also affect the growth of the fish export industry in an adverse manner. The EU has once banned fish exports from Sri Lanka, identifying Sri Lanka as a non-cooperating country on the basis that sufficient actions are not being taken to deter IUU fishing.

- Marine traffic in sea lanes around Sri Lanka as well as ship arrivals at Sri Lankan ports are increasing. As a result, the risk of marine pollution through oil spills and marine accidents is likely to increase in the future. Offshore oil exploration in the Mannar basin could lead to increased marine pollution

unless proper safeguard measures are taken. Marine pollution cannot be controlled by efforts of national agencies alone since Sri Lanka has hardly any control over international sources of pollution.

- Growing marine traffic increases the risk of invasive alien species, creating issues of biosafety.
- Although Sri Lanka has developed a comprehensive legal, policy and institutional framework for managing coastal and marine resources, there are several inefficiencies in the implementation of this framework. Limited capacity of implementing agencies for undertaking surveillance, monitoring and enforcement is a major factor responsible for this situation.

## Way Forward

Marine biodiversity around the island has come under increased pressure due to growing fishing efforts of Sri Lankans as well as fishers from neighbouring countries. The rising incidence of marine pollution due to growing maritime and coastal economic activities, and increased sea-bound tourism activities create additional pressure. Despite Sri Lanka's efforts to develop a comprehensive legal and policy framework to address the resultant issues of sustainability, there are capacity limitations in the system; especially the poor surveillance, monitoring and enforcement capacity that has greatly affected the successful implementation. Nearly all challenges currently faced by the marine ecosystems can be identified as directly or indirectly connected to this deficit. Hence, enhanced capabilities of surveillance, monitoring and enforcing the sustainable management measures are the key to ensuring healthy and safe oceans around the country. Sri Lanka has taken positive steps in this direction by establishing the Sri Lanka Coast Guard (SLCG) and developing policy measures such as the Sri Lanka National Plan of Action to Prevent, Deter and Eliminate IUU Fishing. However, the rising incidence challenges mentioned above indicate the need to further upgrade these efforts.

# 16 PEACE, JUSTICE AND STRONG INSTITUTIONS



## Current Status and Trends

SDG target 16.1 requires significant reduction in all forms of violence and related death rates everywhere. Compared to 2008, Sri Lanka's homicide rate in 2016 has decreased to 2.5 cases per 100 000 and the number of grave crimes has recorded a decrease of approximately 40% to 35,987 in 2017.<sup>152</sup> Target 16.2 requires ending abuse, exploitation, trafficking and all forms of violence against children. In 2016, the number of victims of human trafficking per 100,000 population was 0.12. Abducting/ kidnapping has reduced from 1239 in 2010 to 897 in 2017. Cruelty to children and sexual exploitation of children have reduced from 340 in 2010 to 131 in 2017.<sup>153</sup> Sri Lanka ratified the Palermo Protocol to prevent, suppress and punish trafficking in persons especially women and children on 15 June 2015, and through coordinated efforts by a stakeholders task force led by Ministry of Justice, substantive progress has been achieved to raise awareness, provide victim assistance, and in getting due processes against perpetrators. Sri Lanka has also be actively contributing bilaterally and regionally through mechanism such as the "Bali Process".

Target 16.3 requires promoting the rule of law at the national and international levels and ensuring equal access to justice for all. Through the enactment of the 19th Amendment and introducing independent institutions such as the Police Commission, Judicial Service Commission, and building capacities such as forensics, investigation, the work of the judiciary has regained credibility. The recent accreditation

of the National Human Rights Commission to 'A Grade', by the Global Alliance of National Human Rights Commissions (GANRI), is a clear testimony of enhanced institutional capacity that has helped improved the rule of law in the country. The number of indictments served has increased due to empowerment of investigators, and the number of detainees who have not been sentenced as a proportion of the overall prison population was 0.5 in 2016.<sup>154</sup> The Government also works closely with the ICRC to improve conditions in the Prisons.

Target 16.4 advocates significantly reducing illicit financial and arms flows, strengthening the recovery and return of stolen assets and combating all forms of organized crime. The proportion of seized small arms and light weapons that are recorded and traced in accordance with international standards and legal instruments per 100,000 population was 0.4 in 2016.<sup>155</sup> Moreover, detection of the manufacture/possession of illegal drugs has increased from 511 in 2008 to 2845 in 2017, which could be treated positively as a result of the strengthening of the law enforcement authorities.<sup>156</sup>

Despite several acts to prevent corruption and bribery that include Prevention of Money Laundering Act No. 5 of 2006 and Financial Transactions Reporting Act No. 6 of 2006, Sri Lanka performs poorly in terms of corruption and bribery (Targets 16.4 and 16.5). According to Transparency International's Corruption Perception Index (CPI) 2016, Sri Lanka was ranked at 95 out of 176 countries with a score of 36 when compared to 2015 when the country was ranked at 83 among 168 countries.<sup>157</sup> Credible and trustworthy institutions built on principles of transparency and accountability (Target 16.6) and inclusive/representative decision making (Target 16.7) are key principles of good governance which is being embraced through the National Human Rights Action Plan (NHRAP) and the Universal Periodic Review (UPR) process.

The restoration of peace and the right to life since the ending of the conflict with the defeat of the Liberation Tigers of Tamil Eelam (LTTE) in 2009,

<sup>152</sup> Sri Lanka Police website, Crime Trends data. Available at <https://www.police.lk/index.php/crime-trends>

<sup>153</sup> Ibid

<sup>154</sup> DCS (2017)

<sup>155</sup> Ibid

<sup>156</sup> Sri Lanka Police website, Crime Trends data. Available at <https://www.police.lk/index.php/crime-trends>

<sup>157</sup> Sri Lanka Anti-corruption Report, Anti-corruption portal, GAN Integrity <https://www.business-anti-corruption.com/country-profiles/sri-lanka/>

is a notable success by the country. Sri Lanka also provides a classic example of the SDGs to sustain peace, justice and strong institutions. Since 2009, the State reforms and the peace-building policy of Sri Lanka has centred on 4Rs; Reconciliation, Reconstruction, Rehabilitation and Recovery. The 4R policy is to address the causes of the protracted conflict, promoting a peaceful and inclusive society, setting up accountable institutions and ensuring a free and just society. Since 2009 the Government of Sri Lanka (GoSL) has executed the policy of 'Peace through Development'. The policy of peace building in Sri Lanka immediately after the end of the conflict was on infrastructure development which has generated new trends in peace building.<sup>158</sup> The Government introduced two major policies to rebuild and reconstruct the affected areas; Northern Spring (Uturu Wasantaya) and Eastern Revival (Nagenahira Navodaya).

The Government has invested in several projects in North and East which include the reconstruction programmes in the North that include housing and human settlement, road development, water supply and irrigation, education and administration<sup>159</sup>; and in the East, the resettlement of internally displaced people, demining, rehabilitation, and construction of new roads, bridges, ports, power plants, electricity distribution networks, hospitals, and schools.<sup>160</sup> It is noted that the Government has implemented 65 major development projects since 2009 with an investment of US \$ 2,494 million, while 125 major development projects are being implemented with a committed investment of US \$ 2,659 million to fulfill the post conflict development needs through various Ministries. In addition, certain donor agencies have implemented a large number of projects directly through local NGOs / partner organizations. The total investment in this regard (off to the Government budget) was approximately US \$ 1,430 mn .

Whilst the Government promoted peace through development, the Lessons Learnt

and Reconciliation Commission (LLRC) was appointed to build sustainable peace and security to gain fruits of democracy and citizenship for all Sri Lankans to enjoy equality.<sup>161</sup> The Mine action Programme which began in 2002 in the midst of conflict, continued through the years and the Government continued to bear a substantive portion of the financing of the National Mine action programme, along with the support received from partner countries and organizations. As a result of the efforts of these partners and the Sri Lanka defence forces, Sri Lanka was able to ratify the Ottawa Convention on Mine Bans and aims at making Sri Lanka Mines free country by 2020. As of date, the humanitarian demining efforts have led to accelerate resettlement efforts, and its role as a confidence building measure plays crucial role in the reconciliation efforts of the country.

## Gaps and Challenges

Despite efforts of the Government to sustain durable peace, a few challenges remain. There have been occurrences of aggressive situations in the Northern and the Eastern Provinces due to factors including the high presence of the military, poverty, illiteracy, and corruption (Target 16.1). During the armed conflict the security forces have occupied lands belonging to the people in the North. As of March 2018, over 70% of private land which had been with the security forces during the conflict period has been released to be given to their original and rightful owners. A Committee chaired by the Secretary to the President was set up in January 2018, which will continue to meet frequently with all relevant local stakeholders to oversee and monitor the process of land release, the payment of compensation, and address connected issues.<sup>162</sup>

There are regulatory mechanisms, legal frameworks and policies in place to ensure peace and justice. However, there are some gaps in the implementation and monitoring partly due to the lack of strong institutions (Target 16.6). For example, the Government

158 Kristine Höglund and Camilla Orjuela (2012) Hybrid Peace Governance and Illiberal Peacebuilding in Sri Lanka. Global Governance: A Review of Multilateralism and International Organizations: January-March 2012, Vol. 18, No. 1, pp. 89-104.

159 Ministry of Economic Development (2010). Performance Report-2010. Ministry of Economic development

160 Sri Lanka Guardian. (2008). Information Gateway to "Nagenahira Navodaya". Available at <http://www.srilankaguardian.org/2008/05/information-gateway-to-nagenahira.html>

161 Report of the Commission of Inquiry on Lessons Learnt and reconciliation (2011). Available at <http://slembassyusa.org/downloads/LLRC-REPORT.pdf>

162 Hon. M/FA's statement at the 37th Session of the Human Rights Council held in March 2018, <http://www.lankamission.org/image>

has strengthened the implementation of anti-corruption laws that include the Penal Code, Bribery Act and Prevention of Corruption Act which criminalize corruption and attempted corruption in the form of extortion and bribery; however, the enforcement remains constrained by a lack of resources and technical expertise. and powerful political elites often go unpunished for committing corruption crimes.<sup>163</sup>

Weak governance and institutional mechanisms continue to undermine Sri Lanka's long-term growth potential. Weaknesses in the rule of law, corruption, and the lack of democratic freedom, amongst others have continued to negatively impact the country's standing in global indices on governance standards. Such weaknesses are often reflected in policy unpredictability, weak public service delivery and administrative red-tape that deter investments and undermine public confidence.<sup>164</sup>

Inclusive growth breaks the cycle of poverty

minimizes marginalization and the occurrence of conflicts. Therefore, increased investments to improve rural income and employment opportunities in marginalized areas are required to sustain peace and harmony. Incorporation of democratisation with development dimensions has to be given increased focus for ensuring long lasting peace and justice. Enabling local communities to become stakeholders in the development of their community and integrating local projects with mainstream development agendas are crucial in achieving Target 16.7. However, Peoples' participation in development and governance is an area that needs further improvements.

Data and information gap is a critical issue with related to Goal 16 as hidden data and unreported cases are quite high. Since the respective ministries are supposed to set their reform policies based on the data and information, data collection and reporting is crucial while going forward on achieving SDG 16.<sup>165</sup>

## Way Forward

As presented by the Government's Vision 2025, GOSL will ensure the rule of law and good governance, protect human rights of all and promote inclusive and equitable growth and development of the country which is the need for a strong democracy. The country is now in the process of drafting a new constitution. This can be a space to recognise the rights of every ethnic and religious community. Strengthening law enforcement institutions and proper monitoring mechanisms are crucial in ensuring peace and justice in the country. People, Planet, Prosperity and Partnership can be brought together through a new constitution with strong institutions. Education about values, attitudes, modes of behaviour, and ways of life that can enable them to resolve any dispute peacefully and in a spirit of respect for human dignity and of tolerance and non-discrimination.

The concept of peace through development has been further advanced with the election of a new Government in 2015 to include democratisation with the development dimension. The process of democratisation focuses on the institutionalisation of justice and accountability for a society free from violence and fear (Target 16.1 and 16.2). In order to realise this objective, the current Government has implemented several policies. The singing of the national Anthem in both Sinhala and Tamil languages was initiated. Sri Lanka has made some encouraging progress in textbooks which used to highlight heroic stereotypes of one ethnic group over another. The national policy for social integration

<sup>163</sup> Sri Lanka Anti-corruption Report, Anti-corruption portal, GAN Integrity <https://www.business-anti-corruption.com/country-profiles/sri-lanka/>

<sup>164</sup> Vision 2025

<sup>165</sup> Stakeholder input from the validation workshop

was drafted to promote cultural pluralism and to mainstream a human rights approach in identifying right holders, duty bearers and accountable institutions to ensure social rights of citizens. The National Policy on Reconciliation and Coexistence in Sri Lanka was launched by the Office for National Unity and Reconciliation to emphasize the need of reconciliation.

The Government of Sri Lanka has passed two significant Acts in order to strengthen democracy in the country; the Right to Information (RTI) Act, No. 12 of 2016 and the Office on Missing Persons (OMP) Act, No. 9 of 2017. The Right to Information Act fosters a culture of transparency and accountability in public authorities by providing all citizens the right of access to information (Target 16.10). This would enable Sri Lankans to better participate in public life and combat corruption and promote accountability and good governance. The Office on Missing Persons Act creates a mechanism to reach transitional justice and provides reparations to the victims of the nearly three decade long armed conflict in the county. The 2018 Government budget has allocated LKR 1.3 billion to make the OMP operational.

The Ministry of Women and Child Affairs has established women and children's units at the divisional level which is staffed by officers working on women and child affairs at the grass-root level to provide protection, care and guidance, to resolve issues related to Gender Based Violence, and to provide emotional support and counselling (Targets 16.1 and 16.2). They also collaborate with other State agencies such as hospitals and community organisations, functioning as a crucial link between the State machinery and the community. The National Anti-Human Trafficking Task force has developed a strategic plan for the 2015 - 2018 period to monitor and combat human trafficking, endeavouring to bring together stakeholders to work in coordination and collaboration on targeted interventions.<sup>166</sup> Among the functions of the UNHCR in Sri Lanka are: supporting the Government's Peace Agenda and Peace Building Priority Plan 2016 in cooperation with other UN agencies; advocating for the full implementation of the National Policy on Durable Solutions for Conflict-Caused Displacement (adopted by the Cabinet in August 2016 and administered by the Ministry of Prison Reforms, Rehabilitation, Resettlement and Hindu Religious Affairs); and strengthening returnees' access to justice and rule of law by supporting the activities of the Sri Lanka Human Rights Commission and the Legal Aid Commission.

Another good example of collective efforts to forge peace through a multi-stakeholder approach in Sri Lanka is the Peace Building Priority Plan (PPP) which recognizes the importance of strengthening the role of civil society and volunteerism in Peace Building. In 2016, the Prime Minister's Office, the Secretariat for the Coordination of Reconciliation Mechanism (SCRM), the Ministry of National Policies and Economic Affairs, and the Ministry of National Co-existence, Dialogue and Official languages have partnered with the UNFPA, UNV, and UN WOMEN with the support of UN Peace Building Fund to empower women and youth to participate and engage in governance and decision-making processes and responses related to sustaining peace and security in Sri Lanka at all levels.

In addition, the Government has proposed to implement the Grama Rajya (GR) concept to address the gaps in people's participation in Government and development. GR will enable local communities to become stakeholders in the development of their community, and integrate local projects with mainstream development agendas. The main objectives of GR centre around the socioeconomic and cultural development of localities, social well-being, shared ownership of social economic goods, and the alignment of local development with national development goals. GR will create a space in which people's participation in Local Government can function within the country's larger macroeconomic framework.<sup>167</sup>

---

166 Vision 2025  
167 ibid

05

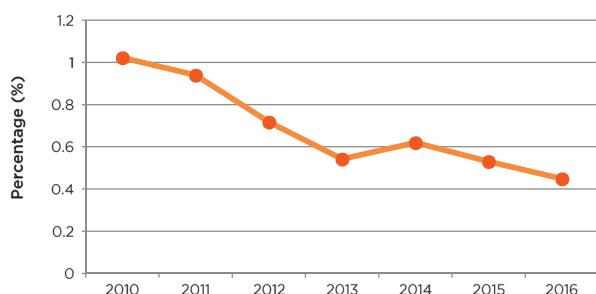
## MEANS OF IMPLEMENTATION

The 2030 Agenda on Sustainable Development has embedded the means of its implementation through SDG 17 on the partnerships for the goals. Sri Lanka has developed means of implementation to support the achievement of SDGs via promoting of financing, technology development, capacity building, trade and investments, multi-stakeholder partnerships, and monitoring and accountability as well as to address systemic issues like policy and institutional coherence. This section analyses the performance of these means of SDG implementation in Sri Lanka.

### a) Financing

Financing is a major issue in implementing SDGs given the extent of new or additional resources required, for example in improving the physical and human resources of existing Government ministries and departments. The Finance Commission of Sri Lanka is responsible for allocating funds to all provincial and local Governments for all activities including the ones related to SDGs. With Sri Lanka's graduation to lower-middle income country status in 2010, access to concessional finance has become comparatively lower. For instance, ODA flows as a share of GDP saw a gradual decline from 1.0% in 2010 to 0.4% in 2016 (Figure 5.1). Sri Lanka will therefore have to look for other sources of financing and capacity building, both domestic and international.

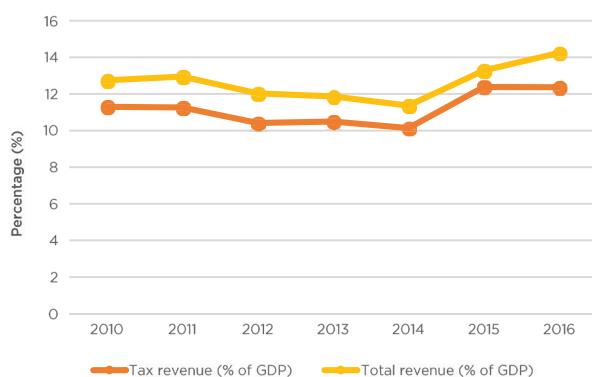
**Figure 5.1: Official Development Assistance (% of GDP)**



Source: World Development Indicators 2017, World Bank.

On the domestic front, Sri Lanka's resource mobilization efforts need strengthening to improve domestic capacity for tax and other revenue collection (Target 17.1). Currently, the total revenue as a share of GDP stands at 14%, and has not been adequate to cover even the recurrent expenditure of the Government, consequently leading to large budget deficits of around 5% of GDP.<sup>168</sup> Low tax revenue is largely due to a low tax base, which has not broadened in line with increases in income and economic activities. Moreover, weak tax revenue has led successive Governments to impose ad hoc taxes from time to time, making the tax system complicated and difficult to comprehend. Measures are already underway to simplify the tax structure while broadening the tax base, including the redrafting of existing tax laws to ensure simplicity, clarity and consistency in the tax system.<sup>169</sup> The recently implemented New Inland Revenue Act is projected to increase Government tax collection by Rs.30 billion during the latter half of this year and contribute to the Government's ambitions of reaching a 15% tax-to-GDP target in 2018.

**Figure 5.2: Revenue (% of GDP)**



Source: World Development Indicators 2017, World Bank.

Poor revenue performance has resulted in the Government depending more on borrowings to finance the budget deficit. As a result, the total annual debt has grown at an annual rate of over 6% in recent years, and stands at a massive 79.3% of GDP at present (Target 17.4).<sup>170</sup> Of concern is the massive

<sup>168</sup> Central Bank of Sri Lanka Annual Report 2016.

<sup>169</sup> Ibid.

<sup>170</sup> Ibid.

increase in the share of non-concessional external debt from just over 7% in 2006 to 53% by 2016, driven largely by Sri Lanka's graduation to a Middle Income Country status in 2010 and the consequent restricted access to foreign grants and concessional financing.<sup>171</sup>

## b) Technology

Sri Lanka has been lagging in the field of Science and Technology (S&T). This stems from low access to science education in schools, and the resultant low university enrolments in S&T subjects. Only 3.1% of the 15 and above population are both tertiary educated and employed in S&T jobs, with over 50% of such jobs being performed by unqualified persons.<sup>172</sup> Further, Sri Lanka's IT literacy rate is not satisfactory with 27.5% in 2016, with only 15.1% of households having access to the internet. Sri Lanka's expenditure on research and development (R&D) as a share of GDP is also low at 0.1% in 2013. Similarly, the number of researchers in R&D is also low at 111 per million people. These factors have pushed Sri Lanka to a rank at 106th out of 137 countries in terms of technological readiness in the latest Global Competitiveness Report produced by the World Economic Forum. However, Sri Lanka ranks better at 54 in terms of innovation, although it lags in terms of the quality of scientific research institutions and Government procurement of advanced technology products.

The Government's Vision 2025 Policy Document acknowledges that there is a shortage of policies and strategies to develop technology necessary for the manufacturing sector. The pharmaceutical, electronics, medical equipment, automotive component industries have received insufficient support, and interest and awareness for R&D is low in these sectors. There is consequently little incentive for the private sector to enter and invest.

On a more positive note, the Electronic Transactions Act No. 19 of 2006 was modernized to facilitate Sri Lanka's journey into the digital commerce era, by ensuring

that Legislation is fully in line with the "United Nations Convention on the Use of Electronic Communications in International Contracts" (also known internationally as the "UN Electronic Communications Convention or UNECC). Sri Lanka became the first country in South Asia and second country in the Asian Region (after Singapore) to ratify the aforesaid UN Electronic Communications Convention on 7th July 2015.<sup>173</sup> Sri Lanka now claims to have the most up to date legislation in the region to facilitate Electronic Commerce, Mobile Commerce, e-Governance, whilst giving users more options with regard to the use of Electronic Signatures and other authentication technologies for digital transactions.

Moreover, in recognition of the need to shift towards a more innovative, knowledge-based economy, the Government has proposed several measures to improve the technology and digitalization sectors in Sri Lanka.<sup>174</sup> Some important initiatives include measures to encourage the transfer of appropriate foreign technologies into Sri Lanka, incentives to promote public-private investments in digital technology, integration of ICT literacy into school curricula, increasing digitalization of Government operations, strengthening ICT-based marketing interfaces, strengthening Sri Lanka's National Intellectual Property Office to manage registration exploitation, regulation and resolution more effectively, and building the legal framework for electronic transactions—The Electronic Transactions (Amendment) Act—which will bring Sri Lanka's e-commerce legislative framework on par with Singapore, Australia, China, and other developed countries.

Sri Lanka should also look at exploiting existing trade agreements and building on them as a means of attracting technology-driven and knowledge-intensive FDI. Further, the development of environmentally sound technologies (Target 17.7) is an area that needs attention.

171 Weerakoon, D. 2017. "Sri Lanka's Debt Overhang: Getting Better, or Worse?" Colombo: Institute of Policy Studies

172 Arunatilake, N. 2016. Labour Market Analysis using Census Data. Colombo: UNFPA

173 Ministry of Telecommunication, Digital Infrastructure and Foreign Employment of Sri Lanka, 2018

174 Vision 2025

## c) Capacity Building

Several efforts have been already made on providing capacity building for all stakeholders for planning and implementing SDGs. The planned and/or already initiated activities include developing a SDG Guidelines Framework; Training of Trainers from the primary and secondary education, universities, vocational education, CSOs and private sector; Training of Parliamentarians; Training of Senior Public Officials; Training of provincial and local Government politicians and National SDG communications and awareness campaigns. The Ministry of Sustainable Development, Wildlife and Regional Development (MSDWRD) has already launched the National and Provincial Sustainable Development Engagement Platforms, bringing together representation from the central and local Government, civil society, academia, private sector, development agencies, etc.<sup>175</sup> One national and some provincial platforms have been already completed with more provincial platforms being planned. The MSDWRD has also taken action to develop a digital platform for monitoring SDGs and an online platform for stakeholder engagement.

Despite all these efforts, there are gaps in capacity building especially in the area of monitoring and evaluation, including data generation and analysis. There is a need to strengthen Sri Lanka's capacities related to data generation, collection and effective analysis, all of which could be used for evidence-based policymaking and SDG reporting.<sup>176</sup>

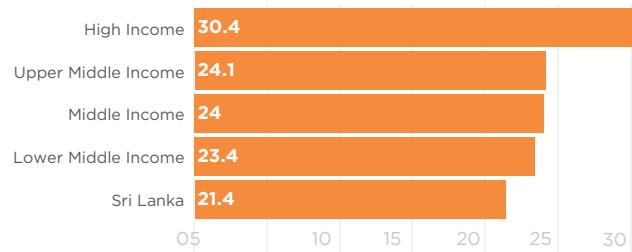
The concept of volunteerism, especially among youth, is another important aspect for which capacity building can be considered, in light of the need for a collective effort from all citizens towards realizing SDGs.

## d) Trade and Investment

Along with fiscal consolidation efforts, Sri Lanka will also need to boost export earnings and foreign direct investments (FDI) to bridge the savings-investment gap (Target 17.11). Sri Lanka's export earnings as a share of GDP currently stand at around 21%, which is relatively low compared to corresponding figures of 31% and 24% in upper and middle income countries, respectively.<sup>177</sup> FDI inflows since 2009 have been notably low, averaging 1.1% of GDP, concentrated primarily on real estate and mixed development projects. Encouragingly, recent efforts to liberalize the economy have seen an increase in export revenue, recording an all-time high of \$ 11.4 billion in 2017—a 10% increase from 2016—a momentum which needs to be sustained. The regaining of GSP+ benefits, in the form of duty reductions on exports to the EU, has also helped in increasing exports (Target 17.12).

In recognition of the importance of FDI, the GoSL has proposed several macroeconomic, factor market, institutional, and regulatory reforms to increase FDI to USD 5 billion per year. It in particular intends to improve Sri Lanka's Doing Business ranking from 110 to 70, and to establish a Single Window for new business registration that brings together multiple Government agencies and streamlines procedures.<sup>178</sup>

**Figure 5.3: Exports (% of GDP)**



Source: World Development Indicators 2017, World Bank.

175 WFP 2017

176 UN (2018). 'United Nations Sustainable Development Framework 2018 – 2022: Sri Lanka'. Available at [http://lk.one.un.org/wp-content/uploads/2017/08/Final\\_UNSDF\\_2018-2022.pdf](http://lk.one.un.org/wp-content/uploads/2017/08/Final_UNSDF_2018-2022.pdf)

177 World Bank. Word Development Indicators 2017

178 Vision 2025

Engaging in bilateral and regional trade and investment agreements is also key to attracting higher exports and investments (Target 17.6). While the USA and EU remain Sri Lanka's largest export markets, it is crucial for the country to diversify its export destinations for long-term economic growth, by focusing on economically developed and emerging strong Asian economies. In this regard, Sri Lanka is in the process of negotiating an Economic and Technology Co-operation Agreement (ETCA) with India that involves investment and services liberalization, building upon the Free Trade Agreement (FTA) for trade in goods entered into two decades ago. The country has also been looking east to dynamic economies such as China and Singapore. Negotiations for an FTA are underway with China, while an FTA with Singapore (SLSFTA) was formally signed between the respective Governments on January 2018. The main focus of the SLSFTA is on investment liberalization in manufacturing and services sectors, and it is hoped that Sri Lanka can exploit vast opportunities to integrate with production value chains of ASEAN countries via the SLSFTA.

### e) Policy and Institutional Coherence

The GoSL pledged to support the 17 goals to be completed by 2030 at the United Nations Sustainable Development Summit 2015 in New York. As the first action towards achieving the SDGs, MSDWRD was established in 2015 mainly to develop and implement the roadmap towards achieving the SDGs in Sri Lanka. Furthermore, Sri Lanka's National Sustainable Development Act, No. 19 of 2017 stipulates that "every ministry, department, provincial council, provincial ministry and department and local authority shall prepare the Sustainable Development Strategy relevant to the scope of their institution in accordance with the National Policy and Strategy on Sustainable Development". Therefore, the Act provides the basis for establishing a legal and institutional framework for implementing the 2030 Agenda through different sectoral line agencies, and other actors

including civil society and private sector to facilitate achieving national, regional, and international commitments on sustainable development. It also provides the basis for establishing a National Policy and Strategy on Sustainable Development, which will promote the integration of environmental, economic, and social factors in the making of all decisions by Government, for a period of 15 years.

In addition, a Ministerial Sub-committee was established in keeping with a memorandum submitted to the Cabinet by the President. The Ministerial Sub-Committee comprises five Cabinet Ministers and a Chief Minister of a Province and the Cabinet also granted their approval to appoint an Advisory Board to formulate the vision of the SDGs for 2030. Further, the Presidential Secretariat has set up a new Office of Strategic Development Evaluation, which will assess Sri Lanka's development performance and provide the President with key information on development status and prospects of SDG process in Sri Lanka.<sup>179</sup>

Mainstreaming SDGs to the strategic planning process first involves localizing SDGs based on a "national consistency framework," where SDGs will be aligned to existing national policies and priorities, and local indicators will be identified for progress review. The implementation of SDGs is to be accomplished in three phases in line with prioritizing of SDGs: the first from 2017-2020 (short-term); the second from 2020-2025 (medium-term); and the third from 2025-2030 (long-term). To mainstream SDGs to the strategic planning process, MSDWRD has initiated actions that are underway to appoint senior officials at national and sub-national levels in charge of SDGs, conduct public awareness campaigns through student competitions and media programmes, and implement a "Sustainable Development Village Programme".

179 Ibid

## f) Multi-Stakeholder Partnerships

Sri Lankan Government has realized that the effective multi-stakeholder partnerships are important for effective development co-operation and achievement of the SDGs. International organizations have been assisting Sri Lankan Government ministries through partnerships and programmes to enhance capacity development in several ways. Through the UN Sustainable Development Framework 2018-2022 (UNSDF), the 13 UN Agencies programming in Sri Lanka has forged a mutual agreement to support the Government efforts for the realization of the 2030 Agenda for Sustainable Development.<sup>180</sup> For example, agencies such as the UNDP, United Nations Children's Fund (UNICEF) and the Asia Foundation have worked with the Ministry of Justice to develop child-friendly courts, create and strengthen community mediation boards and promote equal justice, which according to Government officers, have been especially useful in filling technical and financial gaps.<sup>181</sup>

Also, there are isolated recent initiatives by the Government in partnering with Private Sector, producer organizations and the individuals in achieving SDGs. For example; The National Agribusiness Development Programme (NADeP) is implemented by the Sustainable Development Division under the Presidential Secretariat of Sri Lanka and jointly funded by Sri Lankan Government and through a credit facility from the International Fund for Agricultural Development (IFAD). The programme collaborates with private sector entities to undertake partnership ventures in the value chain development and market linkages by targeting the smallholder agri-producers with the aim of strengthening the national economy for reducing inequality and eliminating poverty which is the key SDG objective of the Government.

It has however been noted, based on past experience in working with the MDGs,

that the active involvement of the private sector, academia, general public, and volunteers is inadequate, mainly due to lack of familiarity with goals and their specific targets. Encouraging private firms to adopt SDG's to their CSR framework will allow the corporates to be directly involved; currently Standard Chartered Bank, Insee Cement and Dilmah have integrated SDG's to their CSR framework.<sup>182</sup> Further, general public and volunteers should play greater roles in achieving SDGs considering that volunteerism strengthens civic engagement, safeguards social inclusion, deepens solidarity, and solidifies ownership of development results. These issues need to be addressed through documentation and dissemination efforts in working towards implementing the SDG agenda.

## g) Data, Monitoring and Accountability

The DCS is the national statistical organization responsible for collecting, compiling, analysing and disseminating statistical information needed to track progress of SDGs. Sri Lanka's statistical system is well established and maintained, and is well poised to track progress of some SDG targets. The research unit of DCS has been assigned with the task of assessing and making necessary recommendations, regarding the additional data requirements to monitor the status of SDGs.

The GoSL has launched a report and website for reporting on the status of the SDG indicators at the national level on July 2017 which are being updated continuously. DCS has appointed a committee to study the availability of data on SDGs for Sri Lanka and gather data from various sources to compile a report containing available data. This committee critically reviewed all indicators compiled by the DCS and statistical units of the DCS set up in other key departments and ministries. The committee found that the data for 46 SDG indicators are available through on-going censuses, surveys, and administrative data. In addition, they

180 WFP 2017

181 Tilakaratna et al. (2017). "National Level Implications of SDG Implementation: The Case of Sri Lanka." Occasional Paper Series 41, Southern Voice on Post-MDG International Development Goals

182 Stakeholder input from the VNR Validation

identified that data for 29 indicators could be compiled by adding new modules into existing census and surveys or through new surveys or special studies (Table 5.1).<sup>183</sup>

**Table 5.1: Availability of Data for SDG Indicators for Sri Lanka**

Classification	Number of Indicators
Already compiled by the DCS	<b>46</b>
To be compiled by the DCS	<b>29</b>
Available or to be compiled by other institutions	<b>131</b>
Regional/Global Indicators	<b>35</b>
Not relevant to Sri Lanka	<b>3</b>
<b>Total</b>	<b>244</b>

However, lack of baseline data for a considerable number of SDG indicators is a constraint for analysis and monitoring the progress of SDGs. In particular, baseline data are unavailable for indicators related to SDGs 12 (responsible consumption and production), 13 (climate action), 14 (life below water), 15 (life on land) and 17 (partnerships for the Goals).<sup>184</sup> Where available, the report includes the definitions and indicators that are employed domestically. They also plan to delve into a more disaggregated level in future surveys, in ensuring that no one is left behind with regard to data collection.

A further 131 indicators have been identified to be undertaken by other agencies. Thus, the DCS has emphasized the need of institutions other than DCS getting involved in producing data for SDG indicators. There are some indicators which are not relevant for Sri Lanka or need further localization. Other institutions such as specialized agencies of the UN may compile indicators corresponding to Global or Regional Targets. This also highlights the need for strong partnerships among different institutions and sharing of data and other resources.<sup>185</sup>

Tailored capacity building and training for data collection will be required for

goals related to scientific measurement of water and agricultural indicators and those requiring scientific and technical estimates, including Targets 17.7 and 17.8. Capacity building is also important at the sub-national levels, particularly in ensuring that international standards are applied in the production and dissemination of country statistics. The National Statistical System (NSS) typically consists of the national statistical office (NSO) and any other institutions and administrations that produce official statistics. An effective and efficient NSS that provides regular and reliable data is an important indicator of good policies and is a crucial component of good governance.

The SDG indicators not only require data on areas of enquiry that NSSs have not traditionally produced, they also demand new levels of disaggregation to ensure that we Leave No One Behind. It is evident that the traditional NSS cannot produce all of the data required alone and new actors such as other Departments and Ministries, private sector organizations, research institutes and universities must now be engaged in a wide data ecosystem. Therefore, Sri Lanka's data capacity requires substantial improvements in quality and frequency to direct resources

183 DCS (2017)

184 The lack of baseline data for a considerable number of indicators, as well as the unavailability of up-to-date data were concerns raised by stakeholders at the VNR Validation Workshop

185 Stakeholder input from the VNR Validation

and to prioritize investments effectively on achieving the SDGs. National indicators are needed to plan the incorporation of SDG targets into national planning processes and development strategies. The need for a centralized structure for data was recognized, and examples of other countries examples were seen as possible templates. The DCS, that has led most of the progress in identifying data needs, has been assessing SDG indicators and line ministries have also begun doing the same for areas under their purview. Establishing an SDG data task team would be extremely useful in overseeing the crucial activity of coordinating data requirements of the SDGs. Working groups could be established under this task team to either work on each goal separately or grouping goals into common themes.

06

## CONCLUSION

The GoSL has taken several initiatives to mainstream the SDGs in the country. The establishment of a Parliamentary Select Committee on Sustainable Development, the enactment of the Sustainable Development Act No. 19 of 2017 and the establishment of the MSDWRD as the focal point for coordinating and facilitating the implementation of SDGs are among the key initiatives that highlight Sri Lanka's commitment to the SDGs. Furthermore, in 2017 Sri Lanka expressed its interest to present its first VNR at the HLPF in July 2018.

Sri Lanka's policy framework reflects the country's adherence to sustainable development principles. The country's strategic development framework can be examined via its long-term development plan, Vision 2025: A Country Enriched, its medium term development plan, Public Investment Programme: 2017-2020 (PIP), and the 'Blue Green' Budget of 2018. The effective implementation of the SDGs depends on their alignment with national policies and strategic frameworks. The findings reveal that the national policies are well aligned with the SDGs at both Goal and Target levels. However, there are number of targets/areas which are only partially aligned, in particular those related to environment and partnerships. In addition, Sri Lanka's current strategic development framework presented in Vision 2025, PIP 2017-2020 and the Budget 2018 have integrated all three dimensions of sustainable development; Economic, Social and Environmental.

Sri Lanka's VNR process was a collaborative and inclusive process that included multi-stakeholder engagement - Government, private sector, academia, and CSOs through consultative workshops and laid the foundation for further engagement beyond the 2018 VNR.

The Sri Lanka VNR covered all 17 SDGs and analysed the current status and trends, gaps and challenges and the way forward for each of the SDG with detailed analyses on the goals selected for in-depth review at the 2018 HLPF. With regard to SDG 6, Sri Lanka has made good progress in terms of access to safe drinking water, though there are regional disparities to be addressed. Also, climate change impacts can bring in challenges in this regard. A majority of households possess onsite sanitation facilities, but, there is a need for a centralized sewerage system in order to minimize possible health and environmental impacts of onsite facilities. With regard to the SDG 7, rising fossil fuel dependency

has become a major challenge in the energy sector. The country has made achievements in terms of electrification. Renewable energy sources play an important role and there is much potential for further utilization of renewable energy sources, including solar energy.

Sri Lanka has faced challenges in terms of transportation, housing and environmental issues due to urbanization (SDG 11). Policy measures have been taken to address these issues. Several ongoing projects are implemented to address these issues. The National Disaster Management Plan 2018-2030 has been prepared to address the issues related to disaster risk reduction. Responsible consumption and production (SCP) is an area which has received policy attention in the recent past (SDG 12). The preparation of a policy for SCP, promotion of awareness on SCP, green procurement and green reporting system are some of the important initiatives. It is important to mainstream SCP into sectoral policies and promote private sector participation in this regard. National Biodiversity Strategic Action Plan 2016 – 2022 has been prepared to address the issues in regard to loss of biodiversity in Sri Lanka (SDG 15). Forest degradation is a major cause for loss of biodiversity and it is also associated with land degradation. Proper enforcement of related laws is important to minimize forest degradation and deforestation. This should be supported with clear demarcation of forest boundaries, and through strengthening the capacity of forest managing agencies and increasing public awareness.

Sri Lanka has made significant progress in several areas related to SDGs, in particular education, health and poverty.

Sri Lanka's health system is well-known for achieving outcomes such as low maternal and child mortality, and rising life expectancy. In fact, Sri Lanka achieved the maternal mortality rate global target under the SDGs (Target 3.1) more than two decades ago. In addition, Sri Lanka has many successes in the Education sector. Sri Lanka stands as a notable achiever in terms of educational attainments at the primary and secondary levels not only within the South Asian region, but also among both middle-income and high-income countries. With regard to poverty reduction, Sri Lanka has made significant progress over the past decade reaching a poverty incidence of 4.1% in 2016. Nevertheless, regional disparities in poverty and access to basic services prevail while income inequality remains an issue of concern.

Sri Lanka faces several challenges with regard to the implementation of SDGs, particularly in the areas of financing, technology development, capacity building, trade and investments, as well as systemic issues such as policy and institutional coherence, multi-stakeholder partnerships, and data monitoring and accountability. In terms of financing, Sri Lanka's resource mobilization efforts need strengthening to improve domestic capacity for tax and other revenue collection, and measures are already underway to simplify the tax structure while broadening the tax base.

In recognition of the need to shift towards a more innovative, knowledge-based economy, the Government has proposed several measures to improve the technology and digitalization sectors in Sri Lanka. The Government has also taken several efforts to raise awareness on SDGs and build capacity of stakeholders involved in planning, implementing and monitoring the SDGs.

Printed in Sri Lanka  
June 2018