Sri Lanka
Common Country Analysis
2021
Distinguished colleagues and friends of Sri Lanka,

I am pleased to present the 2021 Common Country Analysis (CCA) prepared by the United Nations in Sri Lanka. The CCA is the UN system’s independent, impartial and collective analysis of sustainable development in Sri Lanka. The CCA is for the UN’s internal use as an input to guide the formulation of the United Nations Sustainable Development Cooperation Framework (UNSDCF) 2023-2027 - the overarching instrument for the work of the UN in Sri Lanka developed in cooperation with the Government of Sri Lanka. The CCA examines progress, gaps, opportunities and bottlenecks vis-à-vis a country’s commitment to achieving the 2030 Agenda, UN norms and standards and the principles of the UN Charter, as reflected in the Cooperation Framework Guiding Principles.

The CCA draws on evidence from published reviews, research, and existing data, along with views of the United Nations Country Team (UNCT) including UN agencies outside of Sri Lanka. The opportunities and measures discussed here seek to mitigate the economic and social fallout of the COVID-19 pandemic, and in doing so provide a roadmap for Sri Lanka to move towards the 2030 Agenda and to achieve broader national development priorities. These measures suggested are aligned with the Government of Sri Lanka’s National Development Framework ‘Vistas of Prosperity and Splendour’, which seeks to achieve the SDGs as part of a broader transformative agenda that aspires for Sri Lanka to be a country of productive citizens, contented families, a virtuous, disciplined and just society and a prosperous nation.

Our analysis also acknowledges that as Sri Lanka changes, the support from the United Nations must change with it. The UN recognises the role that development assistance can play as Sri Lanka progresses to upper middle-income status, and that such assistance should increasingly focus on “the exchange of experiences, improved coordination, and better and focused support of the United Nations development system.”
The recommendations presented here present a deliberate shift in the UN’s thinking towards complementing rather than substituting for state capacity and delivery systems, and identifying and effectively scaling up policy innovations in partnership with government. The topics covered are representative of the six global divides that Secretary-General António Guterres highlighted in his address to the 76th Session of the UN General Assembly - peace, climate, the gap between rich and poor and inequalities in terms of gender, digital technologies and between generations. The CCA is a major step forward to ensure that our advice to policymakers on these critical challenges is well-contextualised, evidence-based, informed by 21st century development experiences and sensitive to fiscal and political constraints, and be delivered transparently and effectively.

The CCA – the first of a new generation of CCA’s delivered around the world – will also set a new standard in evidence-based analysis on sustainable development, and guide the UN Development System to deliver best-practice solutions to support sustainable development. As the UN in Sri Lanka, we will continue to stand ready to provide the best possible technical assistance and support to the Government that is evidence based and fully aligned to international norms and standards, as well as giving momentum to the SDGs. To meet the complexity of the global challenges we face, we will make sure to use innovation, systems thinking, and foresight in our everyday way of working. Together with our unique role in forging public private partnerships, I am therefore confident that the UN will remain very well placed to achieve scale and speed to accelerate the SDGs in Sri Lanka.

Hanaa Singer-Hamdy
Resident Coordinator
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Since 2015, successive Sri Lankan governments have subscribed to the objectives of the UN’s 2030 Agenda, with the SDGs featuring prominently in national development strategies. This support is reflected in the establishment of the Sustainable Development Council (SD Council) under Sri Lanka’s Sustainable Development Act No. 19 (2017) as an apex body to map progress towards SDGs and coordinate actions across government. According to the 2021 Sustainable Development Report, Sri Lanka’s SDG Index of 68.1 is ranked eighty-seventh out of 165 countries. While the 2030 Agenda is a work in progress for Sri Lanka, the COVID-19 pandemic threatens to reverse the country’s considerable achievements under the SDGs. The Government of Sri Lanka (GoSL) responded to the initial outbreak of the virus with a comprehensive lockdown that saw the country avoid a serious first wave of the pandemic. However, subsequent waves cases resulted in movement restrictions persisting in 2021 in response to the increase in locally transmitted COVID-19 cases.
The CCA is anchored on the five ‘Ps’ of the 2030 Agenda: People, Prosperity, Planet, Peace and Partnerships—to analyse the root causes of constraints to sustainable development in an integrated manner.

**Health**: COVID-19 has created an unpredictable, large-scale health emergency in Sri Lanka requiring rapid mobilisation of resources. Public health financing needs to increase in line with service demand—particularly for the poor and other vulnerable groups, including persons on the move—and must also provide sufficient resources for the COVID-19 vaccine rollout. The health system must further prepare for the effects of demographic change: an older population will increase Sri Lanka’s non-communicable disease (NCD) burden and need for more costly and complex health services.

There is also an alarmingly disproportionate rate of undernutrition in Sri Lanka for a country at or around upper middle-income status. Climate change-induced food insecurity is a key risk. Recent developments surrounding the ban of importation of chemical fertilizers could adversely affect the production and productivity of essential food commodities. This situation could deepen the food insecurity of the nation by aggravating the already poor nutritional status of vulnerable communities.

**Education**: Sri Lankans are increasingly completing education at all levels, but it is unclear whether learning outcomes have experienced a commensurate improvement. Lower-secondary students are behind Sri Lanka’s regional peers in both reading and mathematics proficiency. Nationwide school closures in response to the pandemic have severely impacted learning at all levels and widened learning gaps, while access to remote learning lacks consistency across the island. A national remote learning strategy would help identify ongoing needs. An effective early childhood education curriculum would deliver core skills required for transition into formal schooling, reducing achievement gaps.

**Gender equality**: Gendered social norms continue to restrict the agency of both men and women, with a more tangible impact on the agency and empowerment of women and individuals from the LGBTQ+ community. Health and education outcomes for girls largely mirror those for boys in early age groups. However, this has not translated into full and equal participation of women in society. Women’s labour force participation rates have been low, and women are over-represented in non-managerial professional and clerical occupations and underrepresented in managerial-level positions. Some ethnoreligious personal and customary laws appear to inhibit their equality of access to and control over economic resources, among other fundamental rights. Reviving stalled legislative efforts could help end discrimination against women and girls in a way that is more in line with the
fundamental rights and non-discrimination described in Sri Lanka's constitution. Investment in the care economy to promote better sharing of care responsibilities and better work-life balance can also bring transformative changes to advance gender equality in Sri Lanka.

Violence and harassment, particularly gender-based violence and sexual harassment, remains a huge concern, including in the world of work. Addressing structural inequities that directly affect women's physical and economic security may also reduce the risk of violence towards women and girls, including Sexual and Gender-Based Violence (SGBV). Increasing incidences of SGBV also underline the need for meaningful progress in providing procedural justice to victims, establishing a policy framework to address such issues, and providing greater enforcement powers under the Prevention of Domestic Violence Act (2005). Efforts are also required to strengthen the legal framework and institutional mechanisms to address violence and harassment in the world of work. The ILO Convention on Violence and Harassment, 2019 (No. 190) and Recommendation on Violence and Harassment, 2019 (No. 206) provide comprehensive guidance in this regard.

The lack of progress on gender equality is underpinned by the lack of women in places of leadership – at national and subnational level, and in formal and informal fora, to prompt and support gender responsive policies and reforms. Strengthened affirmative action by government and private entities, and institutional gender sensitization can bring about transformation on this issue.

The World Bank suggests that over 500,000 Sri Lankans may have been pushed into poverty as a result of the COVID-19 crisis, with job losses concentrated in the lower middle part of income distribution. These impacts highlight the need for sustained expansion in scope and coverage of social protection programmes. ILO estimates that in 2020, 9.9 per cent of Sri Lanka's working hours were lost relative to 2019, equivalent to 699,000 full-time jobs. Managing the return of an estimated 50,000 migrant workers in response to the pandemic is a priority for social cohesion and care networks. Sustainability of public finances is an increasing downside risk to the country's economic outlook. Constraints on fiscal space leave little room to deliver the large-scale outlays observed in other countries in response to COVID-19. The protracted decline in domestic economic activity and pressure on Sri Lanka's external sector further increase debt distress.
Sri Lanka is highly vulnerable to climate change and more frequent natural disasters, severely affecting poorer regions in the form of drought in the northern and north-western provinces, and flooding in the central and eastern provinces. The May 2021 leak from the cargo ship X-Press Pearl is potentially catastrophic for the long-term health of Sri Lanka’s natural environment, leading to contamination and death of coral and other marine life and the release of plastic pollution which adds to the ongoing problem of microplastic intrusion. Migration induced by climate change and environmental degradation, including significant rural-urban migration, is placing increasing strains on the country, with urban sprawl leading to expansion into flood-prone areas. Unplanned urbanisation is also affecting coverage and quality of basic service provision.

Twelve years after the civil war, the immediate risks to peace are resultant from issues related to dealing with the past. These issues include reconciliation, and long-standing inter-community tensions and structural problems in governance. Constitutional change and limited participation of key stakeholder groups in decision-making (e.g., women, youth and ethnic minorities) have inhibited progress towards a more ‘positive’ state of peace. Public service delivery is improving, but adequate scope of trilingual services and effective management of judicial case flow remains challenging. Growing economic stresses could also mean tough trade-offs between economics and politics that could impact peace, with resource scarcity increasing societal pressures.

The private sector, civil society, community leaders and organizations, and development partners demonstrated their value during the COVID-19 response as a real-time surveillance network for government policy measures. Offering these groups a space to engage in constructive, meaningful and continued engagement in government policymaking processes can capitalise on these partnerships. UN agencies have generally built strong relationships with partner ministries and departments. However, multiple UN agencies seem to engage with the same Government agencies on different fronts and at different levels, with limited inter-agency coordination. UN agencies and IFIs also often engage with different counterparts at the country programme level, which makes consistency of messaging and policy advice difficult. While some progress has been made to leverage the comparative advantages of UN agencies, a more integrated approach would build governmental confidence in the UN system, coordinate activities that support SDG targets, and combine relevant expertise to strengthen programme outcomes. SDG-related statistical capacity and data collection offers limited specific coverage of the 244 indicators underpinning the SDGs. ESCAP’s 2019 Review of the National Statistical System of Sri
Lanka calls on the GoSL to expedite the consolidation of data for the 131 SDG indicators for which data is available, and also to provide policy support to incorporate localised SDG indicators into national planning processes. A single, standardised system of National Statistics could include broadening the role of Sri Lanka’s Department of Census and Statistics to include responsibility in setting minimum quality, publication and methodological standards for official statistics.

Mobilising **sufficient financing** is key to implementing the recommendations discussed in this CCA. Sri Lanka requires financing of at least 6 per cent of 2019 GDP per year on average to 2030 to achieve SDG targets. Greater own-source revenue is crucial to financing a multisectoral ‘gap’ of this magnitude and funding essential government expenditure in areas like health, education and especially social protection. Sizable capital outlays are also required for investments in renewable energy and other major infrastructure projects.

Commitment to International Norms and Standards

The new government has continued to signal a sharp departure from approaches adopted by the previous administration. Notably, Sri Lanka withdrew co-sponsorship of the Human Rights Council Resolution 30/1 in favour of exploring a domestic alternative for reconciliation and peacebuilding. In a January 2021 report, the UN High Commissioner for Human Rights noted that some 2020 trends represented “clear early warning signs of a deteriorating human rights situation and a significantly heightened risk of future violations.” As in previous years, the UN engaged both with the GoSL and other stakeholders on Sri Lanka’s international human rights commitments and continued to offer support for peaceful and inclusive solutions. Since 2015, UN’s Special Procedures mandate holders have issued 31 communications, primarily from mandate holders on human rights defenders, freedom of peaceful assembly and association, freedom of opinion and expression, torture, arbitrary detention, and the working group on enforced disappearances. Sri Lanka has replied to 9 of these communications, yet similar concerns continue to be raised.

Segments of Sri Lanka’s population remain marginalised and socially excluded, compounded by the pandemic. The Leave No One Behind chapter provides further details of the challenges faced by specific groups based on geography, demography, migratory status, age, ethnicity, religion, gender, education level, socioeconomic status and employment status. Special attention is required in the Estate Sector, where poverty is more than
four times that of urban areas. Child undernutrition is high; some groups experience difficulty accessing health services; and women face greater vulnerability through lack of economic resources and insecure employment. Further, special focus on a victim-centric and rights-based approach is also required for women, children and men who have been subject to different forms of human trafficking, including forced labour and sexual exploitation.

Based on a comprehensive review of the findings under the five pillars of the SDGs, the CCA identifies nine priority issues for sustainable development with tangible links to targets across the SDGs. These issues and their underpinning analysis can help guide the prioritisation of outcome areas under the United Nations Sustainable Development Cooperation Framework (UNSDCF) 2023-2027.

1. Demographic Change and Population Ageing
2. Climate Change and Disaster Risk Reduction
3. Financing for Sustainable Development
4. Social Protection
5. Implementation Capacity in Public Service Provision
6. Digitalisation and Technology-Driven Diversification
7. Data for Effective Decision-Making
8. Women’s Rights and Social and Economic Participation
9. Conflict Prevention
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Chapter 1

Country and Regional Context, National Vision, and SDG Progress
The Common Country Analysis (CCA) is an integral component of the United Nations development planning process in Sri Lanka. It offers insights to guide the formulation of the United Nations Sustainable Development Cooperation Framework (UNSDCF) 2023-2027. The CCA also provides a situational analysis focusing on Sri Lanka's legal, institutional, policy and financial landscape, as well as the role of relevant regional, sub-regional and cross-border dynamics in delivering progress towards the Sustainable Development Goals (SDGs). In doing so, the CCA examines underlying causes of inequalities and vulnerabilities, and identifies groups at risk of being left behind in Sri Lanka’s development progress.

The CCA is anchored on the five ‘Ps’ of the 2030 Agenda—People, Prosperity, Planet, Peace and Partnerships—to analyse the root causes of constraint to sustainable development in an integrated manner and bring together the social, environmental, economic and ethical dimensions of sustainable development. Evidence is drawn from published reviews, research and existing data, along with views of the United Nations Country Team (UNCT) including UN agencies outside of Sri Lanka.
The Democratic Socialist Republic of Sri Lanka ("Sri Lanka") is a small, open economy of 21.9 million people located in the South Asia region. It is around 60 kilometres off the southern coast of India and around 900 kilometres north-west of the Maldives. A lower middle-income country with a GNI per capita of US $4,020 in 2020, Sri Lanka experienced a period of strong economic growth and poverty reduction following the cessation of a 30-year conflict in 2009, culminating in its progression to upper-middle income status in 2019 before falling marginally below the threshold in 2020.

Sri Lanka’s economy consists of a relatively small, broad-based agricultural sector largely servicing domestic consumption, a manufacturing sector dominated by textiles, apparel, chemical and food and beverage manufacturing; a services sector traditionally driven by transport services, tourism, wholesale and retail trade, but with a growing trade in financial services, telecommunications and other higher value-added activities as a share of overall activity.¹

Goods Exports amount to an average of 14 per cent of GDP over the five years to 2020, with the export base dominated by tea, textiles and garments and rubber products. Services exports amount to around 8 per cent of GDP over the same period, the most prominent of which are travel services.² Historically, remittances have also provided a key contribution to national income, with one in every 11 households prior to the COVID-19 pandemic receiving direct income support through remittances.³

Sri Lanka’s national legislature consists of 225 members elected through a modified system of proportional representation. The president is head of state with executive powers, elected by universal suffrage for a maximum of two five-year terms. The president heads the cabinet and appoints ministers from elected members of parliament, while the prime minister leads the ruling party in parliament.

Gotabaya Rajapaksa of the Sri Lanka Podujana Peramuna (SLPP) was elected president in November 2019 and is the incumbent President of Sri Lanka. Under incumbent Prime Minister Mahinda Rajapaksa, the SLPP formed a majority government in August 2020, following an election which was recognised as peaceful and credible. The vote resulted in a two-thirds legislative majority for the new government.

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² Central Bank of Sri Lanka. 2021. Table 2.09: Balance of Payments (BPM6 basis), Annual.
The passing of the 20th Amendment to the Constitution in October 2020 resulted in further presidential consolidation of political power, a development described by many observers as limiting the role of parliament and independent institutions. Civil society and minority and human rights groups also raised allegations of shrinking civic space and worsening community relations.

Sri Lanka's economy contracted by an unprecedented -3.6 per cent in 2020, the first negative figure since 2001 and following growth of 2.3 per cent in 2019. This was in part driven by sharp drops in exports and remittances, and the downturn in tourism amidst pandemic travel restrictions. Debt-to-GDP ratio rose from 86.8 per cent to 101 per cent between the end of 2019 and the end of 2020, with adverse assessments by rating agencies limiting access to capital markets and raising international borrowing costs.

External debt dynamics, which pre-dated the pandemic, limited the GoSL's ability to roll out extensive social safety measures at the outset of the COVID-19 pandemic. An early comprehensive lockdown saw the country avoid a serious first wave of infections, but these restrictions have affected a large part of the working population, especially daily wage earners, and the public security response has also raised rights issues over the large number of arrests for breaking curfew.
UN INTERVENTIONS

16 MILLION
Sri Lankans reached through UN and Govt. Risk Comms

72%

PANDEMIC RESPONSE
was strengthened through UN strategic and technical guidance; alongside non-COVID service delivery

ECONOMIC IMPACT AND MITIGATION

30%
of workers experienced earnings losses due to the pandemic

270 MN USD
in cash transfers to vulnerable populations in April and May 2020

11.7%
poverty rate in 2020. Over 500,000 pushed into poverty, leading to an increase in the $3.20 poverty rate from 9.2% to 11.7%

0.1% OF GDP
allocated for containment measures

3.6%
Economic contraction

USD 40 MILLION
repurposed towards COVID-19 response activities

5 MN USD
donated by Sri Lanka to the to the SAARC COVID-19 Emergency Fund

60,000
returnee workers benefitted from port-of-entry equipment and safety procedures

30%
Contraction in tax revenue

Sources: UN Policy Tracker, Reviewed on 26 August 2021
As part of the COVID-19 response, the Government provided over Rs.50 billion ($270 million) in monthly transfers in April and May 2020—most with a value of Rs.5,000—to beneficiaries across the country.\(^4\) Curfew orders and import restrictions have severely disrupted Sri Lanka’s food systems and supply chains. Income shocks affecting low- and middle-income families have led directly to food insecurity as short-term coping strategies involving consuming savings and selling assets are exhausted.

Nationwide school and university closures in response to the pandemic have also affected education and learning at all levels, with alternative forms of learning carried out in various capacities for 4.2 million students. However, access to remote learning lacks consistency across the island, which means digital inequalities are at risk of turning into learning inequalities.

The most recent surge in COVID-19 cases has also stretched the public health system to its limit, threatening effective management of infections while maintaining other essential services. While the present focus is on the COVID-19 response, demographic change is expected to affect Sri Lanka’s health system in the medium term. UN DESA Population projections suggest that by the year 2030 one in every five persons in Sri Lanka will be 60 or older. An aging population will lead to an increase in chronic conditions, more frequent engagement with the health care system, and greater demand for more complex health services.

Sri Lanka is a member of the sub-regional grouping SAARC and hosts the headquarters of the Colombo Plan of Commonwealth countries. The island enjoys an advantageous geographic position with access to trade across the Indian Ocean, a maritime corridor that carries over half of global oil shipments and a quarter of global bulk cargo.\(^5\) Illegal, unreported and unregulated fishing (IUU) activities in Sri Lanka’s territorial waters present a risk to fish stocks.\(^6\) Sri Lanka has improved maritime surveillance in conformity with national and international law and is also co-operating with international organisations to mitigate IUU fishing.

International drug cartels may leverage Sri Lanka’s positioning as a regional maritime trading hub to expand operations across the region’s shipping routes.\(^7\) Increased methamphetamine seizures

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\(^{5}\) Wignaraja and others, Opportunities and Challenges for Regional Economic Integration in the Indian Ocean, Journal of Asian Economic Integration, 2019.

\(^{6}\) Sri Lanka Department of Fisheries and Aquatic Resources, 2013. Sri Lanka National Plan of Action to Prevent, Deter and Eliminate Illegal, Unreported and Unregulated Fishing (IUU) activities in Sri Lanka’s territorial waters present a risk to fish stocks.

suggest its rapid emergence of as a drug of choice across Asia and Africa.\(^8\) Integrated border management, including health screening, is a critical area that needs to be strengthened. Sri Lanka is also signatory to several regional conventions to reduce illicit arms flows, return stolen assets and combat organised crime,\(^9,10\) and several global and regional treaties strengthening international cooperation to combat terrorism.\(^11\)

At the regional level, these treaties include combatting maritime piracy.\(^12\) However, Sri Lanka’s counterterrorism legal framework, which is not in compliance with international human rights standards,\(^13\) can limit information-sharing.

**National Vision:**

Sri Lanka’s ‘Transformation’ Agenda

The GoSL’s wide-ranging policy framework Vistas of Prosperity and Splendour seeks to achieve the SDGs as part of a broader transformative agenda that focuses on four outcomes (box 1).

**Box 1: Vistas of Prosperity and Splendour**

President Gotabaya Rajapaksa’s 2019 election manifesto entitled Vistas of Prosperity and Splendour emphasised strengthening national security and the economy.\(^14\) This wide-ranging policy framework has since been adopted as the overarching policy framework to guide policy implementation. It seeks to achieve the SDGs as part of a broader transformative agenda that focuses on four outcomes: being a productive citizen; a contented family; a virtuous, disciplined and just society; and a prosperous nation.

The policy framework articulates detailed measures under 10 key policy areas covering socioeconomic, environmental, and political aspects of development:

1. Priority to National Security
2. Friendly, Non-Aligned Foreign Policy
3. An Administration Free from Corruption
4. New Constitution That Fulfils the People’s Wishes
5. Productive Citizienry and a Vibrant Human Resource
6. People-Centric Economic Development
7. Technology-Based Society
8. Development of Physical Resources
9. Sustainable Environmental Management
10. Disciplined, Law-Abiding and Values-Based Society

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9 https://bimstec.org/?page_id=288
11 https://iki.lk/blog/10-key-international-treaties-and-agreements-sri-lanka-is-party-to/
12 Ibid.
The framework aims to achieve several measurable macroeconomic targets for the period 2020-2025 including:

1. Achieving an economic growth rate of 6.5 per cent
2. A per capita income of $6,500
3. Unemployment of less than 4 per cent
4. Annual inflation not exceeding 5 per cent
5. A budget deficit of less than 4 per cent of GDP
6. A single-digit rate of interest
7. Maintaining a stable exchange rate for the rupee

Successive governments have subscribed to the goals and objectives of the UN’s 2030 Agenda, with the SDGs featuring prominently in their national development strategies. Sri Lanka’s Sustainable Development Act No. 19 (2017) established the Sustainable Development Council (SD Council) as an apex body to begin mapping progress towards SDGs and setting up an architecture for coordination across government. In 2018, a Voluntary National Review (VNR) was presented to the Economic and Social Council of the United Nations (ECOSOC). Under the new government, a committee chaired by the prime minister was set up to oversee the government’s efforts towards achieving these goals.

A study on Understanding the Interactions of SDGs in Sri Lanka conducted by the Stockholm Environmental Institute in 2018 and launched in May 2021 concluded that pursuing progress on the SDGs is a highly synergistic process, with more synergies than trade-offs.\(^{15}\)

According to the 2021 Sustainable Development Report, Sri Lanka’s SDG Index of 68.1 is ranked eighty-seventh out of 165 countries.\(^{16}\) The Report suggests that achieving the 2030 Agenda in Sri Lanka is ongoing work, with uneven advancement across the SDGs (figure 1). Sri Lanka is already achieving some SDG targets in relation to poverty reduction (SDG 1), reductions in maternal, neonatal and infant mortality (SDG 3), and in literacy (SDG 4). Assessments show much slower progress in areas such as nutrition (SDG 2); female labour force participation (SDG 5); and in reducing inequalities (SDG 10). Moreover, the Report offers limited scope to assess effects of the COVID-19 pandemic on the SDGs in Sri Lanka, with country-level data for 2020 only widely available for 11 per cent of SDG indicators.\(^{17}\)


\(^{17}\) Ibid., p. 9
This CCA considers key issues in health, education, nutrition and food security, gender equality, poverty reduction, decent work and economic growth, climate change mitigation, environmental management and peacebuilding that are at the core of Sri Lanka’s economic and social transition to higher levels of prosperity. The CCA can also serve as a roadmap to mitigating at least some of the economic and social fallout of the COVID-19 pandemic and resetting Sri Lanka’s progress towards the 2030 Agenda and its broader national development priorities. The CCA also acknowledged the need for collection of better and more disaggregated data to measure progress for LNOB groups.
The analysis also acknowledges that as Sri Lanka changes, the support from development agencies like the UN must change with it. The UN recognises the role that development assistance can and should play in Sri Lanka's 'financing transition,' and that development assistance to middle-income countries should increasingly focus on “the exchange of experiences, improved coordination and better and focused support of the United Nations development system.”\textsuperscript{18} UN activities should complement state capacity and delivery systems, rather than substituting for these systems, and identify and effectively scale up policy innovations in partnership with government. UN policy advice should be increasingly sharp and well-contextualised, technically sound, informed by in-country experiences and sensitive to fiscal and political constraints. Initiatives should continue to be delivered in a rigorous and transparent culture of evaluation, such that the UN Development system increasingly relies on evidence-based analysis to design and implement projects.\textsuperscript{19}

\textsuperscript{18} United Nations General Assembly, 2020. A/RES/74/231 Development Cooperation with Middle-Income Countries

\textsuperscript{19} A.E Abdenur, “Delivering the 2030 Agenda for Sustainable Development,” (United Nations Department of Economic and Social Affairs, 2016).
Chapter 02

People Pillar
This section evaluates Sri Lanka’s progress towards achieving targets of four SDGs (2, 3, 4 and 5) listed under the heading of the ‘People’ pillar. It discusses the state of play between 2016 and 2019 before the COVID-19 pandemic, the impact of the pandemic in 2020, the outlook for 2021 and further afield, and some policy priorities.

SDG 2: End hunger, achieve food security and improved nutrition, and promote sustainable agriculture

SDG 3: Ensure healthy lives and promote well-being for all at all ages

SDG 4: Ensure inclusive and equitable quality education, and promote lifelong learning opportunities for all

SDG 5: Achieve gender equality and empower all women and girls
Potential Recommendations

**Nutrition and Food Security**
- **Address** food insecurity and vulnerability by providing continued access to nutritious food for vulnerable and marginalized populations through Sri Lanka’s social protection system, including decent work in the agricultural sector.
- **Review** fertilizer use and crop yields during the coming Maha season to minimise price fluctuations for key food items and food security risks.
- **Deliver** continuity of inpatient and community-based care for individuals affected by acute malnutrition through improved public health information systems.

**Good Health and Well-Being**
- **Mobilise** temporary health workforce capacity through volunteer services and retired health professionals, especially for the most vulnerable communities.
- **Expand** district-level Health Emergency Management Systems to support effective decision-making during the COVID-19 pandemic.
- **Review** Sri Lanka’s SDG 3 National Action Plan for Health and Well-Being to focus more on universal health coverage, and review Sri Lanka’s International Health Regulation (IHR) core capacities and pandemic preparedness.
- **Develop** more accurate, up-to-date patient information for better continuity of care, prevent the duplication/overlap of services, and enable disaggregated monitoring of health services to improve allocation of resources to areas of greatest need.
- **Bridge** gaps in healthcare services access via digital and telemedicine to reduce exposure risks at hospitals during emergencies.
- **Maintain** equitable access to essential health services during the pandemic by implementing guidelines for continuity of services, providing health worker protections and capacity-building for workers to engage with vulnerable groups, and improving communication strategies in local languages.
- **Expand** health service provision to support early detection and management of NCDs, disability and long-term care, and better continuity of care between the primary, secondary and tertiary systems.
- **Secure** adequate government financing for health service provision to keep pace with population needs, including national rollout of a COVID-19 vaccination programme.
• **Strengthen** health and safety at work—including reducing accidents, injuries and illnesses—through comprehensive legislation

• **Redesign** paths to progress by fully accounting for dangerous human pressures on the environment and dismantling the gross imbalances of power and opportunity that prevent change.

• **Strengthen** the gender sensitivity of health service providers, particularly on women’s bodily autonomy and in relation to survivors of sexual and gender based violence and forms of gendered trauma

• **Engage** in more data-driven monitoring of student learning outcomes and retention

• **Invest** to meet infrastructure shortfalls and education access for disadvantaged students, with sectoral planning and resource allocation responding to changes in learning modalities across the island

• **Develop** a sustainable, costed national remote learning strategy across the entire education system using viable ‘low-or no-tech’ alternatives

• **Develop** an early childhood curriculum to deliver core skills for transition into formal schooling

• **Improve** working conditions and training opportunities for teachers to promote skill development, incentivise teacher effort and improve students’ educational experience and performance

• **Adjust** national curriculum to incorporate ‘transferable’ skills as key competencies to assist in the school-to-work transition

• **Align** the Technical and Vocational Education and Training (TVET) sector with the labour market to provide alternate schooling and retraining pathways for Sri Lankan youth struggling to access the labour market—both during and beyond the COVID-19 pandemic

• **Apply** modern technology tools for teaching, both for methodological reasons and to help upgrade students’ skills

• **Review** existing curricula and educational frameworks to ensure gender responsiveness, dismantle entrenched gender norms, and to include Comprehensive Sex Education
• **Target** support measures towards women-led enterprises and workers to mitigate the economic impact of COVID-19, given pre-existing inequalities in assets and credit access among women-owned enterprises, and women’s overrepresentation in industries heavily affected by COVID-19.

• **Revive** stalled legislative efforts to end discrimination against women, girls and populations with diverse sexual orientation and gender identities to facilitate greater and more inclusive economic, social and political participation.

• **Develop** an effective framework to govern access to reproductive services and minimise unsafe reproductive medical practices, and address socio-cultural and attitudinal issues hindering access to sexual and reproductive health information and services.

• **Develop** a policy framework to address Sexual and Gender-Based Violence, with enforcement powers under the Prevention of Domestic Violence Act (2005) and greater and fairer access to services for survivors of SGBV.

• **Introduce** affirmative action to ensure increased representation of women in leadership at national and subnational levels.

• **Adopt** draft policy frameworks on Women Headed Households, on Women, Peace, and Security, and on other gender responsive policies to ensure support to and empowerment of marginalized women.

• **Strengthen** support to women in shouldering disproportionate care burdens to enable greater participation in society and the economy. This must be accompanied by national advocacy and engagement to dismantle gendered norms on the role of women in the home.
SDG 2: End hunger, achieve food security and improved nutrition, and promote sustainable agriculture

Figure 2: Nutrition in Sri Lanka, Selected Indicators

There is an alarming rate of undernutrition in Sri Lanka for a country at or around upper middle-income status.
Sri Lanka is experiencing an alarming rate of undernutrition for a country at or around upper middle-income status. Adequate food security and nutrition supports cognitive development, educational attainment and lifetime incomes, while improving maternal health and reducing risks of non-communicable diseases in later life. Sri Lanka’s post-conflict income growth and economic development has nearly halved the population-wide prevalence of undernourishment from 2006 to 2018, but affordability and access to a healthy diet is still limited for many Sri Lankan households. The 2020 UN State of Food Security and Nutrition in the World report shows that 53.5 per cent of Sri Lankan households could not afford a healthy diet in 2017, considerably higher than the average for broader Asia. The 2020 Global Food Security Index also ranked Sri Lanka sixty-sixth among 113 countries across measures of affordability, availability, and quality and safety of food items.

Agriculture is a prominent employer for the 82 per cent of Sri Lankan citizens residing in non-urban areas and accounted for 39 per cent of all informal employment in 2019. These workers are more vulnerable to food insecurity through changes in the quantity and variety of locally produced food, shifts in prices and availability of previously imported foods, and changes in purchasing power related to revenues for their produce. Smallholder agricultural livelihoods are also threatened by increasing pressure on average land holdings, with Sri Lanka’s latest agricultural census showing the average size of smallholdings falling by more than half between 1962 and 2002. Women in the agricultural sector are especially vulnerable to food insecurity. Women account for around three-quarters of farm and estate labour, yet rarely own the land on which they work. This insecurity is compounded by disproportionate burdens of unpaid care work and intersections with identities which are marginalized, such as women heads of households and women from rural areas.

Climate shocks will likely play a major role in shaping affordability and access to a healthy diet. As the effects of climate change intensify, rain-dependent livelihoods (e.g., paddies) are expected to be heavily affected by increasing droughts. Workers in these sectors tend to experience higher poverty rates and lower road density compared to other sectors of employment. Agricultural losses and widespread

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21 Where food intake is insufficient to continuously meet dietary energy requirements.
25 Ibid.
displacement during the severe monsoon rains in 2018 contributed to Sri Lanka being ranked the sixth most-affected country by extreme weather events under Germanwatch’s Global Climate Risk Index for 2020.\textsuperscript{27}

**Child undernutrition indicators remain poor, and improvements have been slow.** Low-nutrition diets among children under five places Sri Lanka among the ten worst low- and middle-income countries in the world on some measures of child undernutrition.\textsuperscript{28} The child stunting rate (a standardised height-for-age measure that reflects chronic undernutrition in early life) has remained unchanged at 17.3 per cent between 2006 and 2016 and affects as much as a third of children in the estate sector, while child wasting (a standardised weight-for-height measure) has been broadly unchanged over the last 20 years.\textsuperscript{29}

The prevalence of low birthweight,\textsuperscript{30} a known predictor of poor physical and cognitive development, is also largely unchanged over the past two decades, affecting around one in six children.\textsuperscript{31} Low birthweight is correlated with maternal health issues such as anaemia (affecting 34.6 per cent of women of reproductive age in 2019), and overweight and obesity (affecting 45 per cent of women in the same cohort).\textsuperscript{32,33}

Low-nutrition diets, generally driven by a lack of dietary diversity rather than lower meal frequency, affect over half of infants aged six to eight months. One in four children aged six to 23 months also do not consume a minimally diverse diet, with these children most concentrated in estate and rural areas.\textsuperscript{34} Availability and quality of inpatient and community-based care services also affect child malnutrition.


\textsuperscript{28} UNICEF/WHO/World Bank Joint Child Malnutrition Estimates, July 2020, New York


\textsuperscript{30} Below 2,500 grams at birth.


\textsuperscript{32} FAO et al., The State of Food Security and Nutrition in the World (SOFI) Report, 2021.


The COVID-19 shock highlights the importance of building stronger food systems ‘from farm to table.’ Curfew orders and import restrictions have severely disrupted Sri Lanka’s food systems and supply chains, impacting the availability, pricing, storage and quality of food. Ongoing school closures have similarly disrupted Sri Lanka’s National School Meals Programme, which ordinarily fulfils up to one-third of a child’s daily nutritional needs. As the pandemic continues, overstretched families are increasingly cutting expenditure on food.

The most vulnerable cohorts of Sri Lankans are in the estate sector, where food accounts for nearly 50 per cent of household expenditure, compared to 30-35 per cent in non-estate sectors. Expenditure here is also less diverse, with staple foods accounting for a greater share of overall intake, and lower expenditure shares of meat, fish, milk, and prepared foods compared to urban areas.

The recent ban on imports of fertiliser on health grounds is likely to compress agricultural yields and increase food insecurity in the medium term. An alternative has been proposed to substitute domestic production of organic fertiliser for the upcoming Maha season. Despite representing only 1.6 per cent of imports in 2020, government-sponsored fertiliser represents an import bill of $260 million, which could swell to as much as $400 million annually in line with exchange rate movements. Government-procured fertiliser is also heavily subsidised before domestic distribution. The US Foreign Agricultural Service suggests that Sri Lanka “does not have the capability to expand organic fertiliser production capacity sufficiently to meet current fertiliser use requirements”. Crop yields for paddy, tea, rubber and coconut are projected to decline by 33-35 per cent, threatening domestic food security and resulting in lost earnings of $425 million.

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37 Ibid.
39 Ibid.
40 Central Bank of Sri Lanka. 2021. Table 2.03: Imports – Annual
Timely interventions to mitigate the immediate effects of the pandemic on food security and nutrition can safeguard against its potential longer-term effects on child development.

Continued access to sufficient stocks of nutritious food, and to decent work are crucial in mitigating climate change-induced food insecurity, which disproportionately affects Sri Lanka’s agricultural labour force and estate sector workers.

Careful review of fertiliser use and its relation to crop yields for the coming Maha season would help minimise undue price fluctuations during the longer-term transition to a more sustainable model of provision. Multi-season planning may also help minimise the volatility of yields and potential supply and demand imbalances in the short term.

Access to nutritious food should be complemented by addressing the increasing gaps in preventative and curative services for moderate and severe acute malnutrition. Continuity of malnutrition care is crucial to ensuring sustainable improvements in child nutrition. An improved public health information system can help to track coverage, treatment progress and outcomes for beneficiaries of national nutrition programmes.
SDG 3: Ensure healthy lives and promote well-being for all at all ages

A noteworthy public healthcare system. Sri Lanka’s state-sponsored free-for-all healthcare system offers national coverage through 1,103 government hospitals. The preventive arm of the public system provides comprehensive reproductive, maternal, neonatal and child health (RMNCH) services through 365 Medical Officer of Health (MOH) units across Sri Lanka. The state also finances and trains medical professionals through state universities and training schools, and a regular transfer scheme guaranteeing employment helps prevent external migration of healthcare workers and effectively services hard-to-reach areas of the island. A small but growing private health care system delivering paid outpatient services complements the state system.

On the downside, imbalances in resourcing between districts have contributed towards inequities in provision and use. Sri Lanka’s health spending as a share of GDP is relatively low by regional standards and constrained by persistently low levels of government revenue generation. In 2018, out-of-pocket (OOP) spending accounted for about 40 per cent of total health expenditures. While the size of the health workforce is broadly similar to other Asian countries, it falls far short of high-income country systems. Sri Lanka’s ratio of doctors and nurses has increased over the past two decades to almost ten doctors and over twenty nurses per 10,000 people but remains around a third of the OECD average.

There has been steady growth in key health staff in recent years, though there are still severe shortages in crucial specialties. There is also a need to develop a family physician model for primary care. Health workforce distribution is biased towards urban areas, especially Colombo and Kandy districts, while more isolated areas such as Mullaitivu and Monaragala are short-staffed, with a lack of systematic allocation of human resources for health across the island.

Impressive health indicators through synergies between preventive and curative care. Sri Lankan’s life expectancy has increased to 76.9 years in 2019 as compared to 76.3 in 2015—considerably higher than the South Asia average of 69.6 years in 2019. It also had the lowest maternal mortality

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44 WHO Global Health Observatory. Medical Doctors (per 10,000 population). Accessed 20/05/2021.
(36 per 100,000 live births) and infant mortality (6.1 per 1,000) rates in South Asia in 2017 and 2019 respectively.\textsuperscript{46} In addition, the number of medical officers per 10,000 population had increased from 8.5 to 9.35 between 2014-2019 while numbers of nursing officers rose from 18.5 to 21.5 during the same period.\textsuperscript{47}

These successes have largely been achieved with respect to the low-income health agenda (addressing maternal and child health, with the notable exception of prevalence of modern contraceptive use\textsuperscript{48}). Rising OOP expenditure as a proportion of current health expenditure indicates growing demand for private health services. Despite free public health care, even the poorest use private doctors and hospitals partly due to better service quality and convenience.\textsuperscript{49} Patients are also bypassing small medical institutions, resulting in their underutilisation and overcrowding in higher institutions, which lowers the overall standard of care.\textsuperscript{50}

Sri Lanka provides a high degree of coverage for a defined package of preventive health care services across the island,\textsuperscript{51} but many curative services are unequally distributed, with some districts lacking full staffing capacity to deliver them.\textsuperscript{52} Some groups also face problems accessing health care facilities due to the difficult terrain in the estate sector, working hours, and social stigma relating to sexual identity, criminal history or substance use.

UN DESA Population projections suggest that by the year 2030 one in every five persons in Sri Lanka will be 60 years or over, compared to one in every eight in 2019.\textsuperscript{53} A growing number of elderly persons will thus be making use of more costly and complex health services. An aging population also leads to an increase in the prevalence of chronic conditions, and demand for more continuous engagement with the health system. More than half of older people have some physical and or mental impairment, and 45 per cent of individuals 60 years and older are affected by at least one NCD.\textsuperscript{54} The country’s healthcare system is inadequate to cope with this.

\textsuperscript{49} Including more convenient hours, shorter waiting times, choice over selection of doctor and perceived shortage of medication and investigations in the public health system.
\textsuperscript{50} Sir Lanka, Ministry of Health and Indigenous Medicine, Annual Health Bulletin – 2013 (Colombo, 2013).
\textsuperscript{51} Sri Lanka, Department of Census and Statistics, Demographic and Health Survey - Sri Lanka 2016 (Colombo).
\textsuperscript{52} Sri Lanka, Ministry of Health and Indigenous Medicine, Annual Health Statistics 2016 - Sri Lanka (Colombo, 2016).
\textsuperscript{53} United Nations Department of Economic and Social Affairs, Population Division, World Population Prospects: 2019 Revision. Available at: https://population.un.org/wpp/.
All of this will come with increased costs, while health financing in Sri Lanka has not grown in relation to needs. After a slight post-conflict increase, health expenditure accounted for about 20 per cent of general government expenditure over the five years to 2017. In line with this, current health expenditure has remained relatively steady at around 3.8 per cent of GDP over the same period, less than the 4-4.2 per cent of GDP in the pre-conflict period (figure 3).

Figure 3: Sri Lanka Health expenditure, 2000-2018, Share of GDP

Current Primary Health Care Reorganisation. In 2019, a National Action Plan for Health and Well-being (SDG NAP) was developed in partnership with WHO that would assist the Ministry of Health to achieve health-related SDGs. This exercise was postponed due to the change of government and the pandemic response. The new government has requested all ministries including the Health Ministry to prepare costed five-year action plans in 2021. The Ministry of Health has prepared a national policy of universal health coverage for Sri Lanka, seeking assistance from multilateral development banks. The World Bank has developed a $200 million Primary Health System Strengthening Project (PSSP), while the ADB has initiated a $50 million Health System Enhancement Project (HSEP).

The Ministry of Health is also seeking additional donor resources—including a 20 million Euro “Debt-2-Health” swap through the Global Fund—to establish a national data centre.

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Unprecedented strains on health system capacity. COVID-19 has created an unpredictable large-scale health emergency that requires rapid mobilisation of health resources. Excess demand for health services puts pressure on the public health system on top of regular demands to tackle other seasonal illnesses (e.g., dengue fever), communicable diseases and mental health needs. Given the emphasis of Sri Lanka moving towards becoming a tourism and education hub (a National Policy goal), health screening and support systems at the borders will be essential.

Several COVID-19 vaccines were approved for emergency use in late 2020 and early 2021. While vaccines will remain in global short supply for some time partly due to the lack of production facilities, it is prudent that Sri Lanka continues its mass vaccination programme. Sri Lanka’s national immunisation programme has a respectable record by South Asian standards, and the Government has scaled up the rollout of the COVID-19 vaccination programme to meet the increased demand and coverage required.

Improving health system efficiency, capacity and emergency preparedness. In the medium and long term, Sri Lanka’s SDG 3 National Action Plan for Health and Wellbeing should focus more on universal health coverage and improving emergency preparedness. More accurate patient information, preventing duplication of services and enabling disaggregated monitoring of services would support the allocation of resources to areas of greatest need. Digital and telemedicine practices should be integrated to bridge gaps in access and reduce unnecessary exposure risks at hospitals during the pandemic. Recommendations in this area include:

i. Mobilising temporary surge capacity, volunteer services and retired health professionals to support the work of medical professionals, especially for the most vulnerable and in local communities. Strengthening human resource capacities of secondary and tertiary hospitals will ensure primary health functions continue amid the pandemic response.

ii. Expanding the ICT-enabled Health Emergency Management System at the district level can aid effective decision-making during the pandemic and improve e-learning capacity for health professionals to manage their ongoing training needs.

iii. Participating in clinical trials and other studies to help inform the global effort on COVID-19.
Maintaining equitable access to essential health services. Sri Lanka's public health system faces the challenge of maintaining equitable access of essential health services—especially to vulnerable and at-risk groups—while managing a growing COVID-19 caseload. Recommendations in this area include:

i. Implement guidelines for the continuation of essential health services during the pandemic, including by drawing on international training resources (e.g., Open WHO and WHO Academy).

ii. Scale up digital platforms for training frontline healthcare workers to respond to COVID-19.

iii. Strengthening protection and capacity of health workers to engage with vulnerable groups without stigma and discrimination.

iv. Improve public health communication strategies in local languages for vulnerable groups.

Strengthening safety and health at work. This includes reducing accidents, injuries and illnesses through comprehensive legislation that expands labour inspection; unifies data collection on OSH; and recognises violence and harassment in the workplace as OSH hazards.

Improving efficiency in the health system. This would provide a means for more accurate, up-to-date patient information, prevent the duplication of services, and enable disaggregated monitoring of health services that would support the allocation of resources to areas of greatest need. Digital and telemedicine practices should be integrated to bridge access and reduce unnecessary exposure risks at hospitals during the pandemic.

A health system response to prepare for Sri Lanka's rising non-communicable disease (NCD) burden, including mental health and psychosocial support. Sri Lanka's health services need to be expanded to provide better continuity of care between primary, secondary and tertiary systems. Greater focus on a “life cycle approach” can reduce demand for specialised, more costly healthcare among the elderly.

Ensuring adequate and consistent government financing on health, and national rollout of a COVID-19 vaccination campaign. Sustained economic growth is crucial to build the fiscal capacity to fund increased health and health-related service provision. Additional funding is also needed for Sri Lanka’s operational readiness for COVID-19 vaccines and procurement of the vaccine from the global market.

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More Sri Lankans than ever before are completing education at all levels. Presently high rates of school enrolment are the product of the commitment of successive post-independence governments to comprehensive, public-funded primary and secondary education systems.\(^6^0\) Completion of primary and secondary education has expanded in the post-conflict period to be universal at the primary level and near-universal at the lower-secondary level. Similarly, nearly 25,000 students graduated tertiary studies in 2019 (almost double that of 2010)\(^6^1\), though this increase has seemingly not translated into meaningful employment.

However, it is unclear whether learning outcomes have experienced a commensurate improvement. Studies suggest that students lag behind Sri Lanka’s regional peers in minimum proficiency levels in reading and mathematics.\(^6^2\) Only around one in five lower-secondary students achieved minimum proficiency in reading in 2016—by far the lowest outcome in South Asia from available data—while only half achieved minimum proficiency in mathematics.\(^6^3\) On average, proficiency was considerably lower in Sri Lanka’s Northern, Eastern and Central Provinces, in ‘Type 2’ schools, and among students for whom Tamil was the medium of instruction. Female students also outperformed male students on average.\(^6^4\) In 2020, only 54 per cent of upper secondary students passed general English classes at the advanced level, with math (70 per cent), Physics (69 per cent), Chemistry (72 per cent) and ICT (74 per cent) also among the subjects with the lowest pass rates.\(^6^5\)

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\(^6^0\) Paragraph 27 (2)(h) of Sri Lanka’s Constitution outlines an objective for state policy of “the complete eradication of illiteracy and the assurance to all persons of the right to universal and equal access to education at all levels”.


\(^6^3\) UNESCO Institute for Statistics (UIS).

\(^6^4\) Sri Lanka Ministry of Education, National Assessment of Achievement.

Need to further extend lifelong learning facilities following the COVID-19 pandemic. A number of initiatives related to lifelong learning aimed specifically for young adults, adults, the elderly and those with special needs have been implemented, primarily by the Ministry of Education National Institute of Education (NIE) Open School Unit, Non-Education, Non-Formal and Special Education Divisions, as well as courses extended by the State Ministry of Skills Development and Vocational Education. Recently a National Education Policy on Non-Formal Education and lifelong Education was formulated by the National Education Commission to address the need for more effective implementation of programmes. With the COVID-19 pandemic, numbers of school dropouts have increased, further increasing the need to focus on lifelong learning opportunities, and provide learning modalities to support the ‘new normal’, utilizing for example television, radio and online facilities.

A mismatch also exists between the education system and the labour market. A recent World Bank survey found that 70 per cent of employers believe the Sri Lankan educational system does not produce people with up-to-date knowledge of methods, materials, and technology. In response, Sri Lanka’s National Education Commission has developed a National Policy on Higher Education with a focus on revamping external degree programmes.

The 2018 National Policy on Technical and Vocational Education also aims to improve the relevance and quality of TVET programmes and their links to industry. Vocational education can improve employment prospects for young labour market participants. Prior to the COVID-19 pandemic, unemployed youth spent an average of 21 months searching for employment. The unemployment rate among youth workers (15-24 years) was 25.7 per cent in the fourth quarter of 2020, with young jobseekers representing over half of all jobseekers in the formal labour market.

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66 UNESCO, UNICEF and World Bank have joined forces under “Mission: Recovering Education 2021” to support governments in bringing all learners back to school, run programmes to help them catch up on lost learning and prepare teachers to address learning losses and incorporate digital technology in their teaching. ’UNESCO warns 117 million students around the world are still out of school’ 16/09/21,https://en.unesco.org/news/unesco-warns-117-million-students-around-world-are-still-out-school


Consistent access to quality early childhood education across the island also remains challenging. Early Childhood Curriculum development, monitoring of teaching capacity and learning outcomes remain relatively underdeveloped.72 Investment in early education from birth to age five helps create a more level playing field and can reduce achievement gaps.73 Current pro-equity investments in public sector education target disadvantaged school-aged children with free textbooks; uniforms; in-school nutrition programmes; merit-based scholarships; public transport subsidies; and vouchers for shoes.74

Implementing a trilingual integrated education system is crucial to realising broader objectives of trilingual policy. Constitutionally, Sri Lanka recognises the Sinhala and Tamil languages as official and national languages, with English as a ‘link’ language.75 A Ten Year Plan for a Trilingual Sri Lanka (2012-2021) outlines measures to re-establish English as a medium of instruction in schools, along with the teaching of second national languages as a way to eliminate language prejudice and promote social cohesion.76,77 However, implementation of this policy has fallen short of its ambition.78

Education has been utilized as a tool for peace and social cohesion. In 2008, the Ministry of Education (MoE) developed a national policy on social cohesion and peace education. With advocacy from the UN, ongoing comprehensive education reform in Sri Lanka places emphasis on civic values as its core principles. The MoE intends to pilot trilingual schools to create a workable model towards integration. UNICEF has also been working with the National Institute of Education to facilitate better interlingual communication.

Corporal punishment is still widely accepted in Sri Lanka. Research by the National Child Protection Authority (2017) found that 80 per cent of students have experienced physical discipline in school, while 74 per cent of parents use some form of corporal

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74 Education for Sustainable Development: Providing Quality Education for All, Education for All (EFA) Branch, Ministry of Education (November, 2019).
punishment. The policy of the new government, enshrined in Vistas of Prosperity and Splendor, is to establish a truly student-centred education system. A crucial first step would be a legal ban on all forms of corporal punishment, tied to large-scale efforts to change social norms regarding discipline.

Nationwide school and university closures in response to the pandemic have severely affected learning at all levels. Alternative means of education are being carried out in various capacities for 4.2 million students, with schools moving to television or online-based learning. Ninety-four per cent of tertiary institutions had shifted to delivering remote learning by mid-June 2020, compared to 14 per cent pre-pandemic. The adjustment of primary-level learning has been neither as quick nor as comprehensive. Inconsistent access to remote learning could also lead to widening gaps in learning outcomes, particularly in internet-based learning, where only 22 per cent of households in Sri Lanka have a computer.

Addressing persistent gaps in learning outcomes and skills development requires investment at different stages in the education ‘cycle.’ Earlier and more holistic skills development will have the biggest impact on future education, learning, employability and healthy relationships throughout a child’s life. Targeted, evidence-based, pro-equity investments consistent with the State’s obligations under the Convention on the Rights of the Child and the International Covenant on Economic, Social and Cultural Rights are essential to narrow existing gaps.

Institutional reforms for more results-based, pro-equity education sector planning. The pandemic has highlighted the need for better data-driven assessment of the long-term effects of school closures and infrastructure shortfalls. Planning for disadvantaged students should include alternative academic calendars, special dispensations for national-level examinations and large-scale remedial programmes.

A sustainable, costed national remote learning strategy will help identify requirements for longer-term remote learning. Any such strategy must provide viable ‘low- or no-tech’ alternatives for the most underserved student populations and consider sustainable financing mechanisms for its implementation. The strategy should also consider teacher training needs for effective delivery of online/digital learning.

A comprehensive early childhood education system is important for school readiness and the holistic development of Sri Lankan children. In January 2020, Sri Lanka approved a National Policy on Early Childhood Care and Development. Implementation will require significant monitoring of minimum educational standards and teacher qualifications among a largely non-government early childhood network. An effective early childhood curriculum must also deliver core skills needed for transition into formal schooling.

Investments in improving teaching quality can improve students’ educational experience and performance. Increasing teacher motivation, attendance and planning can improve education quality. Embedding the recently operationalised South Asian Centre for Teacher Development into professional development plans of public sector teachers is critical to achieving better outcomes.

National curricula focusing on ‘transferable’ skills as key competencies in education may assist in the school-to-work transition. Better integration of communication, ‘soft’ skills and ICT skills and building teaching capacity in these areas will help address ‘skill gaps’ identified by employers. Volunteerism as part of learning curricula can be an effective supplement and contribute to meaningful civic engagement. Sri Lanka’s Volunteer Management System could serve as a national registry to match students’ needs with appropriate volunteering opportunities to support school-based learning.

Better aligning the TVET sector with the labour market can help provide pathways for Sri Lankan youth struggling to access the labour market, including during the COVID-19 pandemic. Delivering an updated curriculum can also help young graduates meet the needs of the 21st century labour market. Measures could build on existing arrangements under the 13th Year Programme, which offers an opportunity for school-leavers to gain competency in at least one of 26 vocational subjects over a two-year post-schooling period.

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SDG 5: Achieve gender equality and empower all women and girls

Figure 4: Gender Development Index, Selected South Asian Countries, 2020

Health and education outcomes for early-age girls largely mirror those for boys. Recent improvements in neonatal and under-five mortality rates have been shared equally between boys and girls, and Sri Lanka has also consistently maintained gender parity in enrolment and completion of primary and secondary education.\textsuperscript{89,90} More women are also being admitted into tertiary education, with nearly two female university admissions to every one male admission in 2018-19.\textsuperscript{91}

\textsuperscript{91} University Grants Commission, cited in CBSL Economic and Social Statistics, 2020
Better educational attainment has reduced the gender earnings gap but has not translated to full and equal participation for women in society. Estimates suggest that the gender wage gap has narrowed from 19.9 per cent in 2009 to 15.9 per cent in 2015.92 This outcome may be driven by increases in human capital narrowing the gender earnings gap at the top of the skill distribution, but earnings gaps are widening at the bottom as female-dominated industries come under increasing pressure from international competition.93

Large and persistent disparities in employment outcomes remain between men and women, despite continued economic growth and increases in human capital among women. Since 2016, the unemployment rate for women has been around twice that of men. Employed women are also more concentrated in the agricultural and manufacturing sectors. On average, women perform almost four times the amount of unpaid

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domestic work as men, and surveys suggest that 70 per cent of Sri Lankan married women with at least one child under five are not in the labour market,\textsuperscript{94,95} with the majority of respondents citing “housework” as the reason for their inactive status.\textsuperscript{96,97}

Limited progression of women is reflected in the structure of the labour market and in their absence in high-level decision-making. Women accounted for 24 per cent of managerial-level positions in the 4th quarter of 2020 (broadly unchanged since 2015), and in 2018, only 144 (8.2 per cent) of more than 1,500 board directors in Colombo Stock Exchange-listed companies were women. Likewise, only 5.3 per cent of elected parliamentary representatives in 2020 were female, despite a 2017 amendment mandating that 25 per cent of local authority representatives should be women. Discrimination and cultural stigmas can act as a handbrake on women’s progression, as employer perceptions regarding work hours and cultural stigmas relating to women in leadership can effectively exclude women from securing managerial positions.\textsuperscript{98}

\textsuperscript{98} Ibid.
Social attitudes have hindered women’s full and equal participation in society. Sri Lanka’s gender landscape is distinctly patriarchal, with women having been historically designated the roles of nurturers and upholders of community and culture while men are viewed as leaders and providers. This dynamic is often reflected across national systems and socioeconomic structures, with women socially restricted in the choices they make, penalised for challenging gender norms, and left more vulnerable to gender-based violence. Although Sri Lanka’s constitution guarantees non-discrimination on the grounds of sex, some ethnoreligious personal and customary laws facilitate inequalities over economic resources including land. In 2002, 16 per cent of all privately-owned agricultural land in the country belonged to women. This limits their ability to obtain agricultural assets, services and benefits like subsidies, credit and irrigation water.

A National Women’s Policy providing a framework for interventions to address gender equality was developed and made ready for cabinet approval. However, Sri Lanka has not yet legislated women’s rights ensured in several international instruments ratified by Sri Lanka, such as the Convention on the Elimination of All Forms of Discrimination against Women (CEDAW). The 2016 Demographic and Health Survey (DHS) indicated that as much as 17 per cent of women experienced interpersonal violence in the previous year. Sri Lanka’s criminal and personal laws also often exclude violence within the family from the ordinary justice process and allow for child marriages and forced marriages. Interpersonal violence against women is often rooted in assigned gender roles and powers. More than one in two men agreed with the use of violence, viewing it as an expression of masculinity, especially in relation to family. According to the National Strategic Action Plan to Monitor and Combat Human Trafficking (2021-2025), women seem to be more susceptible to the risks of human trafficking—including forced prostitution and different forms of sexual exploitation—owing to their economic hardships.

The lack of cross-sectoral gender disaggregated data that is systematically tracked is a barrier to responsive and data driven policies, with a greater lacuna in areas often perceived as not relating to gender (e.g., agriculture, climate and environment, etc). The lack of data is a root cause of unsustainable, short-sighted interventions, which do not aim towards or succeed in dismantling deep rooted issues and structural challenges towards gender equality and women’s empowerment.

101 FAO, Country Gender Assessment of Agriculture and the Rural Sector in Sri Lanka. 2018
102 Department of Census and Statistics, Demographic and Health Survey 2016 Survey Report, September 2017
104 Care International. 2013. Preventing Sexual and Gender-Based Violence: Policy and Programming Guidelines for the Private Sector


Justice (if any) is slow for survivors of gender-based violence. Only a handful of reported rape/incest, human trafficking cases end up in conviction during the same year.¹⁰⁵ SGBV incidence is also under-reported due to inadequate protection mechanisms for victims. Many cases are judged as being ‘family disputes’ and settled by police, who often favour maintaining the family bond over the best interests of the survivor.¹⁰⁶

Unsafe abortions in Sri Lanka point to constraints on women exercising their full sexual and reproductive rights. The Penal Code of 1883 still states that abortion in Sri Lanka is a criminal offence except when performed to save the life of a woman. Sri Lanka’s Demographic and Health Survey indicates that knowledge of contraception is almost universal on the island.¹⁰⁷ Nonetheless, in 2019 5.8 per cent of eligible families had an unmet need for family planning.¹⁰⁸ The teenage pregnancy rate has basically remained at 4.6,¹⁰⁹ but over 650 unsafe abortions happen every day despite legal restrictions, with 80 per cent by married women over the age of 30.¹¹⁰

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Demographic transition in Sri Lanka means women of working age may experience greater incidence of old-age poverty. Most old-age income support schemes are employment-based, and women who have not been employed outside the home lack access to it. Old-age poverty is becoming increasingly ‘feminised’ as life expectancy for women continues to exceed that of men. Public sector pensions cover only 14 per cent of the elderly, while informal economy workers are largely uncovered by retirement income.

Elderly poverty is also becoming increasingly ‘feminised’ as life expectancy for women continues to outpace men. Many women become dependent on their families, with implications for their own welfare and also that of carers (mainly productive-age women).

The pandemic has increased pressures on women workers. Women comprise a large percentage of frontline and essential workers dealing with the pandemic and in sectors most impacted by its economic fallout (e.g., garment enterprises). Women are also likely to shoulder additional home care responsibilities during curfews and lockdowns, consistent with their performing almost four times the amount of daily unpaid care and domestic work compared to men. The Ministry of Women and Child Affairs recorded 463 cases of domestic violence in March-April 2020, suggesting women are also at greater risk of SGBV as school closures and unemployment weigh on households, and women are unable to leave their homes to find safety during lockdowns and other restriction of movement.

113 Ibid.
Access to sexual and reproductive health has been adversely impacted. Access to family planning methods has also been disrupted, increasing the risk of unwanted pregnancies. The pandemic has only exacerbated many pre-existing sexual and reproductive health issues such as access to contraceptives and menstrual, maternal and new-born health.

**Targeted measures are needed to support women-led enterprises and workers, along with reviving stalled legislative efforts to end discrimination against women, girls and populations with diverse sexual orientation and gender identities.** Such steps should help end discrimination in access to employment, equal pay and working conditions, including maternity and paternity benefits and childcare services.

**Introduce affirmative action to ensure increased representation of women in leadership at national and subnational levels.** This must be done alongside national advocacy and engagement to dismantle gendered perceptions of women’s capability to lead and govern.

**Adopt draft policy frameworks on Women Headed Households, and on Women, Peace, and Security** and other gender responsive policies to ensure support to and empowerment of marginalized women. These policies must be implemented with gender sensitivity and credibility.

**Strengthen support to employed women in shouldering disproportionate care burdens.** This must be accompanied by national advocacy and engagement to dismantle gendered norms on the role of women in the home.

**Systemic reform is required to ensure full access to sexual and reproductive services.** Legislation should be backed by efforts to address sociocultural and attitudinal issues preventing women and young people from seeking these services.

**A policy framework to address SGBV is crucial, with greater enforcement powers under the Prevention of Domestic Violence Act (2005).** A well-coordinated multisectoral response must also be available for survivors in line with the 2018 SGBV Essential Service Package initiative.

**Provide strategic advice and support for the Implementation of the National Strategic Action Plan to Monitor and Combat Human Trafficking (2021-2025).** Address the root causes of human trafficking including lack of livelihood support and awareness, in line with the National Strategic Action Plan, and adopt rights-based and victim-centric approaches to assist victims of human trafficking and to prevent them from falling into the cycle of re-trafficking.
Chapter 03

Prosperity Pillar
This section reviews and assesses Sri Lanka’s progress towards achieving targets for four SDGs (1, 8, 9, and 10) listed under the heading of the prosperity pillar. It discusses the status of achievements during 2016-2019 before the COVID-19 pandemic; the impact of the pandemic in 2020; the outlook for 2021 and further afield; and some policy priorities.

**PROSPERITY**

**SDG 1:** End poverty in all its forms everywhere

**SDG 8:** Promote sustained, inclusive and sustainable growth, full and productive employment and decent work for all

**SDG 9:** Build resilient infrastructure, promote inclusive and sustainable industrialisation, and foster innovation

**SDG 10:** Reduce inequality within and between countries

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**Potential Recommendations**

- **Release** fiscal space in the short term to finance targeted poverty reduction measures for vulnerable populations and address other potential inequalities that may result from the COVID-19 crisis.

- **Initiate** moves towards a modern social protection system, inclusive and gender responsive, with a nationally defined ‘floor’ guaranteeing the right of access to comprehensive health care and basic income security.

- **Safeguard** the stability of Sri Lanka’s financial system, ensuring stricter regulation for non-banking financial institutions.

- **Improve** financial access for MSMEs—not just access to capital—in order to foster an enabling environment for enterprises.

- **Restart** job creation in manufacturing and service sectors by investing in further diversification of Sri Lanka’s industrial export base.
Slowing post-conflict growth. Chart 1 shows Sri Lanka’s annual growth with some signposts to highlight important periods of activity. A significant growth uptick (the so-called “peace dividend”) occurred in the three years after the ending of the 30-year conflict (2010), with the economy expanding at a yearly average of 8.5 per cent. Growth was mainly fuelled by large infrastructure investment projects and a recovery of economic activities in the conflict-affected Northern and Eastern Provinces. Demand from public sector infrastructure projects underpinned strong contributions to GDP growth from the non-tradeable sector (e.g., construction, transport, utilities and retail trade). However, annual growth subsequently nearly halved to 4.5 per cent on average as these projects moved through their construction phases.

Sri Lanka’s growth slowed further to an average of 3.4 per cent in 2016-2019. Growth continued to weaken in 2018 due to tightening global financial conditions, downgrading of the country’s sovereign rating, and a constitutional crisis. Growth softened to 2.3 per cent in 2019 as the Easter Sunday bombings had a serious impact on the tourism sector and dampened business confidence.

Weakening per capita growth in recent years reflects moderating GDP growth and potential signs of an earlier and steeper demographic transition compared to other South Asian economies like India. This demographic shift has important economic and social implications (e.g., an increase in state-funded pension schemes and income transfers, and the cost and availability of health and long-term care services).

Analysis

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124 The health needs of the elderly are discussed under the heading of health in the Peoples Pillar while the chapter on leaving no one behind looks at issues relating to older women as a vulnerable group.
Limited structural change and a mixed technological record.
For several decades after the adoption of economic reforms in 1977, Sri Lanka followed a pattern of structural transformation characterised by a shift of labour and capital from agriculture to industry.\footnote{G. Wignaraja and A. Huttemann, "Assessing Sri Lanka's Economic Transformation Pathways, 1977-2019", SET Working Paper (London: Overseas Development Institute, October 2020).} Table 1 provides recent data on the sectoral composition of the economy.

Table 1: Sri Lanka Shares of Annual Gross Value Added, by Sector (% share)

<table>
<thead>
<tr>
<th>Sector</th>
<th>2011</th>
<th>2014</th>
<th>2017</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture, Forestry and Fishing</td>
<td>9.6</td>
<td>8.6</td>
<td>8.6</td>
<td>8.9</td>
</tr>
<tr>
<td>Industries (including construction)</td>
<td>30.4</td>
<td>30.4</td>
<td>29.5</td>
<td>27.8</td>
</tr>
<tr>
<td>Services</td>
<td>60.0</td>
<td>61.0</td>
<td>61.8</td>
<td>63.3</td>
</tr>
</tbody>
</table>

Source: Department of Census and Statistics.
Sri Lanka ranks seventy-fifth in UNIDO's Competitive Industrial Performance Index. Its manufacturing subsector has declined from 18.5 per cent of GDP in 2000 to 16.2 per cent in 2020. This process of deindustrialisation is thought to broadly impede Sri Lanka's economic growth and development and is occurring at a rate that exceeds many countries in South and East Asia.

The recent motion from the European Parliament to temporarily suspend Sri Lanka's preferential trading status under the Generalised Scheme of Preferences (GSP+) risks disrupting market access to Sri Lanka's 2nd largest export destination. Since 2017, the EU has relaxed import duties for two-thirds of Sri Lanka's export products in exchange for commitments on human rights, labour conditions, protection of the environment and good governance. However, a recent motion from the European Parliament calls to reassess Sri Lanka's GSP+ status in light of recent amendments to counterterrorism legislation that are inconsistent with international human rights conventions. The EU is Sri Lanka's second largest trading partner after China and the recipient of nearly a quarter of the island's exports—the vast majority of which are from the garment sector—which has implications for an estimated 350,000 workers in the apparel industry.

A recent growth diagnostic by Harvard University’s Centre for International Development (CID) suggests that Sri Lanka's exports have grown slower than imports because they have not diversified beyond a narrow set of traditional, low-complexity goods (tea, rubber products and ready-made garments, Figure 9). The diagnostic argues that Sri Lanka can enter new and higher productivity export industries through a mix of attracting foreign direct investment (FDI), facilitating public-private sector coordination, and encouraging technology transfer to generate higher value-added production activities.

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129 European Commission, EU grants Sri Lanka improved access to its market as incentive for reform. Generalized Scheme of Preferences (GDP) news archive (Brussels: 17 May 2017).
130 EconomyNext, EU parliament adopts resolution on Sri Lanka; wants PTA repealed, GSP+ withdrawn (11 June 2021).
The drive to encourage FDI may in part reflect Sri Lanka’s mixed record on domestic innovation and technological development. UNESCO estimates suggest that research and development expenditure in Sri Lanka is less than half that of Pakistan, and six times less than India.\textsuperscript{135} The entry of private telecommunications service providers and investments in modern ICT infrastructure may support this diversification, given the high degree of ICT penetration in Sri Lanka.\textsuperscript{136,137}

After an initial labour market uptick, unemployment re-emerged with worrying features. Sri Lankan labour force participation remains low at 50.1 per cent of the working age population.\textsuperscript{138} With tepid growth in 2016-2019, unemployment rose to 4.8 per cent in 2019.\textsuperscript{139} One challenge is a persistent

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gender gap. In 2019, female unemployment rates (7.4 per cent) are more than double that for males.\footnote{140} A high degree of informality also characterises Sri Lanka’s labour market, accounting for 57.4 per cent of total employment in 2019 and is highly concentrated in agriculture.\footnote{141} Progress towards greater formalisation of Sri Lanka’s labour force is crucial to realizing the 2030 Agenda, and in line with ILO Recommendation 204 on ‘Transition from the Informal to Formal Economy’.\footnote{142}

**Growth contributed to poverty reduction, but persistent geographic poverty pockets remain.** The national poverty head count ratio halved from 8.9 per cent in 2009 to 4.1 per cent in 2016.\footnote{143} This data reflects the downward trend in poverty since the end of the conflict. Extreme poverty at the $1.90 a day poverty line fell by two-thirds between 2009 and 2016. Poverty at the $3.20 a day poverty line nearly halved between 2009 and 2016.\footnote{144} However, the $5.50 a day poverty line shows that as much as 42 per cent of the population lived in poverty in 2016.\footnote{145,146} Pockets of severe poverty persist, particularly in the former conflict areas of the North and East and in relatively affluent areas (Figure 10). On average, poverty was highest in the estate sector in 2016, more than double the average for rural areas and more than four times that of urban areas.\footnote{147}

\footnote{141} Ibid.
\footnote{143} Sri Lanka, Department of Census and Statistics, Poverty Indicators based on the Household Income and Expenditure Survey – 2016. Figure 2: Poverty headcount index by survey period.
\footnote{145} Ibid.
\footnote{146} Other indicators also point to the high level of vulnerability in households in Sri Lanka, such as % of pop that use charcoal for cooking, high expenditure on food as % of total expenditure and high household debt levels.
\footnote{147} Sri Lanka, Department of Census and Statistics, Poverty Indicators based on the Household Income and Expenditure Survey – 2016. Figure 1: Distribution of poverty headcount index by district.
The 870,000 people living below the national poverty line in 2016 were broadly distributed across the island. A pro-poor policy agenda should reflect specific differences in the drivers of urban, rural and estate-based poverty. The bottom 40 per cent of the population recorded income growth of 3.7 per cent in 2016—slightly below the national average, and short of the SDG commitment to “sustain income growth of the bottom 40 per cent of the population at a rate higher than the national average”.\textsuperscript{148} Incomes have also grown more quickly among the rich than the poor.\textsuperscript{149}

The poor can suffer from multiple disadvantages at the same time. Multidimensional poverty helps explain the reasons behind persistent pockets of poverty (see Box 2).

\textsuperscript{148} Sri Lanka, Department of Census and Statistics. Annual time series of GDP at constant prices and \% growth: Table 4. Income growth of bottom 40\% obtained from the World Bank’s World Development Indicators. Updated 15 December 2020.

**Box 2: Multidimensional Poverty in Sri Lanka**

### The Multidimensional Poverty Index (MPI)

MPI broadens understanding of poverty by considering the lived reality of people’s experiences and the multiple deprivations they face at the household level. It examines deprivations across 10 indicators in three equally weighted dimensions: health, education, and standard of living.

<table>
<thead>
<tr>
<th>Health</th>
<th>Education</th>
<th>Standard of Living</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nutrition</td>
<td>Years of Schooling</td>
<td>Cooking Fuel Sanitation</td>
</tr>
<tr>
<td>Child Mortality</td>
<td>School Attendance</td>
<td>Drinking Water</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Electricity</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Housing Assets</td>
</tr>
</tbody>
</table>

MPI indicators are calculated using microdata from household surveys, and all indicators must come from the same survey. The MPI ranges from 0 to 1, with higher values implying higher multidimensional poverty. People are counted as multidimensionally poor if they are deprived in one-third or more of 10 indicators.

### Studies of MPI in Sri Lanka

In 2020 the UNDP published an international comparative study of MPI in the developing world, including Sri Lanka. Their measure suggests an MPI of 0.011 (Table 2). Sri Lanka’s Department of Census and Statistics (DCS) also constructed the MPI using different data. Both found broadly similar results and overlaps in the contributions to multidimensional poverty.

#### Table 2. Multidimensional Poverty in Sri Lanka, 2018

<table>
<thead>
<tr>
<th>Source</th>
<th>MPI (Index)</th>
<th>Poverty Rate</th>
<th>Intensity of Deprivation (%)</th>
<th>Severe Poverty Rate</th>
<th>Population Vulnerable to Poverty</th>
</tr>
</thead>
<tbody>
<tr>
<td>Demographic and Health Survey (2016)</td>
<td>0.011</td>
<td>2.9</td>
<td>38.3</td>
<td>0.3</td>
<td>14.3</td>
</tr>
<tr>
<td>HIES (2016)</td>
<td>0.009</td>
<td>2.4</td>
<td>37.5</td>
<td>0.2</td>
<td>11.9</td>
</tr>
</tbody>
</table>

Another study suggests that multidimensional poverty has decreased since 2007 across all provinces and ethnic groups, noting that little change took place in the estate sector. Evidence suggests that the conflict-affected Northern and Eastern Provinces and the ethnic minority Tamils are still worse off than their counterparts.

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**COVID-19 Impacts**

**Significant negative growth.** The pandemic brought an unprecedented public health emergency to an already weakening Sri Lankan economy, and has exacerbated existing challenges relating to poverty, inequality and the digital divide, with a disproportionate impact on vulnerable groups. International tourism came to a virtual standstill while exports and remittances fell significantly. MSMEs, the backbone of the economy, were particularly hard-hit, with revenues across the services sector falling by as much as 70 per cent over the first five months of 2020.

In April and May 2020, the GoSL spent an estimated Rs. 50 billion (0.33 per cent of 2019 GDP, or $270 million) in cash transfers to vulnerable populations through existing welfare schemes. This was implemented across all 25 districts and extended to waitlisted families, and one-off top-up payments were made to existing beneficiaries.

The World Bank suggests that over 500,000 people may have been pushed into poverty as a result of the COVID-19 crisis. Job losses were most concentrated in subsectors like construction, garment manufacturing, transport, and food and accommodation, and in urban areas in the lower-middle part of the income distribution. Workers at the higher end were more likely to be engaged in remote jobs, while the lower part of the distribution (e.g., agriculture) was less disrupted by restrictions on mobility. As a result, the ‘new poor’ created by the pandemic are twice as likely to reside in urban areas and are more educated than the poor prior to 2020. COVID-19 severely disrupted the labour market, and ILO estimates that in 2020 9.9 per cent of Sri Lanka working hours were lost relative to 2019, equivalent to 699,000 full-time jobs.

The poverty impact of COVID-19 suggests income inequality could rise. Projections by the World Bank indicate that the share of the population in poverty in Sri Lanka in 2020 has increased, and the pandemic “more than reverses the progress” made in poverty reduction since 2016. With approximately 60 percent of those employed being engaged in the informal sector and

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156 Ibid.
158 Assuming a 48-hour working week
159 Ibid.
an estimated 1.9 million being daily wage earners, a large number of households are likely to be in an increasingly precarious position due to falling household incomes, increasing food prices and rising unemployment as the effects of the pandemic continue into 2021. Vulnerable population segments such as daily wage earners, the aged, women-headed households, youth and the disabled are likely to be disproportionately at risk.

An estimated 50,000 migrant workers have returned home in response to the pandemic, causing reductions in remittances and challenges for existing social protection systems and services needed to support the specific needs of forced returnees.160

In 2020, Sri Lanka’s economy contracted for the first time since 2001. The economy shrank by 3.6 per cent as island-wide curfews translated into lost labour income, particularly for industries with substantial person-to-person contact. Most of the contraction in GDP was absorbed by labour-intensive industries.161 Consensus points to a recovery in economic activity in 2021, though these forecasts may not fully account for the recent sharp deterioration in Sri Lanka’s public health situation. Growth is expected to moderate slightly in 2022, noting a high degree of uncertainty around the duration and magnitude of the pandemic (Chart 3).162,163

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161 Sri Lanka, Department of Census and Statistics. Annual time series of GDP at constant prices and % growth: Table 4 (Sri Lanka, 2021).
Distribution of COVID-19 vaccines is a source of cautious optimism for economic growth and development. The IMF upgraded its most recent forecast for the global economy by 0.5 percentage points to 6.0 per cent in 2021. This is tempered by expectations that the pace of recovery will vary across countries depending on access to medical interventions, effectiveness of policy support, and structural characteristics (e.g., reliance on tourism) before the crisis. A potential two-speed global recovery could lead to significantly wider gaps in living standards between low- and high-income countries.\(^{164}\)

However, the recent surge of COVID-19 infections driven by “variants of concern” is largely outpacing vaccination efforts. The World Bank and the Asian Development Bank identify a quick and comprehensive vaccine rollout in Sri Lanka in 2021 as crucial to economic recovery, though the recent surge in COVID-19 cases makes it increasingly difficult to predict the path and the scale of the pandemic.\(^{165,166}\) The World Bank notes that a more prolonged economic downturn could push many MSMEs into insolvency, place additional strain on public finances and elevate the risk of macroeconomic stability.\(^{167}\) Banks could struggle with non-performing loans, further restricting access to credit.
Recovery for international tourism (accounting for 11.0 per cent of Sri Lanka’s employment in 2019) is also likely to be further delayed. A survey conducted in August 2020 by the International Air Transport Association found that over half of respondents would wait six months to a year to return to international travel, even after travel restrictions were lifted.

An increasing risk is sustainability of public finances. Constraints on fiscal space leave little room for Sri Lanka to deliver the large-scale fiscal outlays of COVID-19 domestic policy responses by other world governments. Interest expenses on public debt considerably constrains fiscal space which otherwise could be allocated to economic and social services. There is a clear relationship between social spending and public debt with the former showing a trend decline as the public-sector debt has built up. It is in this context that big impact social spending is very much missed in the country – spending that would address contemporary social challenges, transform lives of the people and deliver significant improvements to living standards.

The combined effects of a protracted decline in domestic economic activity and pressure on Sri Lanka’s external sector increase the risk of debt distress. Central government debt in 2020 is estimated at 101 per cent of GDP and will likely increase in the near term unless reductions in government expenditure can offset the 30 per cent contraction in tax revenue recorded in 2020. The government had to incur a significant cost in curbing the Covid pandemic, while maintaining the public services, on-time payment of public servants’ salaries and pensions, and providing relief to families who have lost their sources of income.
The GoSL’s Medium-Term Macro-Fiscal Framework shows central government debt peaking in 2020 before declining over the period to 2025 as budget deficits are reduced through fiscal consolidation and projected revenue increases. However, projections from the IMF and World Bank show more persistent fiscal deficits into the medium term and a less favourable outlook for government debt.

**Fiscal consolidation by the GoSL is imperative.** At the recently concluded Budget discussion, the Minister of Finance emphasized the importance of formulating a fiscal policy that inculcates a savings culture amongst a majority of the country. The objective is to create a conducive environment that enables all citizens - working community, high income earners and entrepreneurs – to save as much as they can and thereby expand their investment capacity, although causal relationship between increases in savings and productive investments maybe scarce. Additionally, proposals were made to transform the public sector into an efficient service with measures to be implemented in reducing recurrent expenditures in the public service. A well thought-out public finance mechanism is important to avoid further straining public finances and accentuating the fragility of the economy.

**Sri Lanka’s ability to avoid a prolonged recession depends on a COVID-19 recovery strategy aligned with the SDGs and the 2030 Agenda.** The UN is firm in advocating for a package of first-best policies to support social and economic progress towards 2030 and is working tirelessly to find financing solutions to fit that programme, along with the World Bank and the IMF. In an environment of sharp fiscal constraints, the contestability of social spending in the government spending pecking order and sustainability of the same have been major concerns. Over the past decade, Sri Lanka has spent approximately 6 percent of GDP on social spending, very much below what it should have spent to keep emerging social issues under check.

**Releasing fiscal space in the short term to finance targeted poverty reduction measures resulting from the COVID-19 crisis.** Sustainable ways to retire high-cost debt and refinance on better credit terms could generate short-term fiscal capacity while addressing overlaps in service delivery and improving the targeting of larger fiscal outlays to improve efficiency.

**Initiating reforms to move towards a modern social protection system.** A nationally defined social protection floor could guarantee the right of access to comprehensive health care and unemployment protection. Digitised delivery systems can reduce administrative costs and establish a more comprehensive register of beneficiaries, easing future feasibility of targeted social assistance. Reforms should incorporate social dialogue and consultations with relevant stakeholders.

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Safeguarding Sri Lanka’s financial system against further financial market stress. Sri Lanka should monitor financial system stability during the pandemic. Support for MSMEs should be ramped up through concessional financial incentives and grants. Once the pandemic is under control, attention should be given to rebuilding bank buffers, stricter regulation for non-banking financial institutions and improving financial access for MSMEs.

Amending domestic legislation crucial to the operation of the GSP+ ahead of the EU-Sri Lanka Joint Commission meeting in 2022 is an important step. Recent engagements between Sri Lanka and the EU and commitments to engage in Working Group-level discussions in the fourth quarter of 2021 are welcome developments that will help contribute to policy certainty around trading arrangements.173

Stemming the pre-pandemic de-industrialisation trend can restart job creation in manufacturing and related sectors. Export-driven growth can leverage current strengths in garment manufacturing, as well as enhanced value addition to Sri Lanka’s primary sectors. The country may also need to engage with the global fourth industrial revolution and the use of Advanced Digital Production technologies.

Chapter 04

Planet Pillar
This section attempts to evaluate Sri Lanka’s progress towards achieving targets for seven SDGs (6, 7, 11, 12, 13, 14 and 15) listed under the heading of the planet pillar. It discusses the state of play before the COVID-19 pandemic, the impact of the pandemic in 2020, the outlook for 2021 and further afield, and some policy priorities.

- **SDG 6**: Ensure availability and sustainable management of water and sanitation for all
- **SDG 7**: Ensure access to affordable, reliable, sustainable and modern energy for all
- **SDG 11**: Make cities and human settlements inclusive, safe, resilient and sustainable
- **SDG 12**: Ensure sustainable consumption and production patterns
- **SDG 13**: Take urgent action to combat climate change and its impacts
- **SDG 14**: Conserve and sustainably use the oceans, seas and marine resources for sustainable development
- **SDG 15**: Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halve biodiversity loss
Potential Recommendations

**Climate Change**

- **Develop** more disaggregated data to assess the impact of climate change on economic and social development, and design effective mechanisms to support at-risk groups affected by natural disasters.
- **Strengthen** technical skills within the Department of Meteorology, the Department of Irrigation and the National Disaster Management Centre to interpret and apply climate/weather information to mitigate climate change risk.
- **Improve** capacity to manage natural disaster response through risk analysis, early-warning systems and emergency response.
- **Map** Sri Lanka's changing population dynamics to assess changes in the 'carrying capacity' of the ecological system.
- **Incorporate** disaster risk reduction and climate change adaptation into land infrastructure decisions to minimise risk.
- **Engage** in fair multistakeholder dialogue when designing and implementing climate-related initiatives.
- **Mobilise** community entities to co-design and implement sustainable livelihoods projects and build local support for national initiatives.
- **Conduct** feasibility studies on different forms of renewable energy to facilitate Sri Lanka's transition to a 'greener' energy mix.
- **Adopt** approaches to vulnerability, resilience and recovery which are sensitive and responsive to gender, age, disability and cultural perspectives, and promote the leadership of women and youth, in keeping with the Sendai Framework.

**Urban Planning and a Sustainable Built Environment**

- **Align** Sri Lanka’s urban planning measures with sustainable planning practices—such as the principles of the UN’s ‘Compact Cities’ agenda—to minimise inefficiencies.
- **Create** more efficient urban development by promoting better use of existing urban space through revitalisation of existing infrastructure and transport links.
- **Regulate** public transit and waste management to manage sustainable expansion of urban settlements.
- **Maintain** wetlands and access to green space for flood resilience, ecotourism and better health and well-being for urban residents.
• **Enforce** more stringent environmental safeguards to support the ‘greening’ of construction services and stop further environmental degradation.

• **Facilitate** greater low-carbon development through locally sourced building materials and enhancing labour force skills in sustainable production practices and processes.

• **Install** pipeline systems in new urban developments and implement stronger protection measures in drinking water catchment areas to prevent saline intrusion during droughts.

• **Strengthen** surveillance and enforcement powers of the Central Environment Authority to prevent suspected illegal sand mining and deforestation.
**Sri Lanka is highly vulnerable to climate change.** This includes rising sea and land temperatures, changing precipitation patterns, and intensifying extreme events such as flooding, storms and droughts. Annual average temperatures in Sri Lanka are projected to rise 1.0°C-1.5°C by 2050. While in line with regional averages, the impact on Sri Lankan livelihoods will be among the most severe in South Asia due to the high degree of vulnerability of households in “hotspot” areas.

**Climate change pace outstrips Sri Lanka’s readiness to respond to its effects.** The University of Notre Dame’s 2018 ND-GAIN Index, which summarises a country’s readiness to adapt to climate change, ranks Sri Lanka as 103rd out of 181 countries, which is an improvement from its ranking of 112 in 2010. Improvements in the index have been driven by increasing readiness to “leverage investments and convert them into adaptation actions”. However, increasing readiness belies growing vulnerability to climate change in the form of projected changes in cereal yields and variability of water runoff.

**Climate change is severely affecting Sri Lanka’s poorer regions.** In the Northern and North Western Provinces, living standards are projected to decline by more than 10 per cent by 2050. These provinces are characterised by gaps in critical infrastructure, lower water availability and lower rates of electrification. Declining living standards can be attributed to worsening health due to heat-related illness, crop failures, drought and water insecurity and lower labour productivity due to exhaustion and vector-borne disease.

**Drought adversely affects livelihoods and food security.** Over 14 drought events have been recorded in Sri Lanka between 1980 and 2019, affecting the livelihoods of millions and posing food security issues as domestic food production struggles to meet population needs. Droughts have also severely affected Sri Lanka’s hydropower generation, leading to losses in crops and livestock in 2005-2010.
Figure 11 attempts to classify districts based on their meteorological and drought hazards from 1989-2019.\textsuperscript{181} Meteorological drought is measured through rainfall anomalies (e.g., prolonged dry spells), while agricultural droughts are assessed by vegetation health.

Average temperature rise and water stress can affect agricultural yields and lead to contamination of groundwater. Interventions should include safeguards against the effects of higher CO\textsubscript{2} concentrations; screening crop varieties for heat and water stress; and assessing impacts on reef fish stocks and fisheries.\textsuperscript{182} Rural communities face health impacts from water sources with a much higher risk of agrochemical contamination or water-borne diseases.\textsuperscript{183} Groundwater sources in the northern “dry zones” are also affected by increasing agrochemical pollutants from fertilizer use.\textsuperscript{184} This has longer-term implications given the challenges in rehabilitating water sources and identifying viable alternatives.\textsuperscript{185}

Sri Lanka’s coastal areas are increasingly prone to rising sea levels and extreme weather events. Sea level rise and average temperature changes have increased the frequency of storm surges causing saline intrusion and inundating lands along Sri Lanka’s coastal belt. These developments mean that up to one in six Sri Lankans could be living in exposed floodplains by 2030.

Increasing frequency of extreme weather events leaves Sri Lanka vulnerable to substantial natural disaster losses. The World Bank estimates average annual disaster losses of LKR50 billion ($313 million), equivalent to 0.4 per cent of GDP or 2.1 per cent of government expenditure.\textsuperscript{186}

\textsuperscript{181} N. Alahacoon, “Satellite-Based Meteorological and Agricultural Drought Monitoring.”
\textsuperscript{184} UNICEF Regional Office for South Asia, Community Involvement in Promoting Groundwater Recharge through Managed Aquifer Exchange Approach - A Pilot Experience in Jaffna, Sri Lanka (Kathmandu, Nepal: UNICEF WASH Field Note).
\textsuperscript{186} Ibid.
On average, 800,000 Sri Lankans per year were affected by natural disasters over the decade to 2019.\textsuperscript{187} The increasing frequency of extreme weather events like flooding ranks Sri Lanka as the sixth most vulnerable country to the effects of climate change in 2018 by climate-focused NGO Germanwatch.\textsuperscript{188}

Precipitation flooding accounts for a sizable share of overall losses each year (chart 4). The greatest per capita wellbeing losses to precipitation flooding are concentrated in Colombo, Rathnapura, Mannar, Trincomalee and Polonnaruwa Districts (Figure 12).\textsuperscript{189} Floods can also be associated with landslides, which affect around 20 per cent of land area and increase the prevalence of vector-borne diseases such as dengue fever.\textsuperscript{190} Situation reports from the National Disaster Management Centre indicate that heavy rains in Sri Lanka’s north and east in 2019 caused flooding and landslides that affected 65,316 people across 13 Districts.\textsuperscript{191}

A more responsive social protection system could provide timely, targeted disaster assistance in a way that leverages existing transfer mechanisms and minimises the fiscal and coordination burden on government.\textsuperscript{192}

\begin{figure}[h]
\centering
\includegraphics[width=\textwidth]{chart4.png}
\caption{Chart 4: Annual Average Disaster Losses, by Type of Disaster}
\end{figure}


\begin{figure}[h]
\centering
\includegraphics[width=\textwidth]{figure12.png}
\caption{Figure 12: Risk to well-being (expected annual losses) from exposure to precipitation floods}
\end{figure}

Source: Walsh and Hallegatte, 2019. Losses are shown in thousands of dollars (left) and in dollars per capita, per year.


\textsuperscript{190} UNDP Sri Lanka, Unseasonal Seasons in the Land of Serendipity (n.p., 2019).

\textsuperscript{191} Disaster Management Centre, Situation Report: December 23, 2019. Sri Lanka Ministry of Defense

Climate change is also affecting the health of the biologically susceptible. Children experience greater physical and psychological trauma, while nutritional deprivation, infectious agents and environmental contaminants can manifest as chronic disease or cognitive impairments later in life. WHO estimates that 88 per cent of the disease burden due to climate change is borne by children under five. Older persons are also vulnerable to disease due to heat stress and food and water supply issues. Exposure to biomass emissions also poses acute health risks, as Sri Lankan households in rural and estate areas rely on traditional local stoves, which have incomplete combustion resulting in high pollutant emissions. This coupled with poor ventilation in houses of low-income groups, can produce very high levels of indoor pollution. A 2004 study from the World Health Organization estimates 4,200 deaths in Sri Lanka are attributable to indoor air pollution. Studies also suggest that household air pollution driven by biomass cooking facilities are associated with an increased prevalence of low birthweight among pregnant women, and increased risk of cataracts, heart and respiratory disease among the elderly. Clean energy can improve the health and well-being of women, reduce the burden of domestic work and free up time for leisure and improve quality of life.

Women and men experience disasters and the adverse effects of climate change differently. There are differences in vulnerability, adaptation, and coping capacities determined in part by social and economic status, age and physical abilities. Post tsunami studies conducted in Sri Lanka and Indonesia show that women accounted for 70 per cent of fatalities during the 2004 tsunami, while disaster mortality data from recent events in Asia suggest that women are as much as nine times more likely to die during these events.

Sustainable Production and Consumption, Environmental Management and Biodiversity Progress has been mixed under the ambitious 2019 National Policy on Sustainable Consumption and Production for Sri Lanka. In 2021 and in line with national policy, the CEA enacted a regulatory framework to phase out single-use plastics, with mediation measures assisting the transition to biodegradable substitutes.

The GoSL’s four-year partnership with the EU’s Switch-Asia facility has also built support for the introduction of eco-labelling.\textsuperscript{200,201} However, further expansion of sustainable activities is constrained by few incentives to adopt sustainability-focused business practices\textsuperscript{202} and the lack of harmonised monitoring of sustainable production.\textsuperscript{203} More recent analysis points to shortfalls in waste management infrastructure, contributing to waste leakage into the Lakshadweep Sea, which threatens biodiversity and tourism on the coastlines of Sri Lanka as well as the Maldives and India.\textsuperscript{204}

**Doubling of Sri Lanka’s per capita CO2 emissions over the past decade and a reliance on imported fossil fuels have prompted a National Energy Policy to increase renewable electricity generation to 80 per cent by 2030.** Production-based CO2 emissions per capita in Sri Lanka are over five times higher than in 1990.\textsuperscript{205} In the energy sector, biomass still plays a dominant role in the supply of primary energy source, especially for cooking. Even though the share of biomass as a primary energy source has gradually reduced, approx. 37% of the total energy supply is still coming from biomass\textsuperscript{206}. Over the same period, the share of fossil fuels in total energy supply has more than doubled to 55% in 2018, underpinned by a twenty-fold expansion in the use of coal-powered energy over the past decade.\textsuperscript{207} Growing demand has prompted recent shifts towards renewable energy.\textsuperscript{208} Sri Lanka’s National Energy Policy of 2019 has set ambitious targets to reduce greenhouse gases, pledging to achieve 100 per cent green energy generation by 2050.\textsuperscript{209}

**Indigenous natural gas, hydroelectricity and other smaller-scale renewable sources are expected to underpin these commitments.** Sri Lanka’s Nationally Determined Contributions (NDCs) include replacing thermal power plants with large-scale wind power; involving the private sector in adoption of solar-power technologies; and hydropower generation.\textsuperscript{210} Foreign and/or multilateral finance is likely to be needed to better incentivise the transition away from coal-powered energy.\textsuperscript{211}

\begin{thebibliography}{9}
\bibitem{202} Extended Producer Responsibility frameworks refer to policy measures where producers are given significant responsibility for the treatment and disposal of post-consumer products (see \url{https://www.oecd.org/env/tools-evaluation/extendedproducerresponsibility.htm}).
\bibitem{206} Asian Development Bank. 2019 Sri Lanka: Energy Sector Assessment, Strategy, and Road Map. DOI: \url{http://dx.doi.org/10.22617/TCS190557-2}
\end{thebibliography}
Leakage from the damaged container vessel MV X-Press Pearl could have long-term effects on an already-fragile marine ecosystem and threaten the livelihoods of thousands of Sri Lankan families. The toxic chemical spill off the coast of Sri Lanka’s Western Province in May and June 2021 is the worst maritime disaster in the island’s history. The Singapore-flagged container vessel was carrying 348 tonnes of fuel, nitric acid, epoxy resins, ethanol and heavy metals. Environmental scientists suggest the leak will result in the death of coral and other marine life, with disastrous long-term effects on the fishing trade. Sri Lanka’s coastal shelf fisheries support over 220,000 active fishermen and supply chain workers, the majority concentrated in the Northern and Eastern Provinces. In addition, FAO projects a 16 per cent decline in fish catch by 2050, translating to a direct cost of 0.2 per cent of 2019 GDP. IUU activities in Sri Lanka’s territorial waters present a further risk to fish stocks.

The MV X-Press Pearl incident adds to the increasing problem of microplastic intrusion, a critical issue with serious health impacts on marine organisms and humans. Evidence suggests that Sri Lanka is one of the top five polluters of land-based microplastics entering seawater, with the southern coastal area showing microplastic contamination of 60-70 per cent of sand and surface water. Single-use plastics also contribute due to their low biodegradability and potential for contamination of drinking water sources.

Deforestation and poor land use management puts livelihoods at risk. Large-scale commercial agriculture, urbanisation and industrialisation are compounded in Sri Lanka by elite-driven attempts at forest-land alienation.

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211 Ibid.
217 Sri Lanka Department of Fisheries and Aquatic Resources, Sri Lanka National Plan of Action to Prevent, Deter and Eliminate Illegal, Unreported and Unregulated Fishing (n.p., 2013).
218 ‘Microplastics’ refers to plastic that is smaller than 5mm in diameter, and are found primarily in cosmetic and hygiene products, as well as through deterioration of larger pieces of plastic.
222 Single-use plastics which can be detected in 83% of tap water and taken an average of 100 years to degrade naturally in the environment
Loss of vegetation cover, particularly on mountain slopes, increases susceptibility to landslides and floods. A 2020 study estimates an 8 per cent net change in loss of cover over the 27 years between 1992 and 2019. Current rates of forest clearing will greatly reduce Sri Lanka's ability to withstand increasing ecological shocks. Cabinet decisions to deregulate protection of state forests and remove their jurisdiction from the Forest Department underline the risks to Sri Lanka's environment and biodiversity.

Sri Lanka is a biodiversity 'hotspot' with a wealth of endemic species. Poor safeguards also make it a lucrative target for environmental crimes. While deforestation threatens Sri Lanka's lowland rainforests, human-wildlife conflict is also on the rise, with more than 360 elephants and 100 humans killed in 2019. According to the World Wildlife Report 2020, Asia remains a prime transit hub for the illegal live reptile trade. Sri Lanka is among the top ten countries that reported seizures between 2007-2017.

Weak enforcement of environmental safeguards further exacerbates biodiversity depletion. Developments on Mannar Island, a haven for migratory birds and emerging hub for avian tourism, exemplify the tension between human activity and biodiversity in Sri Lanka. Recent exploration of heavy mineral extraction threatens the island's natural assets. In Vankalai Sanctuary, transmission lines from a nearby wind park could prove fatal to migrating birds.

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227 Sri Lanka has a wildlife-based tourism industry and is home to the ‘Top 7’ wildlife species; the Asian Elephant, Sloth Bear, Leopard, Black-necked Stork, Saltwater Crocodile, Leatherback Turtle and Blue Whale, six of which are listed under CITES as protected species.
Figure 13: National Physical Plan 2017-2050

Source: National Physical Planning Department
The National Physical Plan (NPP) of 2017-2050 proposes the expansion of road networks and urban centres in ecologically sensitive or protected areas (figure 13). Integrated Strategic Environment Assessments (ISEAs) are an important part of the NPP, ensuring that infrastructure developments are ecologically sustainable. Sri Lanka has had just one ISEA conducted for the Northern Province between 2009 and 2014 to support regional development plans following the end of the conflict.

Significant rural-urban migration puts strain on the island's urban settlements. One in three Sri Lankans are expected to reside in urban settlements by 2050, with increasing pressure on essential service provision. Colombo's urban population increased by 47 per cent between 2002 and 2012—nearly eight times the national growth rate—giving rise to urban sprawl over district and provincial boundaries. Colombo's total built-up urban land area has increased from around 41km² in 1995 to 281Km² in 2017 (Figure 14). This rapid urban expansion is mirrored across other provincial capitals.

Women's triple burden due to rural-urban migration. Climate migration, which is often seasonal or cyclical, has increased in recent years. Due to the barriers for women to access urban labour markets, which are both social and economic related, in the majority of cases, it is adult males who migrate while women, children, those with special needs and the elderly stay behind in rural areas. This has led to additional challenges to women, burdened them with household and childcare duties, agricultural responsibilities, and a need for additional income and food generation. Further, lack of gender sensitive agricultural extension service, limited access to climate information and advisories, and poor representation of women in agricultural decision making have increased the challenges for women to engage in agricultural activities.

238 This is likely an underestimatof urban population growth, as the legal definition of “urban” in Sri Lanka does not fully capture peripheral urban areas with urban characteristics, which continue to grow exponentially.
Rapid urban expansion contributes to mounting economic, social and environmental costs. Population growth in flood-prone areas of major urban centres exposes an increasing number of people to flooding hazards. In Colombo, changes in land use from non-urban to urban purposes has reduced water-holding capacity in wetland areas, increasing flood risk by reducing drainage capacity by up to 30 per cent in the greater Colombo area.\textsuperscript{242,243} 

Largely unplanned urbanisation is stimulating environmental degradation. Around half of all solid waste produced in Western Province is disposed of in landfill, releasing pollutants into nearby water bodies and wetlands.\textsuperscript{244} Green cover in Colombo has fallen from 83 per cent in 1981 to 5.02 per cent in 2015, with the estimated per capita green space in 2015 being 7.16 m\textsuperscript{2}.\textsuperscript{245} WHO has defined an area of 9 m\textsuperscript{2} as optimal in an

\textsuperscript{243} UN-Habitat, 2018. State of Sri Lankan Cities.  
\textsuperscript{244} Ibid.  
urban area to provide quality of life. Public transport has grown at a rate much slower than urban population growth; traffic congestion also indicates an overreliance on private transport, which leads to overcrowding. Poorly serviced public transport poses risks to passengers: 90 per cent of 2,500 women surveyed island-wide in 2017 had experienced some form of sexual harassment on public transit.

Sanitation coverage in Sri Lanka is at 92 per cent and drinking-water coverage is at 94 per cent. According to the national census conducted in 2011, 54 per cent of Sri Lanka’s population were dependent on groundwater for their drinking water needs. Dug wells and tap-borne water are the major sources for the rural and estate sectors, making them disproportionately affected by contaminants, especially during dry periods. The greatest challenge for contaminated groundwater systems is the time (in decades) and costs required to rehabilitate them. Groundwater is likely to be heavily polluted by agro-chemicals, especially in the dry zones, further aggravating water security issues. Another issue is the rise in sea level and storm surges combined with rainfall variability, causing lower river flows during drought periods and increases in saltwater intrusion. This has led to greater need for clean water supply, with higher distribution and maintenance costs passed on to the consumer.

Mining of river sand is contributing to Sri Lanka’s environmental degradation. Up to 80 per cent of sand used in construction is harvested from rivers, half of which is estimated to be sourced illegally. Recent amendments to the Mines and Minerals Act relaxing requirements for transportation license holders to comply with recommendations in the CEA have been met with public claims of illegal and unregulated sand mining. This has also led to riverbank erosion and saltwater intrusion into main rivers.

250 Six per cent of the population consume water by purchasing it from vendors who transport water in very unsanitary plastic containers, by walking more than two km, or from rivers, streams or unprotected wells.
254 Ibid.
256 Global Water Partnership, Curbing Unregulated River Sand Mining in Sri Lanka, Impact Stories, December 2018
Reductions in movement and economic activity during 2020 have led to an improvement in air quality in Colombo. According to the US Air Quality Index, Colombo’s daily average air quality improved by 23 per cent during the curfew period in 2020. Improvements have persisted since the resumption of most economic activities (Chart 5). However, these short-term effects belie longer-term concerns about the level of investment required to meet the goals of the Paris Agreement.

Chart 5: Colombo Air Quality Index by month, January 2019 to May 2021

Increased use of Personal and Protective Equipment (PPE) in response to the COVID-19 pandemic has implications for medical waste disposal. Poor hazardous waste management exposes health care workers, patients and the community at large to infection and/or injury, in addition to its contamination risks to the environment. The GoSL has conducted a Nationwide Rapid Assessment on healthcare waste management to inform a NAP of short- and medium-term measures in line with international best practices.

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Mounting climate change impacts underline the need for better information to monitor their effects on economic and social development. More accurate, frequent and accessible disaggregated data will provide a basis for varying effective social protection and insurance mechanisms.

Understanding Sri Lanka's changing population dynamics is essential for strong climate adaptation. Climate change and its impacts can affect the ‘carrying capacity’ of Sri Lanka's ecological system. Analysing population dynamics along with consumption patterns and changes can help map where support is needed most.

Incorporating disaster risk reduction into land use and infrastructure decisions. Ensuring ISEAs are included in all new developments is crucial to ensuring the safety, resilience and sustainability of the built environment. ISEAs should be conducted for all nine provinces as a first step towards preventing disruption to vital ecological functions, while actively seeking opportunities for sustainable ventures.

Strengthening the technical skills and capacity of the Department of Meteorology, the Department of Irrigation, and the National Disaster Management Centre better interpret and apply climate information. Efforts are underway to improve short-term weather forecasts for planning and implementation in many economic sectors. Better incorporating this information in climate-sensitive sectors such as agriculture and tourism can help mitigate social and economic impacts. It can also assist in relief and recovery from natural disasters.

More sustainable and inclusive urban planning practices—such as the principles of the UN’s ‘Compact Cities’ agenda—could help manage inefficiencies associated with unchecked urban sprawl. Improved use of existing urban space is a first step to more efficient development. Maintaining wetlands and access to green space for flood resilience, ecotourism and improved well-being for urban residents are important considerations in sustainable urban planning. New pipeline systems and stronger conservation measures in key drinking water catchment areas are essential to prevent saline intrusion during drought periods. Comprehensive planning in waste management and safer, better-regulated public transit are other key components.

Greener construction. Adoption of low carbon development through locally sourced building materials is a key entry point for policymakers to help reduce the carbon footprint of Sri Lanka’s import-intensive construction industry. Interventions to support more efficient, ecologically sustainable production and consumption methods should also be explored.

Potential Recommendations

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260 Carrying capacity is an ecological concept that expresses the relationship between a population and the natural environment in which it depends for ongoing sustenance (Dissanayake, 2017).

Multistakeholder dialogue is essential in climate-related initiatives. A broader social dialogue for inclusive and participatory decision-making will help ensure the transition towards a green economy is fair and just. Mobilising community volunteers and organisations to co-design and implement sustainable projects can build local support for greater ambition in national climate commitments and make local governments more accountable. Local participation also provides opportunities to better educate communities on sustainable practices, secure long-term ownership, and help maintain control over their own natural resources.

Feasibility studies on different forms of renewable energy. Shifting Sri Lanka’s energy mix to a major share in renewables is another equally important area for policy action.\(^{262}\) Understanding additional investments required in power storage for renewable energy sources is key to delivering more stable supply and pricing, which will help incentivise the transition away from coal-powered energy.

Strengthening surveillance and enforcement powers of the CEA. Recent changes around the administration of state forests and deregulation of transport of raw materials makes the CEA’s capacity to monitor, investigate and prosecute illegal activities under the National Environment Act (1980) increasingly vital.

Chapter 05

Peace Pillar
Potential Recommendations

**Justice and Security Reform**

- **Minimise** legislative delays and strengthen equal access to justice through progressive and comprehensive judicial reform in line with international standards, norms, and best practices.
- **Strengthen** assistance and protection of victims of crime, and also facilitate witness participation in judicial proceedings free from reprisals, threats or intimidation, in line with recommendations as per UNHRC resolution 30/1.
- **Advocate** for the repeal of the Prevention of Terrorism Act.
- **Invest** in improving the monitoring and prosecution of actors involved in illicit trade flows—particularly drugs and armaments—to reduce the social costs and risk to human life and help fulfil Sri Lanka’s long-standing regional commitments to reduce illicit arms flows.
- **Reduce** overcrowding in the prison system by easing bottlenecks in the court system and investing in more and better authorised accommodation for incarcerated individuals in line with United Nations Rules for the Minimum Treatment of Prisoners (“Nelson Mandela Rules”).
- **Strengthen** accessibility and sensitivity to and protection of those most vulnerable, considering gender, age, disability, and cultural identity.
• **Implement** devolution of land and police powers as mandated by the constitution to diffuse inter-community tensions in the north and east.

• **Deliver** on historical commitments to transitional justice and reconciliation—particularly in the regions most severely affected by previous conflict.

• **Improve** service delivery and support demilitarisation efforts in the North and East as a pathway to improving state-minority relations, including increased fiscal transparency and accountability as well as participation in budget design and monitoring.

• **Operationalise** the Official Languages Policy to improve access to information in Sri Lanka's official and “link” languages.

• **Invest** in programmes on dealing with the past, reconciliation, educating communities on prevention of violence, and the promotion of peacebuilding at the community level, including recommendations from the Lessons Learnt and Reconciliation Commission (LLRC) on promoting social cohesion through education.

• **Adopt** a national strategic plan to harness youth volunteerism to build positive social cohesion.

• **Strengthen** support to and representation of women in peacebuilding efforts, including through the adoption of a National Action Plan on Women, Peace, and Security, in keeping with the recommendations of the Committee on the Elimination of Discrimination of Women.\(^{263}\)

• **Maintain** space for dialogue among communities and diaspora groups to facilitate cross-cultural understanding, stronger social cohesion and reconciliation.

• **Advocate** for the continuing role of civil society in SDG dialogues, including through forums like the Voluntary People’s Review of SDGs.

\(^{263}\) Concluding observations of the Committee Against the Discrimination of Women [2017], para 17
Two broad types of challenges stand in the way of Sri Lanka attaining its targets. First, state institutions have a long history of weak independence, increasing political influence over key state institutions and reducing independent oversight. This affects multiple SDG 16 targets and increases prospects for regression. Second, special national security laws dating back to the conflict permit executive decisions on arrests and incommunicado detentions, inconsistent both with constitutional clauses on fundamental rights and international human rights standards.\textsuperscript{264, 265}

Sri Lanka has entered a new political cycle, with decisions that have reversed the changes introduced in the previous political cycle. The 19th Amendment to the Constitution in 2015 brought checks and balances to the presidency, but the new government secured a parliamentary supermajority in August 2020, enabling constitutional amendments reversing this trajectory by strengthening the chief executive. New powers include control over appointment and dismissal of key officials.

The major source of contestation is abolition of the Constitutional Council, which limited presidential powers of intervention in public appointments and dismissals.\textsuperscript{266} Its replacement, a non-binding advisory entity to the parliament, in effect restored unrestrained powers to the presidency, and means new constitution formulation processes are being led outside the parliament, with limited consultation among parliamentarians. Over time this could affect equality of access to justice, with serious consequences for human rights and a resultant negative impact for Sri Lanka in its progress on some SDG 16 targets and indicators. As the key enabler and accelerator, prioritization of Goal 16 is instrumental to further the progress of all SDGs overall, in addition to furthering specifically the good governance agenda of Sri Lanka.

Declining homicides and violence. The rate of homicides per hundred thousand people is around one-fourth of what it was in 2008 (indicator 16.1.1).\textsuperscript{267} This puts Sri Lanka ahead of many South Asian peers and on a par with Bangladesh. There has not been a single armed conflict-related death since the civil conflict ended twelve years ago (indicator 16.1.2). Human rights violations are markedly lower than in wartime,\textsuperscript{268} and

\textsuperscript{264} ‘Internal paper assessing the effects of constitutional change,’ UN Department of Political and Peacebuilding Affairs (DPPA), November 2020.
\textsuperscript{266} ‘Internal paper assessing the effects of constitutional change,’ UN Department of Political and Peacebuilding Affairs (DPPA), November 2020.
\textsuperscript{267} World Bank, Intentional Homicides (per 100,000 People) – Sri Lanka, https://data.worldbank.org/indicator/VC.IHR.PSRC.P5?locations=LK.
\textsuperscript{268} UNDP, Crisis Risk Dashboard, https://www.hrw.org/.
‘grave crimes’ as classified by the Sri Lanka Police declined over 30 per cent between 2010 and 2019. The Global Peace Index classifies the ‘state of peace’ in Sri Lanka as ‘medium’ and finds the country to be 20 per cent more peaceful in comparison to 2008, when Sri Lanka was in the penultimate stages of the conflict.

Progress in other areas may help improve Sri Lanka’s rankings. For instance, reported protests and political violence have increased substantially over the past three years. Fatalities arising from political violence and protest have also increased to levels not seen since the early 2010s, even after accounting for the casualties from the 2019 Easter Attacks.

**Prison violence:** Between March and November 2020, there were 14 deaths in three separate incidents of prison violence. The per capita death rate of incarcerated prisoners (convicted and detained/in custody) reached a 10 year high in 2019. This occurs at a time when prisons are overcrowded, with the majority of inmates unconvicted and held on remand. Meanwhile, between August and end December 2020, reported shootouts between law enforcement and suspected organised crime members resulted in five fatalities.

**Sexual and Gender-Based Violence:** There is little dynamic data on SGBV. The 2019 Women’s Wellbeing Survey reports that women in Sri Lanka are more than twice as likely to have experienced physical violence by a partner than a non-partner. Harassment of women in public remains high. Data from UNFPA and other sources indicate that 90 per cent of women have been subject to sexual harassment on buses and trains at least once in their lifetime. This is sustained by an environment of impunity to perpetrators and broad inaccessibility and poor gender sensitivity of the justice and protection systems to survivors of SGBV.

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277 UNDP, UNDP Crisis Risk Dashboard.
Violence Against Children: As with SGBV, national data on physical, sexual and emotional violence against children is limited. A 2018 study of 1,500 students found that 45.4 per cent had experienced childhood physical abuse, with parents and teachers the commonest perpetrators. Similarly, a UNICEF survey in 2019 indicated 47 per cent of Sri Lankan children had been victims of at least one form of either physical or psychological abuse.

Sri Lanka is a signatory to the UN Convention on the Rights of the Child and the Optional Protocol on the sale of children, child prostitution and child pornography, and has ratified ILO Convention No. 182 (Worst Forms of Child Labour). It has institutions to safeguard child rights, but human trafficking remains a concern. The Trafficking in Persons (TIP) report has said Sri Lanka must do more and has placed the country on a Tier-2 Watch List in 2020 (Target 16.2).

Illicit Arms Flows: Despite a 30-year conflict, Sri Lanka is not a source for the export of illicit arms, potentially owing to the lack of a domestic arms industry and established systems to approve and monitor gun ownership. However, there are emerging risks that are typical of post-conflict countries. Many risks involve former combatants. A nationally planned programme to reintegrate ex-combatants has been described by some analysts as opaque and at variance with internationally accepted standards.

Organised criminal networks, especially international drug cartels, often have access to weapons. Left unchecked, drug leakage into Sri Lanka and links with local organised crime groups may increase unauthorised weapons use. Similarly, Sri Lanka’s maritime location could be used for gunrunning, with leakages into the country. Sri Lanka is a signatory to several conventions that enable cooperation to reduce illicit arms flows, return stolen assets and combat organised crime. Sri Lanka is also a signatory to global and regional treaties that strengthen international cooperation to combat violence, crime and terrorism, and at the regional level, several treaties address maritime piracy. However, Sri Lanka’s counterterrorism legal framework, which is not in compliance with international human rights standards, can limit information sharing.

Illicit Financial Flows (IFFs): Trade data reveal an average of $1.6 Billion per annum in IFFs between 2008-17 (Indicator 16.4.1). Sri Lanka was removed from the ‘Grey List’ of the Financial Action Task Force (FATF) in October 2019, which could help the development of a regional financial sector centred on the Colombo Port City (CPC) International Financial Centre. New laws have created a powerful economic commission to manage the CPC and provide special tax concessions for foreign investors, but this also raises risk of money-laundering activities through insufficient oversight.

Intercommunity Tensions: There is no immediate prospect of a return to large-scale armed conflict, but the Easter Sunday bombings in 2019 have worsened Sinhalese-Muslim relations. A nationally representative UN survey conducted in late 2019 indicates that 67 per cent of respondents believed relations between Muslims and Sinhalese were strained or hostile, up from 45 per cent the previous year. The Easter bombings saw the rise of an isolated but dangerous group of Islamic extremists.

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292 LKI, 10 Key International Treaties and Agreements Sri Lanka is Party To, https://lki.lk/blog/10-key-international-treaties-and-agreements-sri-lanka-is-party-to/ (29 October 2018).
293 Ibid.
Hate speech and violence against Muslims followed.\(^{300}\) Ethnic stereotyping and Islamophobia have increased during the COVID-19 pandemic, including the targeting of Muslims as ‘virus vectors.’\(^{301,302}\) For example, in 2020 the government imposed a policy of “forced cremation” of people who die due to COVID-19 and on 13 March 2021, Sri Lanka's Cabinet Minister for Public Security announced that he was seeking to ban wearing face covers that cannot be removed in public upon request, including the burqa and the niqab.\(^{303,304}\)

**From 2015-2019, the government co-sponsored a Human Rights Council resolution on transitional justice and reconciliation in the aftermath of the civil conflict.** This was ambitious and unprecedented, setting a new standard for member-state participation in global governance. In a new governing cycle in 2019, Sri Lanka rejected this process.\(^{305}\) In 2021, the Council adopted another resolution, 46/1, that reaffirmed support for the mandates of the Human Rights Commission of Sri Lanka, transitional justice mechanisms, the Office of Missing Persons and the Office for Reparation which were enacted through acts of parliament.\(^{306}\) It also called for the development of strategies for future accountability processes, including “to support judicial and other proceedings, including in Member States, with competent jurisdiction.”\(^ {307}\)

In the north and east, tensions over land threaten to undermine Sinhala-Muslim-Tamil relations. Tamil and Muslim groups and media argue that central government land acquisitions for military and Buddhist archaeological purposes undermine tenure and property rights.\(^ {308,309}\) Some independent observers and national civil society argue these measures are a continuation of state-aided ‘colonisation for demographic change.’ Left unmanaged, such disputes carry risks of being ethnicised and contribute to wider conflict.\(^ {310}\) The constitution devolves some

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\(^{301}\) UNDP Crisis Risk Dashboard.

\(^{302}\) UNDP Crisis Risk Dashboard.


land powers to the provinces, but these provisions have not been implemented despite being enacted in 1987 by the 13th Amendment.\textsuperscript{311}

Citizen-State relations are further strained due to perceived lack of progress on wartime accountability and information on the disappeared.\textsuperscript{312} There is limited reference to peace/reconciliation in the Government's national policy framework, and the continued concerns of conflict affected communities relating to missing persons, land occupation and lack of due reparation, remain unaddressed. Tamil political parties have called for an international accountability mechanism in this area.\textsuperscript{313} Activists claim a backlog of disappearances remain unaccounted for,\textsuperscript{314} and families of the disappeared (predominantly women) have reported an increase in surveillance.\textsuperscript{315} The Office on Missing Persons was able to release a consolidated list of cases of the missing in 2020, an unprecedented step in a country with a long history of disappearances. However, no further follow-up action has been recorded and the new leadership of the commission remains only partially filled.\textsuperscript{316}

Some Sinhala and Tamil groups have also opposed conversion to Protestant Christianity, apprehensions about which date to colonial times.\textsuperscript{317, 318, 319} Left unchecked, this could eventually escalate to violence. Past patterns point to a possible correlation between increased hate speech on social media, attacks on Christians\textsuperscript{320} and the introduction of religious anti-conversion laws.\textsuperscript{321}

\begin{itemize}
  \item \textsuperscript{311} 13th Amendment to the Sri Lankan Constitution.
  \item \textsuperscript{316} Sri Lanka, Office on Missing Persons, http://www.ompsrilanka.org/missing-persons.
  \item \textsuperscript{317} https://www.themorning.lk/new-laws-against-unethical-conversions/
  \item \textsuperscript{318} P. Waravita (The Sunday Morning), “New laws against unethical conversions”, 18 February 2021.,
  \item \textsuperscript{319} S. Amunugama, The Lion's Roar: Anagarika Dharmapala and the Making of Modern Buddhism (Sri Lanka, Vijitha Yapa Publications, 2016).
  \item \textsuperscript{320} UNDP Crisis Risk Dashboard, 2021.
\end{itemize}
Climate change: Climate change does not cause conflict in and of itself but exacerbates conflict dynamics by increasing stressors on resource allocation and scarcity. Dry-zone areas in Sri Lanka’s north and east, as post-conflict areas, are particularly vulnerable to these effects. Structural issues have also caused lags compared to other parts of the country.\(^{322}\) Food price shocks could also have implications for conflict through depletion of resources. Migration of fishing communities may result in intercommunal resource competition and gender considerations.\(^{323}\) The UN has noted that countries with a legacy of conflict are among the most vulnerable to climate change and has set up a mechanism to address climate security.\(^{324}\) The UN Climate Security Mechanism (CSM) offers a useful tool to navigate these concerns.\(^{325}\)

Effective and Transparent Institutions: Sri Lanka has continued to perform poorly in key areas such as Voice and Accountability; Political Stability and Absence of Violence/Terrorism; Government Effectiveness; Regulatory Quality; Rule of Law; Control of Corruption, which not only facilitate good governance, but also facilitate progress towards all SDGs. Sri Lanka’s rankings on the Corruption Perceptions Index and Global Gender Gap Analysis, for example, remain low. Sri Lanka’s progress towards achieving commitments made under UNSCR 1325 also remains slow. Judging overall public satisfaction with service delivery remains a challenge given limited surveys. Regularly updated public data is also broadly limited.\(^{326}\) Some government departments offer streamlined, efficient one-day services for securing National Identity Cards, passports and driving licenses. However, most services require physical transactions, and digitalisation measures to bridge service delivery gaps have had mixed results. A 2020 study found that efficacy of digitalisation varied across government departments.\(^{327}\) In many cases where digitalisation has been adopted, information provision is often more advanced than the provision of services. For example, some departments such as the Sri Lanka Police offer application forms for downloading, but service provision itself still takes place in the physical domain.\(^{328}\)

Public mistrust of putting data online requires data protection safeguards, privacy laws and upgrading of cyber security.


\(^{323}\) N. Weeratunge and others, “To migrate or not: Social wellbeing and gendered household decision-making in fishing communities on the West and East coasts of Sri Lanka”. In Fisher folk in Cambodia, India and Sri Lanka: Migration, Gender and Well-being, R. Lund, K. Kusakabe, N. Rao, and N. Weeratunge, eds. (London: Routledge India, 2020.)


Beyond regulatory frameworks, operationalisation remains a challenge, as is the case for adaptation of simple digitalisation for electronic signatures.\(^{329}\)

As of 2007, approximately 97 per cent of births were registered in Sri Lanka—a proportion significantly larger than other South Asian countries and ahead of UNICEF’s global estimate that one in four children ‘do not exist’ in terms of legal documentation (Indicator 16.9.1).\(^{330,331}\) Historic discriminatory practices relating to citizenship status and voting rights for Indian-origin Tamils had been largely resolved by the early 2000s, though the community remains an outlier underperforming Sri Lanka’s high averages on UNDP’s human development indicators\(^{332}\) The rights of asylum seekers and migrants in the country remain poorly defined.

A long-standing problem is in implementation of the Official Languages Policy. A CSO-led audit of central government ministries in 2017 showed that only around 25 per cent of front-of-office staff were able to accommodate requests for assistance in Tamil. According to the survey, ‘no solution was provided’ in over 30 per cent of such instances.\(^{333}\)

**Constitutional changes point to a weakening of institutional independence.** Under the 20th Amendment, Sri Lanka has reverted to a stronger executive presidency. Proponents point to greater efficiency in decision-making processes, including the ability to ‘push through’ difficult economic reforms and safeguard national security.\(^{334,335}\) Critics argue this comes at the expense of independent appointments to vital institutions, such as the judiciary, police and the Human Rights Commission of Sri Lanka (HRCSL).\(^{336}\) Removing checks on these institutions reduces their ability to be effective, accountable and transparent.\(^{337}\) In 2018, Sri Lanka was re-instated to ‘A Status’ by the Global Alliance for National Human Rights Institutions (GANHRI) for greater independence over appointment and dismissal processes.\(^{338}\) It is now at risk of being downgraded again (Target 16.a).\(^{339}\)

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\(^{331}\) Ibid.


There is insufficient transparency in the policymaking framework, especially with taxation, licensing and approvals. An example is the changing of commodity taxation through unannounced gazettes before seeking parliamentary ratification, a problem that has pervaded governing cycles. This appears to violate the principle of parliamentary supremacy over taxation, allowing potential exploitation of information and abuse of import licensing.

Presidential Commissions of Inquiry (COI) are assuming a politicised role against a backdrop of increased parliamentary majority for the governing party. In June 2020, the Attorney General warned that COIs were functioning like judicial tribunals, noting a COI into political victimisation that was mandated to scrutinise criminal investigations under the previous government of public officials for corruption and other crimes. A further risk is increased involvement of military officers in traditionally civilian affairs. More than 25 retired or serving senior military personnel have recently been appointed to head diverse state bodies with civilian functions such as customs, the ports authority, and various ministries.

The Justice System: There are bottlenecks in the justice process, caused primarily by an overloaded court system and lack of digitalisation. Prisons were at 260 per cent capacity as of April 2020, making Sri Lanka’s prisons the most overcrowded in South Asia. In April 2020, the government recognised this, and released 2,961 remand prisoners on bail. 30 per cent


346 These numbers are as of January 2021, as per open-source data accessed by the UN in Sri Lanka.


349 PMD News, “2,961 prison inmates released on bail”. 


of remand prisoners spend between six months to over two years awaiting sentencing, while 11 per cent wait over two years (Indicator 16.3.2).\(^{350}\) Sri Lanka also has national security laws that have spanned several governing cycles permitting arbitrary arrests and detentions. These have historically been used to target political challengers.\(^{351}\) The laws combine with other legal provisions under the 20th Amendment in a way that weakens equal access to justice for all.

Prisoners held under the Prevention of Terrorism Act (PTA) spend exceptionally long periods in remand custody. According to the Human Rights Commission of Sri Lanka, 11 prisoners held under the PTA have spent 10-15 years and 29 have spent 5-10 years in remand.\(^{352}\) Past UNHRC resolutions\(^{353}\) and reports of the High Commissioner for Human Rights\(^{354}\) have supported the review and repeal of existing counter-terrorism laws in favour of updated legislation adhering to international human rights standards.\(^{355}\)

There are strong concerns about political interference with the judiciary—especially the derailment of high profile “emblematic cases” since the appointment of the incumbent government—which implicate leading figures within government and the military. Leading investigators on these cases are currently under investigation themselves.\(^{357}\) Hearings on recent arrests have been tainted with accusations of false evidence being manufactured by intelligence and the police.\(^{358}\)

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353 UNHRC resolution 30/1; UNHRC resolution 46/1. www.ohchr.org.
Non-discriminatory laws and policies: Sri Lanka recognises several sets of personal laws including Tamil matrilineal property laws, Kandyan property laws and Muslim marriage laws. All three contain discriminatory provisions against women. The Muslim Marriage and Divorce Act (MMDA) permits underage marriage, inconsistent with international norms on child rights. Article 16 of the Constitution permits these laws to supersede provisions on fundamental rights, and is the basis for a push to repeal it and to reform the MMDA. Sinhala nationalists advocate for ‘one country, one law,’ to abolish Muslim personal laws, characterised as a ‘Buddhist-nationalist agenda’. Marital rape is also not criminalised under the Penal Code unless the wife is judicially separated from her husband, while statutory rape provisions do not apply to Muslim girls if between the ages of twelve and sixteen unless married but judicially separated. Sexual relations between consenting same sex couples are also criminalised, contravening international norms and the spirit of UN resolutions (Target 16.B).

Access to Information: Sri Lanka has robust legislation on public access to information since 2016, though implementation in this area is challenging. The 20th Amendment removes previous provisions for independent appointments to the Right to Information Commission. The independence of this commission has played a strong positive role in the past. According to UNESCO, 85 per cent of Sri Lanka's RTI commission orders in its first two years saw release of information previously denied by a public authority.


361 Ibid.
364 Section 363(a) of the Penal Code, available at https://www.lawnet.gov.lk/penal-code-consolidated-2/
365 Ibid.
measures the extent of political rights and civil liberties, Sri Lanka is classified as ‘partly free.’ Its score in the political rights subcategory declined by one-point last year.370

On overall score, Sri Lanka ranked joint-third with Nepal among South Asian peers, behind India and Bhutan; it ranked fourth on political rights, but joint-first for civil liberties.371 Sri Lanka’s government remains a member of the Open Government Partnership, which places emphasis on civil society participation in governance.372 However, the High Commissioner for Human Rights notes a pattern of intensified surveillance and harassment of civil society organizations and human rights defenders.373

Controlling Bribery and Corruption: Sri Lanka ranks 94 out of 180 countries on Transparency International’s Corruption Perceptions Index, suggesting a high degree of public awareness and concern on issues of bribery (Target 16.5).374 The Commission to Investigate Allegations of Bribery or Corruption (CIABOC), a dedicated state body to fight corruption, was established by an Act of Parliament in 1994. The CIABOC recorded an average of 427 bribery complaints between 2014 and 2019, a figure which saw an increase of approximately 18 per cent after the introduction of the 19th Amendment in 2015.375

Recent research reflects growing patterns of sexual bribery, particularly targeting women rendered socially vulnerable without the protection of a male head of household or by socio-political identity.376 In a survey conducted in 2019, 60% of respondents reported explicit or implied solicitation of sexual bribery by public officials.377 The Bribery Act (No. 2 of 1965) does not specifically include sexual favours within the definition of the Act, resulting in poor recognition of and protection against this offence. Although there is growing recognition of the occurrence and illegality of sexual bribery via case law and National Action Plans, the law remains in need of reform.

377 The 2019 study by TISL found the greatest reports of sexual bribery from within the estate community.
379 Republic of Sri Lanka v Abdul Rashak Kuthubdeen
Inclusive, participatory and representative decision-making:
Sri Lanka has a tiered system of government. The central government is at the apex and is responsible for all national decision-making. Each of nine provinces elects its own provincial council. There are also local councils for municipal or local-level government. In theory, these tiers enable more inclusive decision-making. In practice, critics argue that the system permits broad overriding powers to the central government.  

Women’s representation: Sri Lanka is presently ranked 102 among 153 countries assessed in the World Economic Forum’s Global Gender Gap Report 2020 (Indicator 16.7.1). Women’s representation in the national legislature is 5 per cent – a statistic which has stagnated since independence. In recognition of this gap, Sri Lanka enacted laws in 2017 introducing a 25 per cent quota for women in local government; similar legislation does not exist for either the national parliament or for provincial councils, unlike regional peers Afghanistan, Bangladesh, Nepal and Pakistan, each of which have quotas at both national and subnational levels. Women’s representation in state sector employment is significantly more equitable at 45 per cent, though senior leadership remains low.

Youth representation: The national legislature of 225 seats presently has 25 members between the ages of 25 and 40. No quotas exist at national, provincial or local levels (Indicator 16.7.1). Sri Lanka has a ‘Youth Parliament,’ modelled on the national parliament as a training ground for future youth representatives. According to Sections 88 and 89 of the Sri Lankan constitution, a citizen who has attained the age of 18 and who is otherwise not disqualified has the right to vote at an election. There are no specific laws in Sri Lanka to facilitate child participation. However, the Children’s Charter (1992) stipulates that the State shall assure to the child who is capable of forming his or her own views the right to express those views freely in all matters affecting the child.

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383 International IDEA, https://www.idea.int/.


The pandemic has contributed to further polarization in policymaking. A ban on COVID-19 victim burials has affected Muslims and other religious minorities disproportionately. It has also contributed to a more stringent security policy. The risk is that pandemic management, and management of related social fissures, could facilitate increased securitisation, with implications for peace. Tensions around the sharp economic downturn and frustrations of the public have recently manifest in increasing rates of strikes, protests, and demonstrations by key service providers such as teachers and farmers. The growing militarization of the civil service, with appointment of military personnel to key positions including leadership of the COVID-19 Prevention Task Force, is accompanied by curtailing of media freedom, and increasing CSO surveillance, leading to concerns regarding the freedom of voice and transparency.

- Invest in improvements to the surveillance and prosecution of actors involved in illicit trade flows—particularly in drugs and armaments—to reduce social costs associated with these substances; reduce the risk to human life if social tensions in Sri Lanka continue to escalate; and help fulfil Sri Lanka’s long-standing regional commitments to reduce illicit arms flows.
- Devolution of land and police powers as mandated by the constitution is an important step in diffusing intercommunity tensions in the North and East.
- Overcrowding in Sri Lanka’s prison system can be addressed by reducing lengthy delays in the courts system and investing in more and better authorized accommodation for incarcerated individuals, in line with United Nations Rules for the Minimum Treatment of Prisoners (“Nelson Mandela Rules”).
- Make the justice system more “child-friendly.” Children 16-17 are treated as adults and held in adult prisons. Children, moreover, still have to wait over 10 years for their cases to be heard in court; child victims are housed in the same residential facilities as their perpetrators; and age-appropriate representation and legal aid are still lacking.
- Further invest in operationalising the Official Languages Policy for information provision to improve access to information for all.
- Address misconceptions on family planning and sexual and reproductive health by investing in comprehensive programmes to educate communities on prevention of violence and peacebuilding in order to increase community social cohesion.

• Adopt and implement the National Action Plan on Women, Peace and Security to ensure that gender is mainstreamed and prioritized in peacebuilding efforts.

• Address the legacies of the conflict by improving State-minority relations through improved service delivery and supporting demilitarization efforts in the north and east.

• Adopt a national strategic plan which identifies areas where youth volunteerism is utilized for positive harnessing of youth capacities.

• Continue monitoring the effective implementation of the Right to Information Law.

• Account for challenges faced by specific groups that do not have access to participation in decision-making processes but have a right to be protected against discrimination and violence. This includes persons with disabilities, groups based on sexual orientation or gender identity and others within SDG targets.

• Maintain the space for dialogue (including among diaspora groups), community engagement and developing cross-cultural understanding and reconciliation as vital to developing strong ties between groups.

• Develop reliable data supporting each of the indicators of SDG 16, including tools to monitor and evaluate progress made.

• Continue and advance the practice of voluntary people’s review of SDGs, including affording space for civil society in SDG dialogues.

• Facilitate and expedite equal access to justice through the expansion of remote court hearings/remote testimony across the civil, criminal and commercial sectors.

• Undertake an inclusive and progressive legal reforms agenda in line with international standards and best practices to amend archaic legislation.

• Expand the provision of protection and assistance to victims and witnesses of crime in line with international standards, norms, and best practices.

• Develop a national sentencing policy/guideline to ensure uniformity in sentencing and minimise prison overcrowding.

• Implement the National Legal Aid Policy and the National Sexual and Gender Based Violence Action Plan.

• Strengthen the Alternate Dispute Resolution Mechanism in Sri Lanka through special mediation boards (e.g., special land mediation boards).

• Continue to strengthen the HRC’s mandate on Fundamental Rights complaints and on monitoring detention centres.
Chapter 06

Partnerships Pillar
This section evaluates Sri Lanka’s progress towards achieving targets for SDG 17 focused on data, partnerships, and stakeholder engagement.

**SDG 17:**
Strengthen the means of implementation and revitalise the Global Partnership for Sustainable Development.

### Potential Recommendations

- **Facilitate** more regular engagement between government, civil society, academia, youth, and the private sector through a joint UN-GoSL stakeholder mapping exercise focusing on the 17 SDGs.
- **Amend** the Sustainable Development Act (2017) to formalise the participation of non-government entities in decision-making bodies governed by the Act to create a pathway for their contributions.
- **Capitalise** on partnerships forged during the COVID-19 crisis as a space for partners to engage in constructive, meaningful, and continued engagement in major government policymaking processes or programming activities.
- **Incorporate** the SDGs into subnational budgeting and planning processes to improve links between policy ambition at the central government level and delivery of essential services that underpin the SDGs, guided by human rights standards.
- **Better** coordinate activities and engagements between the UN’s resident agencies in Sri Lanka to strengthen the government’s confidence in the UN system.
- **Consider** a national, all-agency outreach campaign featuring tailored messages to civil society groups and the private sector.
- **Institute** an annual joint United Nations-Sustainable Development Council platform to provide regular updates on
progress achieved towards the SDGs.

- **Expedite** the development of legislation underpinning the 2019 National Policy on Volunteering to support “People-Based Action” for the 2030 Agenda.
- **Strengthen** partnerships and convening initiatives with Government and CSO institutions focused on marginalized groups, including women and youth, for more targeted and streamlined efforts to leaving no one behind.

- **Establish** a renewed compact between the GoSL, the UN and relevant partners to support improved data to track progress under the SDGs and incorporate localised SDG indicators into national planning processes.
- **Adopt** a whole-of-government framework for data generation, management and exchange, strengthened through digital technologies using the draft National Data Sharing Policy of February 2020 as a framework.
- **Broaden** national-level surveys to include more information on vulnerable or at-risk populations and comply with the six principles of the UN’s Human Rights-Based Approach to Data.
- **Implement** technology-driven data collection methods to reduce post-collection processing time for nationally representative surveys.
- **Align** DCS’ business model with its stated policy on ‘affordable’ access to microdata to catalyse more research and robust analysis.
- **Strengthen** and modernise DCS and other Government institutions responsible for SDG data to effectively contribute to planning, monitoring and foresighting.
The GoSL formulated an institutional architecture mainstreaming SDGs into the national development agenda. Establishing “Sustainable Development” as a portfolio under the Ministry of Wildlife and Sustainable Development in 2015 was an initial step towards implementation of the 2030 Agenda. The legal framework is provided by the SD Council, established in 2018 and comprising the secretary to the president, ex-officio members of key public institutions and eight other members appointed by the president.  

An inter-ministerial steering committee was formed in 2020 to provide political leadership for overall SDG implementation. At its first meeting in February 2021, it proposed two technical committees on (i) revising the National Policy on Sustainable Development and the Strategic Plan; and (ii) identifying environment-related SDG indicators.

A draft policy on implementation of the 2030 Agenda is being revisited following the change in government and its new policy framework, Vistas of Prosperity and Splendour. The draft was based on mapping between the global SDG framework and the government policy framework and includes national policy targets for each of the 17 goals, and overall strategies to achieve them. The SD Council argues that it needs a clear financing framework to achieve the 2030 Agenda.

The government has attempted to engage with stakeholder groups through all stages. Stakeholder interviews by the UN have noted a high degree of engagement and awareness, but efforts have gradually waned with a shift in focus and priorities. Alternative assessments of Sri Lanka’s progress against the SDGs may reflect a diversity of views not currently captured by government consultation processes.

UN agencies characterize their engagement level as broadly collaborative. Despite recent changes in the machinery of government, UN agencies have generally built strong relationships with partner ministries and departments. However, multiple UN agencies seem to engage with the same government agencies on different fronts and at different levels, with limited inter-agency coordination.

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387 Sustainable Development Act No. 19 of 2017 Section 4 (1) - 8 additional members of the Council consist of 2 members appointed by the President, 1 member nominated by the Prime Minister, 2 members nominated by the Ministry of Sustainable Development and 3 members nominated by Provincial Councils.


389 Ibid.


Internal assessment of the UN’s collective engagement with Government and CSOs focused on women and youth, found this to be an area needing strengthening – particularly within strategizing and monitoring processes.

The extent of UN engagement with other stakeholder groups varies between agencies and projects. Many UN agencies have processes in place to engage with end beneficiaries as part of ongoing research and monitoring activities, such as feedback calling systems, focus groups, and field visits. However, many stakeholders feel that the UN’s engagement tends to be concentrated among the same group of organisations.\(^{392}\)

The UN’s “convening power” and bilateral relationships means it is uniquely placed to act as an intermediary. The 2030 Agenda is ambitious in its attempts to drive progress in areas that require all participants to share knowledge, expertise, technologies and financial resources. Assisting with this is an important function of the UN, as are its activities in programme planning, implementation and monitoring.\(^{393}\)

Volunteering is a means of delivering ‘whole-of-society’ partnerships that accelerate progress towards the SDGs. Each year, seven million Sri Lankans over the age of 15 contribute their time, skills, and effort to promote the well-being of their local communities.\(^{394}\) This resource has tremendous potential to accelerate progress on the 2030 Agenda by fostering a sense of ownership and accountability in community-based development activities.

The mandate for tracking and reporting on progress on SDG goals lies with the SD Council. The SD Council works in close collaboration with the Department of Census and Statistics (DCS) in tracking SDG progress. It also maintains a public data portal (http://portal.sdc.gov.lk/public) on which relevant entities are required to update data on SDG Indicators.

Sri Lanka’s existing statistical capacity is able to track broad progress in economic and social development but offers relatively limited coverage of the 244 indicators underpinning the SDGs. The UN’s Mainstreaming, Acceleration and Policy Support Agenda in 2017 (MAPS) Report highlighted Sri Lanka’s data collection capacity as one of five “potential accelerators for an SDG roadmap” (Table 3).\(^{395}\)

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392 Ibid.
Of the 46 indicators currently compiled by DCS, half rely on nationally representative surveys that are conducted infrequently. As a result, the most recent measure of progress for nearly half of these indicators is outcomes obtained in 2016. For the remaining indicators, there appears to have been no systematic tracking and limited access to the underlying data beyond an initial baseline in 2015. There is relatively comprehensive coverage of SDG3 (Good Health and Wellbeing) and SDG8 (Decent Work and Economic Growth) and SDG17 (Partnerships for the Goals), but data is missing for most indicators on SDG5 (Gender Equality), SDG10 (Reducing Inequalities) and for nearly all the SDGs under the ‘Planet’ pillar.

Limited progress in monitoring SDG indicators reflects on the ‘mainstreaming’ of SDGs and national statistical systems required for the 2030 Agenda. The release of DCS (2017) generated a need to map baseline data against the SDG indicators, culminating in #SDGLK—a joint symposium by the UN and the GoSL in March 2018—and a number of joint activities such as an SDG Tracker tool and an SDG Financing Platform to

Table 3: Status of indicators under the SDGs

<table>
<thead>
<tr>
<th>Code</th>
<th>Classification</th>
<th>Indicators</th>
<th>Share of total (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Global indicators/proxy indicators (disregarding disaggregation levels) for which data are already compiled by the DCS through ongoing censuses, surveys and administrative records</td>
<td>46</td>
<td>18.8</td>
</tr>
<tr>
<td>2</td>
<td>Global indicators/proxy indicators (disregarding disaggregation levels) for which data could be compiled by adding new modules into ongoing censuses and surveys, or through new surveys and special studies</td>
<td>29</td>
<td>11.9</td>
</tr>
<tr>
<td>3</td>
<td>Global indicators/proxy indicators (disregarding disaggregation levels) for which data are available through other institutions of the National Statistical System or specific agencies</td>
<td>131</td>
<td>53.7</td>
</tr>
<tr>
<td>4</td>
<td>Global indicators/proxy indicators (disregarding disaggregation levels) for which data could be compiled by other institutions of the National Statistical System or specific agencies</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>SDG Indicators corresponding to regional or global levels</td>
<td>35</td>
<td>14.3</td>
</tr>
<tr>
<td>6</td>
<td>SDG Indicators or disaggregation levels, which are not directly relevant to the Sri Lankan context</td>
<td>3</td>
<td>1.2</td>
</tr>
</tbody>
</table>

Source: Department of Census and Statistics “Status of Sustainable Development Goals Indicators in Sri Lanka: 2017”

Of the 46 indicators currently compiled by DCS, half rely on nationally representative surveys that are conducted infrequently. As a result, the most recent measure of progress for nearly half of these indicators is outcomes obtained in 2016. For the remaining indicators, there appears to have been no systematic tracking and limited access to the underlying data beyond an initial baseline in 2015. There is relatively comprehensive coverage of SDG3 (Good Health and Wellbeing) and SDG8 (Decent Work and Economic Growth) and SDG17 (Partnerships for the Goals), but data is missing for most indicators on SDG5 (Gender Equality), SDG10 (Reducing Inequalities) and for nearly all the SDGs under the ‘Planet’ pillar.

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396 Recognising these missing data, the SD Council is working with cabinet ministries, state ministries and departments to identify existing data sources for SDG indicators.

397 The SDG Tracker (https://data.sdg.lk/) provides information on Sri Lanka’s SDG “status quo,” and time series data at national and subnational level highlighting the disparities that require the attention of the policy makers.
visualise and document progress. However, since 2018 there has been limited evolution.

**Effective access is also limited, suggesting that Sri Lanka is not realising the full potential of its existing data holdings as a crucial ‘public good.’** Despite DCS’ established policy on disseminating microdata, recent analysis from Verité Research suggests a mismatch between DCS’ stated policies on data dissemination and their application in practice. The analysis also points to lengthy follow-up processes for applications, with payments for access to microdata likely to far exceed their marginal cost (Table 4).

Table 4: Microdata File Size and Actual Cost of Procurement to Verité Research, by dataset

<table>
<thead>
<tr>
<th>Dataset</th>
<th>Size (in KBs)</th>
<th>Actual Cost Incurred by Verité Research (LKR)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Labour Force Survey, 2012</td>
<td>16,907</td>
<td>33,800</td>
</tr>
<tr>
<td>Labour Force Survey, 2016</td>
<td>22,222</td>
<td>44,400</td>
</tr>
<tr>
<td>Household Income and Expenditure Survey, 2012</td>
<td>121,789</td>
<td>243,500</td>
</tr>
<tr>
<td>Household Income and Expenditure Survey, 2016</td>
<td>73,503</td>
<td>147,000</td>
</tr>
<tr>
<td>5% Sample of Census of Population and Housing, 2001</td>
<td>226,787</td>
<td>453,574</td>
</tr>
<tr>
<td>5% Sample of Census of Population and Housing, 2012</td>
<td>213,703</td>
<td>427,406</td>
</tr>
</tbody>
</table>

*1 DCS' standard charge for 50 KBs of data is LKR100 for local users and $2 for foreign users.

**Curfew restrictions and IT restraints in 2020 caused disruptions in face-to-face engagements.** Stakeholders representing vulnerable groups continue to face challenges in engaging with key beneficiaries. Poor IT infrastructure, and limited internet and mobile access were also identified as challenges to continuing engagement with grassroots-level groups, particularly in rural areas. On the other hand, UN agencies have also highlighted how the COVID-19 pandemic has provided opportunities to deepen their direct engagement at community level.

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398 Microdata refers to data on the characteristics of units of a population such as individuals, households or establishments, collected by a census, survey or experiment. See the OECD Glossary of Statistical Terms.


400 Ibid.

The national COVID-19 response mechanism is coordinated by the Presidential Task Force for the Prevention of COVID-19 (PTF) and includes partnerships between government, the private sector and civil society. The PTF has been the focal point for the UN on matters relating to COVID-19 response. In addition, a CSO collective was formed to assist the government in its immediate response to the crisis, enabling all 25 districts to work with relevant government officials to address urgent food security, hygiene and medical needs of vulnerable groups in Sri Lanka.402

The private sector, civil society and development partners demonstrated their value in real-time surveillance. In 2020, private sector entities provided valuable insights on how mobility restrictions impacted supply chains and food distribution systems across the island. Labour unions also helped provide the earliest evidence of industries at greatest risk.403 With extensive presence in the outstations of the island, NGOs and civil society organisations provided real-time monitoring on whether citizens could access what they needed when they needed it from the government’s response to COVID-19. They also served as first responders for the pandemic’s mounting social and economic costs.

The pace and global scale of disruptions from COVID-19 have highlighted how little information was available for policymakers to respond quickly. Fully understanding the impact of COVID-19 requires policymakers to look to a new set of partnerships—including with non-government organisations and private sector bodies—to compile real-time information needed for decision-making.

Joint UN-GoSL stakeholder mapping of each of the 17 SDGs would facilitate more regular engagement. This exercise may assist the GoSL to establish more regular constructive dialogue between government, civil society and the private sector, and identify new partners for consultation in UN agencies’ regular programming efforts.

Amending the Sustainable Development Act (2017) to formalise non-government participation in decision-making bodies would represent an investment inclusivity. The private sector, civil society, local government and academia offer technical expertise and capacity to contribute to essential service

Potential Recommendations404

404 Unless otherwise indicated, these partnership opportunities are based on analysis drawn from the UN-commissioned report by PriceWaterhouseCoopers on Strengthening the Multi-Stakeholder Dimension of National Development Planning and SDG Mainstreaming
provision. The SD Council should develop strategic partnerships to understand private sector contribution to the SDGs and consider joint responses. The UN’s SDG Investor Map in Sri Lanka can assist by identifying investment opportunities for domestic and international private capital.

**For the GoSL, including the private sector, civil society and other NGOs in consultations would capitalise on partnerships forged during the COVID-19 crisis.** During the island-wide curfew in 2020, private sector peak bodies, NGOs and civil society organisations demonstrated how their quick interaction with government could help identify key entry points for policymakers. Such relationships could help consolidate new state-society partnerships and serve as a framework for more inclusive policymaking.

**Engagement with subnational authorities and civil society organisations should link policy ambition at the central government level to the delivery of essential services underpinning the SDGs.** Reviving central government support to incorporate the SDGs into locally authorities’ budgeting processes under the leadership of the SD Council would be a useful first step. Voluntary SDG councils at the local and national levels could also solicit feedback on mainstreaming the SDGs in policy and help build ownership of these initiatives on a larger scale.

**A more coordinated approach would engender greater government confidence in the UN system and help coordinate activities that support SDG targets.** While UN agencies work effectively with government counterparts within their respective portfolio ministries, UN agencies and IFIs often engage with different counterparts at the country programme level, which makes consistency of messaging and policy advice difficult.

**The private sector, civil society and NGOs are important partners of the UN.** Regular engagement with these groups can help build solutions to policy problems that better fit the local context. Their extensive presence across the island positions them to help enable responsive changes to the UN’s programmes.

**A national all-UN agency outreach campaign with tailored messages to civil society groups and the private sector could demonstrate the value and relevance of the SDGs to a wider audience.** A “Whole of Society” multilingual outreach campaign that highlights the broad scope of the 2030 Agenda can speak to how a more diverse range of stakeholders can partner with the UN to support shared areas of interest.
An annual joint UN-SD Council platform would provide regular centralized updates on progress towards the SDGs. The platform could coincide with the annual review of progress against the SDG indicators as compiled by the SD Council and DCS and highlight success stories and good practices in policymaking supporting the SDGs.

Expediting legislation underpinning the 2019 National Policy on Volunteering will support “People-Based Action” for the 2030 Agenda in Sri Lanka. Sri Lanka’s VNR (2018) highlighted how volunteer initiatives can strengthen civic engagement, social inclusion and community ownership of development results. A joint venture between the SD Council, the recently established National Volunteering Secretariat (NVS), and UN, civil society and volunteer organisations would support this goal.

ESCAP’s 2019 Review of the National Statistical System of Sri Lanka (NSS Review) outlines a comprehensive programme of reform targeting data generation—including efforts surrounding the SDGs. The NSS Review calls on the GoSL to expedite compilation of required data from across government systems for the 131 SDG indicators for which this is possible. It also calls for a revised legal framework to broaden the role of the DCS, consistent with the United Nations Generic Law on Official Statistics. The Review further suggests establishment of a single standardised system of national statistics.

A renewed compact between the GoSL, the UN and relevant partners would support better data to track progress and make informed policy decisions in areas related to the SDGs. DCS is the institution with the strongest technical mandate to drive this process, though high-level leadership from the Department of National Planning and the SD Council may be needed to incorporate localised SDG indicators into planning and development strategies. Following initial recommendations of the 2017 MAPS consultations, building statistical capacity to support the 2030 Agenda should:

i. Reconcile international requirements for reporting on the SDGs with the existing data ecosystem in Sri Lanka.

ii. Adopt a whole-of-government framework for data generation, management and exchange.

iii. Address known ‘capacity gaps’ to collect a richer set of disaggregated data using existing data collection processes.

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406 These areas are discussed in Section 3 of the UN Sri Lanka’s Catalysing Decade of Action in Sri Lanka, a submission to a government Working Group assessing the current status of implementation of the 2030 Agenda for Sustainable Development and achievement of the SDGs. The submission focused on the “enabling environment” for achieving SDGs and proposes a set of recommendations to catalyse a decade of action for SDGs.

Broaden survey and administrative methods to incorporate best-practice collection technologies and more information on vulnerable or at-risk populations. National-level surveys should be transparent in how they incorporate at-risk groups and ensure methodologies produce precise, disaggregated point estimates. Survey instruments should accurately track progress in outcomes of these groups over time, as is required by the SDGs, and comply with the six principles of the UN’s Human Rights-Based Approach to Data.\textsuperscript{408} New IT-driven data collection methods like Computer-Aided Personal Interviewing (CAPI), used successfully in Sri Lanka’s Labour Force Survey,\textsuperscript{409} could be applied to larger, more complex surveys to reduce the lag time in monitoring progress under the SDGs.

Sri Lanka’s National Data Sharing Policy needs to be complemented with investments in its data ecosystem. A national data policy is insufficient in actively fostering a culture of evidence-based policymaking in Sri Lanka. The UN’s submission to the SD Council, “Building the Data Ecosystem for Evidence-Based Decision Making in Sri Lanka,” describes six areas for targeted capacity-building in Sri Lanka’s data ecosystem:

1. Data Infrastructure
2. Data Standards
3. Data Governance Frameworks and Standard Operating Procedures
4. Data Analysis
5. Advocacy and Communication
6. Human Resources

Better aligning DCS’ business model with its stated policy on ‘affordable’ access to microdata would catalyse more research and robust analysis of “what works.” A move to an alternative pricing model would provide new research opportunities in support of the SDGs in Sri Lanka.\textsuperscript{410} Very low historical access of paid microdata under the current pricing scheme suggests a policy change in this area could serve as a valuable own-source revenue stream that could be re-invested in statistical capacity development to support the SDGs.


\textsuperscript{409} UN Economic and Social Commission for the Asia-Pacific. Review of the National Statistical System of Sri Lanka (2019).

Chapter 7

Financing the SDGs in Sri Lanka
SDG 17: Strengthen the means of implementation and revitalise the Global Partnership for Sustainable Development.

Potential Recommendations

- **Work towards** a more catalytic role for official development assistance (ODA) in Sri Lanka’s post-conflict economic transformation, targeting policy changes that enable other actors to invest in areas that help drive the 2030 Agenda.

- **Broaden** Sri Lanka’s tax base and improve tax administration by making better use of third-party information to monitor voluntary tax compliance, developing better surveillance and enforcement capacity to detect illicit tax behaviours.

- **Expand** the restructuring, governance, price reforms and monitoring mechanisms for Sri Lanka’s main loss-making SOEs, and enforce firmer, credible fiscal rules around growth in public expenditures.

- **Implement** a multi-year, parliament-approved national financing framework to provide a sustainable funding base for Sri Lanka’s priorities described in Vistas of Prosperity and Splendour.

- **Re-establish** a peak statutory body to develop legal, regulatory and administrative arrangements of PPPs in Sri Lanka, and develop a pipeline of prioritised investments that would provide policy certainty for potential investors and project partners.

- **Consider** a specialised infrastructure, PPP and financing agency to help mobilise longer-term financiers, syndicate equity arrangements in PPPs and ‘match’ projects with longer-term financing sources.
Mobilising financing is key to implementing the 2030 Agenda for Sustainable Development. Sustainable financing is crucial for policies supporting social and economic progress in Sri Lanka. In the context of a country facing prolonged fiscal constraints, UN Sri Lanka’s Advisory Paper on the Immediate Socioeconomic Response to COVID-19 in Sri Lanka advocates for an approach that identifies the necessary requirements to achieve the SDGs and working to find financing to fit those needs.\textsuperscript{411}

Estimating financing needs is a useful first step. ESCAP estimates suggest that low- and middle-income countries in the Asia-Pacific region need to invest an additional 5 per cent of 2018 GDP ($1.5 trillion) per year through 2030 in order to achieve the SDGs.\textsuperscript{412} Estimating Sri Lanka’s financing needs can provide a sense of the scale of financing required, which in turn may help guide the UN’s advice on the optimal mix of financing instruments to close the ‘gap.’\textsuperscript{413}

Estimates from across the UN system suggest that Sri Lanka requires financing of at least 6.0 per cent of GDP to achieve the SDG targets in key policy areas. The CCA’s Technical Appendix outlines one approach to estimate a lower bound of the SDG financing ‘gap’ for a subset of the SDGs in Sri Lanka: considering the minimum cost of certain ‘inputs’ in key SDGs to help reach the same level of progress of leading middle-income countries under each SDG.\textsuperscript{414} These estimates suggest that Sri Lanka requires financing of at least 3.5 per cent of GDP per year on average to 2030 to reach similar levels of progress in health and education to the leading middle-income countries (Table 5).

\begin{itemize}
\item \textsuperscript{412} UN Economic and Social Commission for Asia and the Pacific, 2019. Economic and Social Survey of Asia and the Pacific, 2019: Ambitions Beyond Growth.
\item \textsuperscript{413} For a discussion on recent country developments and their implications for realising the SDGs, see the ‘Outlook to 2030’ section of the Prosperity chapter.
\item \textsuperscript{414} V. Gaspar and others, “Fiscal Policy and Development : Human, Social, and Physical Investments for the SDGs”, IMF Staff Discussion Notes (2019), p. 45.
\end{itemize}
Tools to Finance Sri Lanka’s ‘Needs’

Sri Lanka’s SDG ‘financing gap’ will require significant resource mobilisation in a number of policy areas, each with different requirements. Mobilising greater own-source revenue is required to fund essential government expenditure in areas like health, education and social protection, where service provision is majority publicly funded. Sizable capital outlays are also required for investments in renewable energy and other major infrastructure projects requiring FDI, PPP and other concessionary finance arrangements. This section explores five major sources of financing: their relative magnitude in the Sri Lankan context; and where these tools might be best applied in financing the 2030 Agenda.

<table>
<thead>
<tr>
<th>Policy Area</th>
<th>SDG</th>
<th>Framework/Source</th>
<th>Investment Requirement (% of 2019 GDP, per year)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Health</td>
<td>SDG 3</td>
<td>Gaspar, et al., 2019 2021 CCA</td>
<td>3.5</td>
</tr>
<tr>
<td>Education</td>
<td>SDG 4</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Electrification</td>
<td>SDG 7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Roads</td>
<td>SDG 9</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Water and Sanitation</td>
<td>SDG 6</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Poverty Reduction</td>
<td>SDG 1</td>
<td>UN ESCAP, 2019</td>
<td>0.2</td>
</tr>
<tr>
<td>Climate-resilient Infrastructure</td>
<td>SDG 9</td>
<td>Huang, et al., 2019</td>
<td>0.8</td>
</tr>
<tr>
<td>Social Protection</td>
<td>SDG 1</td>
<td>Kidd, et al., 2020</td>
<td>1.5-1.7</td>
</tr>
</tbody>
</table>

Table 5: UN System Estimates of Investment Requirements to Achieve the 2030 Agenda, by SDG

415 Costings conducted in the development of this paper involve comparisons of expenditures across countries expressed in 2019 US dollars. All cost estimates are therefore expressed as a share of Sri Lanka’s 2019 GDP after accounting for purchasing power parity (PPP) differences across countries.


419 ESCAP estimates in this area are derived from ILO’s Social Protection Floors Cost Calculator: https://www.social-protection.org/gimi/SPFCalcuReport.action. For further details, see Kidd and others (2020).
ODA represents a declining share of Sri Lanka’s economy. ODA played a key role in the immediate post-conflict period, supporting stability and post-conflict reconstruction and recovery.\textsuperscript{420} These investments—particularly from bilateral sources\textsuperscript{421}—have eased in recent years (Chart 6). Net multilateral financing flows,\textsuperscript{422} have also eased slightly, potentially influenced by the continuation of Sri Lanka’s ‘graduation’ to middle-income status.\textsuperscript{423,424}

Chart 6: Net Official Development Assistance by Donor Type, 2010-2019

Source: OECD Development Assistance Committee
Note: Net ODA for 2018 is negative due to a large, one-off repayment of ODA financing to a single, non-DAC country. Absent this transaction, net ODA from all other official donors in 2018 was 0.21 per cent of GDP


\textsuperscript{421} The OECD denotes ‘OECD DAC Countries’ as: Australia, Austria, Belgium, Canada, Czech Republic, Denmark, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Japan, Korea, Luxembourg, Netherlands, New Zealand, Norway, Poland, Portugal, Slovenia, Spain, Sweden, Switzerland, United Kingdom and the United States. ‘Non-DAC Countries’ include: Israel, Kazakhstan, Kuwait, Lithuania, Malta, Qatar, Romania, Russia, Thailand, Turkey, and the United Arab Emirates.

\textsuperscript{422} The OECD denotes ‘Multilaterals’ as: International Monetary Fund, the Asian Development Bank, the Asian Infrastructure Investment Bank, Islamic Development Bank, the United Nations and its agencies, the World Bank Group, the Adaptation Fund, the Central Emergency Response Fund [CERF], Global Alliance for Vaccines and Immunization [GAVI], Global Environment Facility [GEF], Nordic Development Fund [NDF], and the OPEC Fund for International Development [OPEC Fund].


Notwithstanding, ODA will continue to play a critical role in Sri Lanka’s economic and social transformation and should be consistent with the UN’s Resolution on Development Cooperation with Middle-Income Countries (MICs). ODA to MICs remains important to attaining the SDGs, recognising that 73 per cent of the world’s poor reside in MICs.\textsuperscript{425} ODA can and is being applied in Sri Lanka in areas recognised by the UN as being critical to supporting economic and social welfare; the resilience of social and economic systems; and in supporting the government to reach those most left behind.\textsuperscript{426,427} However, the UN and other bilateral and multilateral donors need to ensure that activities remain fit-for-purpose as Sri Lanka grows and develops.

A UNDESA report focusing on the role of the UN Development System in MICs highlights that the poor may be ‘harder to reach’ compared to lower-income countries; that the distribution of the benefits from economic growth—or lack thereof—may generate new forms of social inequality; that climate change poses important choices for MICs; and that backlogs in infrastructure and adaptive capacity leave many MIC populations at risk from climate change.\textsuperscript{428}

ODA delivery mechanisms also need to be responsive to changes in country capacity, acknowledging that constraints to sustainable development should be tackled through “the exchange of experiences, improved coordination and better and focused support of the United Nations development system.”\textsuperscript{429} The Centre for Global Development suggests four principles to guide ODA investments in middle-income countries like Sri Lanka:\textsuperscript{430}

1. matching the scale of investment to the scale of the development challenge;
2. delivering ODA with the right financing instruments;
3. complementing state capacity and delivery systems, rather than substituting for them; and
4. making best use of multilateral partnerships to coordinate activities and amplify impact.

\begin{itemize}
\item \textsuperscript{425} United Nations General Assembly, A/RES/74/231 Development Cooperation with Middle-Income Countries, n.p. (2020).
\item \textsuperscript{426} J. Glennie, “The role of aid to middle-income countries: a contribution to evolving EU development policy”, Overseas Development Institute Working Paper 331 (2011).
\item \textsuperscript{427} R. Dissanayake, C. Kenny, and M. Plant, “What Is the Role of Aid in Middle-Income Countries?”, Centre For Global Development: Policy Paper 201 (2020).
\item \textsuperscript{429} United Nations General Assembly, A/RES/74/231 Development Cooperation with Middle-Income Countries, n.p. (2020).
\item \textsuperscript{430} R. Dissanayake and others, “What Is the Role of Aid?”
\end{itemize}
For MICs with higher institutional capacity, development assistance should increasingly take the form of policy advice that is technically sound, informed by in-country experiences and sensitive to fiscal and political constraints. Promoting a transparent culture of evaluation among in-country activities allows the UN Development system to rely more on evidence-based analysis.431

Countries use this to raise and spend their own funds. It is the largest source of financing available to low- and middle-income countries. Own-source revenue can build fiscal capacity in a more sustainable way compared to more volatile FDI and ODA flows. Such longer-term fiscal capacity is crucial to financing ongoing provision of essential government services like education, healthcare and social protection.432,433 Sri Lanka’s government revenue is its largest source of development financing, averaging 12.5 per cent of GDP since 2010. Over the same period, shares of other sources of development finance434 have continued to decline (Chart 7).

Chart 7: Total Government Revenue and Other Development Financing Flows, 2010-2019

Source: OECD Development Assistance Committee, World Bank

431 A. E. Abdenur, Delivering the 2030 Agenda for Sustainable Development.
434 Other Official Flows (OOF) are defined as official sector transactions that do not meet official development assistance (ODA) criteria (Organisation of Economic Cooperation and Development, 2021).
Reversing Sri Lanka’s long-term decline in government revenue as a share of GDP is essential to building fiscal capacity for expansion of basic services to achieve the SDGs.

Sri Lanka has a history of fiscal deficits, averaging 6-7 per cent of GDP over the decade to 2020. This situation is expected to deteriorate sharply in response to the impact of the COVID-19 pandemic. While deficits are not inherently undesirable, persistent deficits are of concern: public borrowing to fund regular shortfalls adds to an increasing stock of debt, which requires Sri Lanka to make regular interest payments that divert fiscal capacity away from more productive uses. Moderation in the rate of Sri Lanka’s GDP growth from 2015 to 2020 has meant that growth in government revenue is largely failing to keep pace with servicing costs (Chart 8).

Chart 8: Total Government Revenue and Other Development Financing Flows, 2010-2019

Government revenue as a share of GDP has declined from around 20 per cent in 1990 to 9.2 per cent in 2020, with the decline accelerating during Sri Lanka’s period of civil unrest.\(^{435}\) Periods of large discrepancies between growth in expenditure and revenue are reflected in changes in the stock of public debt, which reached an estimated 101 per cent of GDP in 2020\(^{436}\) (Chart 9). This accumulation of debt has meant that interest payments have become the single largest expenditure item in the Sri Lankan government’s budget—considerably larger than the national public sector wage bill and national capital outlays (Chart 10).

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\(^{436}\) Ibid.

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Undue fluctuations in the value of Sri Lanka’s exchange rate can also have significant implications for the country’s public debt burden—40 per cent of which is denominated in foreign currencies. Textile and garment exports, personal travel (including international tourism) and remittances are Sri Lanka’s three largest sources of foreign exchange, accounting for nearly 60 per cent of foreign income receipts in 2020. Foreign exchange earnings—and by extension, Sri Lanka’s exchange rate—are likely to be volatile while COVID-19 continues to impact international tourism flows, major apparel export markets in Europe and the US, and recipient countries for Sri Lanka’s migrant workforce.

The value of the Sri Lankan rupee has depreciated by 9 per cent from the beginning of 2020 to June 2021, due in part to measures by the Central Bank to manage foreign currency reserves. Despite concerted policy effort to stem foreign exchange outflows, reserves are still diminishing (Chart 11), with import cover of 1.9 months at around a third of the level seen in mid-2020. Insufficient stock of foreign currency can destabilise the banking system, drive increases in domestic prices for imported goods, and potentially lead to importers being unable to import goods.

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438 Changes in the value of a country’s foreign currency debt burden due to exchange rate fluctuations are known as valuation effects. For debt holdings denominated in foreign currency, changes in the exchange rate result in changes in the value of domestic currency required to meet particular debt obligations held in foreign currencies, meaning a depreciating exchange rate requires greater amounts of domestic currency to meet the same repayment value held in a foreign currency debt.
439 Central Bank of Sri Lanka, Table 2.09, Balance of Payments – Annual.
Sri Lanka is also likely to have to face these fiscal challenges with little to no access to international bond markets. Fitch and Moody’s have both downgraded Sri Lanka’s default rating in recent months, citing concerns about declining foreign currency reserves, the serviceability of external debt redemptions in 2021 and “impaired market access… [due to] spreads on Sri Lankan international sovereign bonds over US Treasuries hovering around 1000 basis points.”

Foreign Direct Investment (FDI) has played a key role in the post-conflict revitalisation of the services side of Sri Lanka’s economy. Sri Lanka recorded inward FDI flows of $758 million in 2019 (0.9 per cent of GDP). Inflows in the post-conflict period have averaged between 0.8 per cent and 1.2 per cent of GDP per year (Chart 12). Public records from Sri Lanka’s Board of Investment indicate that FDI was highly concentrated in the services sector over the decade to 2012, accounting for around two-thirds of all projects in 2012, and around 90 per cent of annual FDI flows.

Foreign Direct Investment

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441 Foreign Direct Investment refers to cross-border investments made by a resident in one economy in an enterprise that is resident in another economy, with the objective of establishing a lasting interest and/or strategic long-term relationship with the recipient enterprise (OECD, 2008).

However, more recent records of commercial operations suggest FDI could have diversified over the past five years (Table 6). Sri Lanka’s major investment partners over this period are dominated by countries in Asia, with China, Hong Kong, India and Malaysia accounting for the majority of FDI flows into Sri Lanka.

Chart 12 and Table 6: Foreign Direct Investment, 1979-2019 and Board of Investment Projects in Commercial Operation, by Sector, 2017

<table>
<thead>
<tr>
<th>Sector</th>
<th>Total Projects</th>
<th>Share of total (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture</td>
<td>151</td>
<td>7.8</td>
</tr>
<tr>
<td>Apparel</td>
<td>448</td>
<td>23.2</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>149</td>
<td>7.7</td>
</tr>
<tr>
<td>Knowledge Services</td>
<td>156</td>
<td>8.1</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>483</td>
<td>25.0</td>
</tr>
<tr>
<td>Services</td>
<td>120</td>
<td>6.2</td>
</tr>
<tr>
<td>Tourism &amp; Leisure</td>
<td>205</td>
<td>10.6</td>
</tr>
<tr>
<td>Utilities</td>
<td>217</td>
<td>11.2</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,929</strong></td>
<td></td>
</tr>
</tbody>
</table>

Source: Central Bank of Sri Lanka, UNCTAD, Sri Lank Board of Investment (BOI)

**Sri Lanka’s apparel export industry has historically been driven by FDI, limiting the extent of quality upgrades, technology transfer and diversification.** The share of manufacturing exports generated by Foreign-Investment Enterprises (FIEs) has increased from 24 per cent in 1978 to nearly 90 per cent by 2015, most of which was concentrated in the garments sector.443 Despite the efforts of Sri Lanka’s Board of Investment, FDI in higher value-added manufacturing exports like electronics has not occurred to the same extent.

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Eighty-seven PPP projects have been completed to date in Sri Lanka, with a combined investment value of $3.2 billion. Energy is the most prominent sector for PPPs in Sri Lanka, with 77 projects, followed by ICT (five projects) and transport (three projects, Table 7). However, more than a third of the total value of Sri Lanka’s PPP portfolio is concentrated in five projects, three of which have been completed in the last five years. These include three major port developments; one solid waste management project; and one high-profile divestiture in the telecommunications sector.

Table 7: PPP Investment Flows and Projects Completed, by Year of Completion

<table>
<thead>
<tr>
<th>Year</th>
<th>Energy</th>
<th>ICT</th>
<th>Municipal Solid Waste</th>
<th>Transport</th>
<th>Total</th>
<th>Energy</th>
<th>ICT</th>
<th>Municipal Solid Waste</th>
<th>Transport</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1989-1999</td>
<td>178</td>
<td>321</td>
<td></td>
<td>240</td>
<td>739</td>
<td>8</td>
<td>5</td>
<td></td>
<td>1</td>
<td>14</td>
</tr>
<tr>
<td>2000-2009</td>
<td>477</td>
<td></td>
<td></td>
<td>477</td>
<td>38</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>38</td>
</tr>
<tr>
<td>2010-2018</td>
<td>1,170</td>
<td>187</td>
<td></td>
<td>620</td>
<td>1,977</td>
<td>31</td>
<td>2</td>
<td></td>
<td>2</td>
<td>35</td>
</tr>
<tr>
<td>Total</td>
<td>1,825</td>
<td>321</td>
<td>187</td>
<td>860</td>
<td>3,193</td>
<td>77</td>
<td>5</td>
<td>2</td>
<td>3</td>
<td>87</td>
</tr>
</tbody>
</table>

Source: World Bank Private Participation in Infrastructure (PPI) Database. 1Listed projects do not include the Colombo Port City project (2017), which is classified as FDI, and the West Container Terminal at Colombo Port, approved on 3 March 2021.

The increase in PPP projects in Sri Lanka in recent years is a welcome development to address growing infrastructure needs. However, legal, regulatory and administrative frameworks supporting further PPP investments have been actively disbanded in recent years, with implications for the ability to finance viable projects. In 2016, a World Bank PPP diagnostic identified several constraints to a better-functioning government PPP programme:

- Over-reliance on unsolicited proposals for projects, which can adversely affect transparency and value-for-money
- Absence of a clear procurement process, giving rise to poorly structured transactions and a lack of feasibility studies
- Lack of domestic capital market development to provide long-term debt arrangements, liquidity and derivative markets to hedge against interest rate and exchange rate risk
- Lack of regulatory and legal frameworks for government to manage liabilities associated with long-term PPP projects

444 PPPs typically involve the government and a private corporation agreeing to a long-term contract under which the private corporation constructs and operates fixed assets that are usually the responsibility of the public sector, like roads, bridges, utilities and waste management facilities (International Monetary Fund, 2014).

In July 2017, a National Agency for Public Private Partnerships (NAPPP) was established within Sri Lanka’s Ministry of Finance and Mass Media to support the development of PPP legal and regulatory frameworks and develop tools to evaluate and prioritise possible projects. Technical Assistance offered by the World Bank would also assist the NAPPP to develop a PPP project pipeline of $1.2 billion. However, the NAPPP was disbanded in January 2020 on grounds that its functions were no longer necessary. To date, there has been no established legal framework for PPPs in Sri Lanka, despite the increasingly pressing need for infrastructure development. There is also no centralised PPP project pipeline.

‘Innovative Financing’ is broadly defined as “anything different from standard investing or financing practice, that has the potential to deliver significant socio-economic or environmental impact”. This class of development financing tools has emerged in response to a need for low- and middle-income countries to better leverage market-based methods of development financing, and to continue to leverage global capital markets during times of low-risk appetite. Prominent innovative financing instruments include social impact investment, whereby investors provide concessional or non-concessional funding to address social needs with the explicit expectation of measurable social and financial returns; and Development Impact Bonds, which make financing conditional upon the delivery of concrete results. Targeted examples include ‘green’ (energy efficiency) and ‘blue’ (environmental management) bonds.

Social impact investment currently has little to no footprint in Sri Lanka. Over the period 2004-2014, $101.8 million in impact investment capital was deployed in Sri Lanka, representing 12 per cent of total impact investment in South Asia (Chart 13) and around 3 per cent of impact investor flows to South Asia, South-East Asia, East Africa and West Africa combined. $70 million of this investment was deployed in financial services and microfinance, and $32 million in high-end healthcare.

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**Chart 13: Capital Deployed by Impact Investors (non-DFI agencies), South Asia, 2004-2014**

Source: Global Impact Investing Network, Dalberg
Sri Lanka is also yet to issue ‘green’ or ‘blue’ bonds. Out of the $52 billion in global green bond issuances, India is the only South Asian country to issue green bonds ($3.2 billion in 2019), though the IFC suggests that “policies are starting to be put into practice” for a number of South Asian countries including Sri Lanka. As of October 2020, the world’s first and only blue bond was issued by the government of the Seychelles in 2018.

Impact investors have shown interest in Sri Lanka, but issues relating to the necessary scale and stability of capital markets, due diligence, deal structuring and exit arrangements are binding constraints. Dalberg’s global survey of impact investors indicates that Sri Lanka’s domestic market is often insufficient to manage the minimum investment sizes of around $20 million demanded by most impact investors. The survey also suggests that few SMEs appear investment-ready in terms of their corporate governance, with added uncertainty around sufficient regulation around trade sales or initial public offerings.

Improving Sri Lanka’s tax system as a means of medium-term fiscal consolidation and long-term development financing to better facilitate increased investments in public services. Introducing simpler and more equitable statutory rates for income tax and corporate tax will raise tax revenues by providing clarity on payable taxation and reducing administrative challenges associated with tax collection. Measures to rationalise concessions (e.g., corporate tax holidays, corporate profit exemptions and differential taxation rates across occupations) could increase tax revenues by as much as 1.3 per cent of GDP. Rolling back exemptions—including the often-opaque procedures in applying them—would help mitigate the erosion of Sri Lanka’s value-added tax (VAT) base and import tax base. Capacity-building investments in revenue administration will also improve the efficiency of tax collection, expand the base of taxpaying entities, and improve tax compliance.

More efficient public expenditure to create fiscal space in the long term. Civil service salaries are a large item of recurrent expenditure that imposes rigidities on the expenditure side of Sri Lanka’s budget. After a 40 per cent increase in civil service positions from 900,000 to 1.3 million between 2004 and 2014, civil service

Potential Recommendations

456 International Monetary Fund, Staff Report for the 2016 Article IV Consultation and Request for a Three-Year Extended Arrangement Under the Extended Fund Facility, IMF Country Report No. 16/150 (2016).
458 International Monetary Fund, Staff Report for the 2016 Article IV Consultation.
459 Ibid.
reform in the interests of medium-term fiscal sustainability is likely to be an incremental—and politically sensitive—process.\textsuperscript{460} Instituting a more considered remuneration review process can help manage changes in the public sector wage bill in a way that helps medium-term fiscal planning.\textsuperscript{461} Continuing with restructuring Sri Lanka's main loss-making State-Owned Enterprises is another essential component of fiscal consolidation, along with firmer rules around growth in public expenditure as an anchor for medium-term debt sustainability.\textsuperscript{462,463}

A multi-year, parliament-approved national financing framework could provide a sustainable funding base for Sri Lanka's national economic and social priorities. The Vistas of Prosperity and Splendour framework outlines policy interventions to achieve its overall vision for Sri Lanka. A financing plan for this national policy framework will help support its implementation and serve as a useful review mechanism when financing conditions normalise in coming years. As global stewards of the Financing for Development Agenda and the Addis Ababa Action Agenda, the UN is uniquely positioned to support domestic revenue mobilisation in support of the SDGs.

Re-establish a peak statutory body to develop legal, regulatory and administrative arrangements of PPPs in Sri Lanka, and develop a pipeline of prioritised investments of national importance. A dedicated body would reduce administrative overlap by providing a single point of contact for project tenders, proposals and coordination of PPP activities and provide a sense of policy certainty for potential investors and project partners.

Consider establishing a financing agency to help mobilise longer-term financiers, syndicate equity arrangements in PPPs and other innovative financing, and overcome domestic capital market constraints. This agency could be an effective broker to 'match' these projects with longer-term sources such as pension funds, insurance companies and other institutional investors. Involving institutional investors in nationally prioritised economic and social projects may also help facilitate contributions from other development finance institutions and other private investors.\textsuperscript{464}


Chapter 08

Commitment to International Norms and Standards
Sri Lanka is a party to the main United Nations human rights treaties, including the 9 core instruments: the Convention on the Elimination of All Forms of Racial Discrimination (CERD); the International Covenant on Civil and Political Rights (ICCPR); the International Covenant on Economic, Social, and Cultural Rights (ICESCR); Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW); the Convention against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment (CAT); the Convention on the Rights of the Child (CRC); the International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families (ICMW); the International Convention for the Protection of All Persons from Enforced Disappearance (CPED) and the Convention on the Rights of Persons with Disabilities (CRPD). Sri Lanka has also ratified 43 International Labour Conventions and 1 Protocol (of which 31 are in force, 7 Conventions have been denounced; 5 instruments abrogated).

Sri Lanka is a signatory to the UN Convention on the Rights of the Child and the Optional Protocol on the sale of children, child prostitution and child pornography, and has ratified ILO Convention No. 182 (Worst Forms of Child Labour). Sri Lanka has ratified most international and regional treaty elements relevant to child protection (22 in total). There remain some key gaps in terms of turning this into national legislation – i.e., corporal punishment is still legal; children are not clearly defined in the legislation (amendments are being made but have not yet been enacted); and children 16 and over are still treated as adults by the justice system.

Some major international treaties that Sri Lanka has yet to ratify include the Rome Statute of the International Criminal Court; the 1951 Refugee Convention and its 1967 Protocol; the 1954 Convention relating to the Status of Stateless Person; the 1961 Convention on the Reduction of Statelessness.

The Constitution of Sri Lanka adopts a dualist model in which the fulfilment of Sri Lanka’s obligations under international treaties is facilitated vis-à-vis the provisions of the Constitution and domestic legislation. International conventions to which Sri Lanka is a party have been recognized through legal, constitutional and judicial processes.

The Sri Lankan Constitution contains a separate Chapter on Fundamental Rights, which scope has been expanded through the jurisprudence of the Supreme Court of Sri Lanka (for instance recognizing that the right to life is implicitly included in the Constitution even if it is not explicitly declared). The Supreme Court has the jurisdiction to grant equitable relief including compensation for the violation of these rights.

Sri Lanka last went through the Universal Periodic Review in 2017. Sri Lanka also presented its National Human Rights Action Plan 2017 – 2021. During the time of review the National Human Rights Commission of Sri Lanka (NHRCSL) observed that Sri Lanka’s
ratification and record of human rights treaties had improved since 2015 and that there was a greater openness of the government to engage with international human rights mechanisms including the Universal Periodic Review, Treaty Bodies and Special Procedures. In 2015, Sri Lanka extended a standing invitation to all special procedure mandate holders of the Human Rights Council and it has received 10 official visits since. Since 2015, UN’s Special Procedures mandate holders have issued 31 communications, primarily from mandate holders on human rights defenders, freedom of peaceful assembly and association, freedom of opinion and expression, torture, arbitrary detention, and the working group on enforced disappearances. Sri Lanka has replied to 9 of these communications, yet similar concerns continue to be raised.

In 2019, Sri Lanka announced that it withdrew support to the Human Rights Council Resolution 30/1. The Minister of Foreign Affairs in February 2020 publicly refuted reports of intimidation and harassment of human rights defenders and journalists and suggested that his government would appreciate the approach of focusing on deliverable measures of reconciliation that are in line with the interest of Sri Lanka and its people, instead of the practice of taking on a host of undeliverable commitment with the intention of never implementing them. The government of Sri Lanka thus continues to define parameters that they would continue engagement with the Office of the High Commissioner for Human Rights mechanisms and procedures.

Following the establishment of the current government Sri Lanka has facilitated the visit of the Special Rapporteur on Contemporary forms of slavery including its causes and consequences. However, several recommendations of treaty bodies special procedure mechanisms and the Universal Periodic Review remain unaddressed over the years. In 2017, the UN Country Team in Sri Lanka too contributed to the UN’s compilation of information. Some of the cross-cutting issues listed out, in relation to Equality and non-discrimination noted that despite Sri Lanka's international treaty obligations and commitments and called for Sri Lanka undertaking a comprehensive review of its domestic laws, including those that governed the rights of succession with respect to land permits and grants, the disposal of immovable property and the absence of minimum age for marriage under Muslim Law. Concern was also expressed on discrimination against lesbian, gay, bisexual, transgender and intersex persons being widespread. Human Rights issues in relation to Development, the environment, and business and human rights, and Human Rights and Counter Terrorism remain. The report also spells out gaps in Sri Lanka in relation to Economic Social and Cultural Rights, the rights of specific persons or groups could be referenced.

465 https://drive.google.com/file/d/1q1NE4cD39E53TMn7Ew-bcFvgstjxCp5e/view
Key recommendations that Sri Lanka “Noted” (rejected) at the Universal Periodic Review, includes those in areas related to detention, arbitrary arrest, the abolition of the death penalty and the repeal of the Prevention of Terrorism Act. Even the recommendations that enjoyed the support of Sri Lanka on issues including ensuring safeguards against arbitrary arrest, torture remain unaddressed.468 The recommendation regarding constitutional reforms which would include a Bill of Rights too remains unfulfilled. Repeated calls in relation to the repeal of the death penalty, and the commitment in relation to the completion of ongoing investigations into abuse committed against civilian populations appears to be unrealized.

Sri Lanka has not come up for a review before treaty bodies in 2021, but has submitted the State Party reports to CAT in December 2020, CCPR in February 2019, CED in June 2018 and CERD in March 2019. Sri Lanka is scheduled to undergo the Universal Periodic Review next in 2023.

While Sri Lanka, as required by SDG 16, has an independent national human rights institution responsible for protecting, monitoring, and promoting human rights in the country, as a result of the 20th Amendment to the Constitution in 2020, its current status is under review by the Global Alliance for National Human Rights Institutions (GANHRI).

In 2019, Sri Lanka reaffirmed its commitment to accelerate the Programme of Action for ICPD. It committed to: reduce the maternal mortality ratio; further strengthen the Family Planning programme; enact new laws to protect the reproductive health rights of all ethnic groups, socially disadvantaged populations, adolescents and youth; further strengthen Sexual and reproductive health education; strengthen systems and service provision for the elimination of GBV; make available quality and timely data for monitoring reproductive health services; progress on elimination of mother to child transmission of HIV and Syphilis; and committed to engage women and youth in the economic and political decision making process.

There were several areas of recommendation by the CEDAW observation in the concluding remarks in 2021 especially in regard to repealing personal laws, and the amendments to the discriminatory provision within the Land Ordinance. Further it was recommended to ensure policies and action plans are resourced and monitored through mechanisms and ensuring disaggregated data to address intersectionality.

Chapter 09

Leave No One Behind
The preceding analysis shows Sri Lanka has made some progress across the 5Ps of sustainable development. That aside, there remain segments of the population which are marginalized from full social integration, the enjoyment of their rights, their access to resources and institutions, and representation in leadership, based on geographic location, population group, migratory status, age, ethnicity, religion, gender, education level, socioeconomic status, or the nature of their job. These patterns of marginalization are broadly upheld by socio-religious norms, histories of unresolved conflict and repression based on socio-political identities, the continuing entrenchment of these in institutions, laws and policies, and the resulting power imbalances. Ensuring that these inequalities are addressed is crucial to enable Sri Lanka to achieve an inclusive development transformation.

Potential Recommendations

**Women Heads of Households**

- **Ensure** the adoption and implementation of the National Action Plan on Women Headed Households and the National Action Plan on Women, Peace and Security.
- **Ensure** that the protection and political empowerment of Women Heads of Households is prioritised in policymaking at all government levels.
- **Introduce** training and incentives to return to work such as better childcare and work life arrangements.
- **Strengthen** financial and business development and support services for women-led small and medium enterprises.
- **Strengthen** regulation of micro-credit institutions to ensure ethical processes and punitive measures for exploitative practices.

**Women Ex-combatants**

- **Ensure** that all monitoring and reporting processes relating to national security are gender-sensitive, safe and accessible to women ex-combatants.
- **Review** the current status of women ex-combatants to assess needs, leading to the adoption of targeted policies to enable full protection and reintegration.
Reform personal laws to ensure gender parity and autonomy, while ensuring consultative processes in recognition of cultural and symbolic value.

Female Sex Workers and People Living with HIV/AIDS

- Develop more disaggregated data collection through relevant surveys on HIV/AIDS.
- Provide more focused relief services and better continuity of essential healthcare services.
- Promote public information and awareness campaigns on HIV/AIDS prevention.

Migrant Workers

- Develop more disaggregated data collection through relevant surveys on HIV/AIDS.
- Provide more focused relief services and better continuity of essential healthcare services.
- Promote public information and awareness campaigns on HIV/AIDS prevention.

Asylum and Refugee Seekers

- Develop more comprehensive data on worker migration for policy planning through interagency cooperation.
- Improve integrated border management processes to administer movement of migrant workers based on international good practices.
- Provide legal aid services for detained migrants through Sri Lanka’s missions overseas.
- Engage in gender-sensitive recruitment and more specialised training in Sri Lanka’s missions in Middle East countries.
- Develop a more focused programme of socioeconomic reintegration support and training to assist migrants returning to Sri Lanka due to the pandemic.
- Strengthen domestic countertrafficking protection services and adequate social and economic reintegration options for victims of human trafficking.

Internally Displaced Persons (IDPs) Impacted by Protracted Armed Conflict, Environmental Disasters and Climate-Induced Displacement

- Identify current challenges faced by IDP communities 12 years after the end of the protracted armed conflict.
- Develop new data and evidence on the challenges faced by displaced persons owing to natural disasters and climate change, and identify lessons learned to inform future policy.
Children

- **Work** with children to prepare for and respond to stressors induced by climate change.
- **Prioritise** children’s safety, survival, development and participation in climate change decision-making and in national accountability processes for climate action.
- **Implement** a multi-sectoral approach to addressing low birthweight among children, recognising its demographic, geographic and socioeconomic drivers.
- **Adopt** measures to change social norms towards positive disciplining of children and minimise the incidence of psychological and physical abuse by parents and teachers.

Persons of Diverse Sexual Orientations & Gender Identities

- **Ensure** that LGBTIQ+ people are not subjected to discrimination or fear retribution for seeking healthcare during and after the pandemic.
- **Ensure** continuity of relevant and specific LGBTIQ+ health services during the COVID-19 pandemic.
- **Include** the LGBTIQ+ population in measures to address SGBV, such as shelters and support services—particularly in the context of the COVID-19 pandemic.
- **Include** reproductive health as a line item in the government budget for 2022, with allocated expenditures towards key populations.

Older Persons

- **Prioritise** and address the gender dimensions of ageing.
- **Adopt** a life cycle approach to policy and programming.
- **Provide** additional resources to strengthen health care services for geriatric care including mental health services.
- **Institute** a voluntary contributory national pension scheme to supplement other old-age financial provisions.
- **Explore** options for more comprehensive social protection for older persons.

Drug Users and Prison Populations

- **Increase** voluntary drug rehabilitation programmes for drug users to prevent prison overcrowding and provide proper health care to those affected.
- **Abolish** the Drug Dependant Persons (Treatment and Rehabilitation) Act 2007 Art. 10, stipulating that a “drug dependent person” can be sent for “compulsory treatment and rehabilitation”.

LGBTIQ+ = Lesbian, Gay, Bisexual, Transgender, Intersex, Queer

SGBV = Sexual and gender-based violence
**Persons with Disabilities**

- Collect sex-, age- and disability-disaggregated data for better planning, resource allocation and targeting of service delivery.
- Expand the provision of healthcare services for persons living with disabilities.
- Provide trilingual public awareness on prevention and safety measures, laws and regulations in accessible formats (e.g., sign language).
- Mainstream disability into the Sustainable Development Roadmap that is currently being designed by the SD Council of Sri Lanka.

**Estate Sector Population**

- Expand existing social protection systems to include specific provisions for agriculture and estate-based workers to access emergency assistance in the event of natural disasters or other hydrometeorological events.

**Victims of Human Trafficking**

- Increase efforts by Government to effectively identify, screen, refer and protect victims of human trafficking.
- Enhance access to crucial services such as legal aid, shelter, medical and psychosocial support services, livelihood support and reintegration.
- Increase Government’s efforts to investigate and prosecute traffickers.
- Support and create a conducive environment for victims to participate in Court trials.
- Maintain trafficking data, develop evidence-based policies and research for informed decision and policy making.
- Strengthen and formulate counter trafficking responses in line with the National Strategic Action Plan to Monitor and Combat Human trafficking (NSAP 2021-2025).
- Identify gaps within the National Policies and Action Plans on curbing trafficking and smuggling of persons, with both intra- and cross-border considerations.
1. Women Heads of Households

**Analysis**

Women-headed households represent a significant demographic change in Sri Lanka. Their numbers have been rising since the 1970s, reaching nearly one-quarter of all households by 2009/10.\(^{469}\) The armed conflict which ended in 2009 was a significant contributor, with women being widowed or left as the primary caretakers following the loss of a male head of household as a result of conflict or conflict-related disability. Substance abuse among men, migration, as well as separation and/or abandonment have also contributed to this increase.

Women heads of households are particularly vulnerable to abuse and poverty.\(^{470,471}\) Cultural norms in Sri Lanka assign men the role of leaders and decision-makers, leaving women who lack male protection vulnerable. Women who have lost husbands also bear additional cultural stigma and are excluded from decision-making structures. They bear a notable burden in being the primary caregivers for dependents, while also being the primary breadwinners. These women also struggle to access markets, credit and resources to elevate their economic activity above small-scale subsistence, leaving them even more vulnerable to loss of income in cases of crisis, as most recently seen during the COVID-19 pandemic.\(^{472}\)

Additionally, vulnerability has led to heightened sexual and gender-based violence, including sexual bribery by those in positions of authority over them.\(^{473}\) Women-headed households especially in conflict-affected areas continue to be placed under a heavy burden of debt from loan sharks and micro-credit lenders.\(^{474}\)

The Committee on Economic Social and Cultural Rights recommends that the State party urgently adopt and implement the national action plan on women-headed households and ensure that women who head households have access to livelihood assistance, housing and land in their own name, as well as low-interest or interest-free credit schemes. It also urges the State party to ensure that officials


who commit sexual exploitation, bribery and harassment are prosecuted and sentenced, and victims have access to remedy and compensation.\textsuperscript{475}

The GoSL recognised their special vulnerability by creating a National Centre for Widows and Women Heads of Households in Kilinochchi in November 2015, tasked with coordinating their support and empowerment in the district.\textsuperscript{476} A National Framework on Women Heads of Households and a National Action Plan (NAP) on Women Heads of Households have been formulated, but neither have been validated by the government.

**Potential Recommendations**

1. Adopt the National Action Plan on Women Headed Households and the National Action Plan on Women, Peace and Security.\textsuperscript{477}

2. Ensure the protection as well as the economic and political empowerment of women heads of households is prioritised in policymaking at all government levels through gender mainstreaming in planning, incorporating strategies of gender-responsive budgeting (GRB).

3. Introduce training and incentives to return to work, such as better childcare and work life arrangements.

4. Strengthen financial and business development services for women-led small and medium enterprises.

5. Strengthen regulation of micro-credit institutions to ensure ethical processes and punitive measures for exploitative practices.

**Analysis**

At the end of the conflict, 1,823 women, including 230 girls who had been cadres of the Liberation Tigers of Tamil Eelam (LTTE), surrendered to the government.\textsuperscript{478} Most went through a government rehabilitation programme and were then released. Their reintegration into society, however, has been challenging with reports of continued surveillance, intimidation and harassment by local officials and military personnel—mostly men. Continued surveillance also affects their economic participation, with employers choosing not to expose themselves to surveillance as well.

These women are often marginalized by their communities for multiple reasons—including resentment of their past role in the

\textsuperscript{475} CESCR (2017) E/C.12/LKA/CO/5


\textsuperscript{477} Currently undergoing end-stage ministerial review ahead of public validation.

conflict and their present (largely) unmarried status, the latter of which can be compounded by surveillance. Where women ex-combatants have gone on to marry, they are vulnerable to violence within family structures. The general treatment of women ex-combatants leaves them at risk of sexual bribery and harassment, poverty and exclusion from communal decision-making. In addition, the general lack of consistent mental health support continues to impede their recovery from trauma.

Potential Recommendations

1. Ensure all monitoring and reporting processes relating to national security are gender-sensitive, safe and accessible to women ex-combatants.
2. Review the current status of women ex-combatants to assess needs and missed opportunities, leading to the adoption of targeted policies to enable full protection and reintegration.

Analysis

The legal system in Sri Lanka contains three key personal laws: 1) The Kandyan Law, 2) The Thesawalamai Law, and 3) The Muslim Law. Each of these were customary laws which were then codified during colonial rule. The Thesawalamai Law is both territorial and personal in character, governing the lands situated in Sri Lanka’s Northern Province, as well as Tamils who inhabit the Northern Province. The Kandyan and Muslim Laws are both personal in character. The former applies to the ethnic Sinhalese who can trace their lineage back to the Kandyan Provinces during the period of the Kandyan Monarchy, while the latter applies to Muslims in Sri Lanka, and is particularly binding on all issues relating to family law. It is important to note that while Kandyan Sinhalese may choose to be married under the Kandyan Law or the General Marriage Registration Ordinance, those falling under the jurisdiction of Muslim personal law are not afforded that choice.

Each of these laws contains provisions which discriminate against groups of women and have resulted in further cementing women’s vulnerability within these segments of the population.

The Kandyan Law of intestate succession states that a woman given in a Diga marriage before the death of her father forfeits her right to his estate. If she were to marry after his death, she may inherit. Further, if her brothers and Binna married sisters tender an offer.


480 A marriage where the wife leaves her family to join her husband’s family’s household.

481 A marriage where the husband leaves his family to join his wife’s family’s household.
to purchase the inherited property at fair market value, she is bound to transfer the property to them.

Married women governed by or owning property governed by the Thesawalamai Law are required to gain their husband’s consent when disposing of their immovable property. This poses an additional burden on women whose husbands disappeared during the conflict, or women who have been abandoned by their husbands without formal divorce.

The Muslim Law does not establish a minimum age of marriage while specifically allowing for the marriage of a child under the age of 12 with the approval of a Quazi; does not require consent of the bride; and allows for polygamy without the wife’s consent. Muslim Law also institutes a separate oversight body made up of Quazi judges who, despite being employed by the state, can only be men. This has resulted in child marriages and non-consensual marriages, as well as abandonment and violence. Recourse to justice is further limited to a man, or an all-male panel (if the case proceeds to the Board of Quazis), often resulting in discriminatory rulings. Appeal through the civil justice system is often followed by communal ostracisation, resulting in women rarely taking this route.

Potential Recommendations

1. Reform all personal laws to ensure gender parity and autonomy while ensuring consultative processes with the relevant communities, in recognition of their cultural and symbolic value.

Analysis

Data suggests that the number of female sex workers in Sri Lanka is around 35,000 (about 0.17 per cent of the population). There are also networks of men who have sex with men and have multiple partners including paying clients and women, but no relevant data is available. Findings from the 2011 Behavioural Surveillance Survey suggest sexually transmitted infections (STIs) and HIV/AIDS among female sex workers are relatively low, as they see relatively few clients per day and have relatively high condom use; however,
only about one-third knew women could be asymptomatic, and their knowledge about how HIV/AIDS is transmitted was low. Women and children engaged in sex work are considered the most vulnerable to HIV infection because they typically cannot negotiate condom use with clients or seek STI treatment.

The limited available data indicates a low prevalence of HIV/AIDS in Sri Lanka. In 2019, it was estimated that approximately 3,600 people (0.016 per cent of the population) lived with HIV/AIDS. Evidence suggests that in low prevalence settings, the focus of prevention programmes should be on those most at risk, such as female sex workers. If risk factors are not adequately addressed through public policy, Sri Lanka could be vulnerable to a rise in HIV/AIDS infections. Key risk factors include low condom use, unsafe sex work, sexually transmitted infections, migration within Sri Lanka and emigration to other countries for economic survival.

Low levels of knowledge about HIV/AIDS and high levels of stigma are further critical issues, discouraging those living with HIV/AIDS and others who fear they may be infected from seeking health care or from being tested. These same people also face difficulties and discrimination in accessing care or medical services due to perceived ‘additional’ exposure risk.

**Potential Recommendations**

1. Better disaggregated data collection through relevant surveys on HIV/AIDS.
2. Continuous provision of essential healthcare services.
3. Extended and more focused relief support.
4. Public information and awareness campaigns on HIV/AIDS prevention measures.
5. Migrant Workers

**Analysis**

**Outbound migration**

There has been a significant increase in outflows of migrant workers from Sri Lanka over the last 40 years. Before the pandemic, it was estimated that approximately 1.5 million Sri Lankan migrant workers were employed overseas (6.9 per cent of the population). About half of these work in Middle Eastern countries. Furthermore, on average, 230,000-250,000 workers were leaving the island every year to work overseas by the 2010s.

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492 Ibid.
Data from the GoSL’s Bureau of Foreign Employment (SLBFE) indicate that around 55.2 per cent of departures in 2018 for foreign employment consisted of low skilled domestic workers, predominantly women.\textsuperscript{493} Outbound worker migration from Sri Lanka has been driven by many factors including the liberalisation of labour markets in Middle Eastern countries; the search for better paid employment; and a route out of poverty for women.

Sri Lankan migrant workers have been important contributors to the country’s economy. After merchandise exports, worker remittances are typically the second largest share of the country’s foreign exchange earnings. About $6.7 billion worth of foreign exchange came from worker remittances in 2019 (equivalent to 8.0 per cent of GDP in 2019),\textsuperscript{494} which has helped offset the country’s large trade deficit. Recent estimates show that one in every 11 households in Sri Lanka received international remittances, migrants normally remit once a month, and the average amount remitted is LKR 40,000 per month.\textsuperscript{495}

Sri Lanka has taken a number of progressive steps to safeguard the rights of its own nationals working overseas, including ratification of the UN Convention on the Rights of Migrant Workers.\textsuperscript{496} However, despite changes in regulations governing outward worker migration and better formal banking services for migrants, Sri Lanka continues to face several challenges with foreign employment. These include low-skilled labour migration dominated by female workers (with low remuneration resulting in low remittances); vulnerability of migrant workers to trafficking and sexual abuse; social issues affecting families and children remaining in Sri Lanka; and national dependence on destinations in the Middle East with labour demand cycles that fluctuate with oil prices. Sri Lanka also lacks a clear policy on the employment of foreign nationals in the country.

The COVID-19 pandemic has had a devastating impact on migrant workers in the Middle East, with issues including travel restrictions, difficulties in practicing social distancing due to crowded living conditions, and problems in accessing adequate health due to their migration status and risks of exploitation. The Ministry of Foreign Relations\textsuperscript{497} details that over 52,401 Sri Lankans in 117 countries seek to return home due to job losses, poor living conditions and xenophobia. As of November 2020, over 40,000 Sri Lankan migrant workers have been repatriated.\textsuperscript{498} A high percentage will require support in reskilling and work-based training.

\textsuperscript{494} Central Bank of Sri Lanka, Table 2.14: Workers Remittances
\textsuperscript{498} Sri Lanka Ministry of Foreign Affairs, Speech Delivered by the Hon. Foreign Minister of the Democratic Socialist Republic of Sri Lanka at the Launch of the UN Network on Migration in Sri Lanka, 11 November 2020
Inbound migration

As the labour component is a fundamental input to economic development, the consequences of inadequate supply with the right skills is critical, leading to poor productivity and direct output losses. Labour shortages affect growth aspirations and investor confidence. Labour shortages and the resulting higher costs make markets inefficient and are a disincentive for investment. Evidence from the Sri Lanka Labour Demand Survey (2017) conducted by the Department of Census and Statistics as well as from different industries suggest that labour shortages are constraining industry activities. The main sectors affected are, construction, hospitality, manufacturing, education and services.

Notwithstanding economic benefits, labour import to any country is a sensitive issue as the effects will be felt across its social, cultural and economic fabric with far reaching consequences. Some key issues include the loss of job opportunities to own nationals due to cheap labour, threats to social-cultural identity and national security. Unregulated labour immigration may also lead to irregular migration human trafficking resulting in rights abuses and a loss of public confidence in the immigration system.

Sri Lanka currently does not have an adequate institutional, legal, policy and operational framework for facilitating and regulating foreign workers. It is highly recommended that Sri Lanka introduces necessary policy, laws, regulation, and procedures including a work permit system for immigrant workers to advance the expected economic outcome while addressing legitimate safety and security concerns of the country.

Potential Recommendations

1. More comprehensive data is needed on worker migration for policy planning through inter-agency cooperation in data collection and capacity building.
2. Improved integrated border management is needed to administer movement of inbound and outbound migrants based on international good practices.
3. Legal aid services are needed for detained migrants through Sri Lanka’s missions overseas.
4. Development of a system for administering inbound labour migration based on international best practice to address skills shortages, balancing economic considerations with border security considerations.
5. More gender-sensitive recruitment and training (e.g., recruitment of more female counsellor officials and training on how to respond to trafficking and sexual abuse) is required for staff dealing with Sri Lankan migrants in Middle Eastern countries.

6. A focused programme of socioeconomic reintegration support and training to assist returning migrants at both national and sub-national (District) level.

7. Strengthened countertrafficking response including enhanced protection services and adequate social and economic reintegration options for victims of human trafficking, including Sri Lankan and foreign nationals.

Analysis

Sri Lanka has no legal or policy framework on asylum; therefore asylum-seekers and refugees in the country have no legal status. They also have no access to public education or work, although they do have access to government healthcare services. These individuals, once registered with UNHCR, are permitted to remain in the country until their claims are processed. Refugees can remain until they can be resettled in a third country or return home voluntarily. Currently this time period can vary from three to seven years but could be prolonged since resettlement as a solution is shrinking globally.

At the end of May 2021 there were 1,188 refugees and 224 asylum-seekers in Sri Lanka, mainly from Pakistan and Afghanistan and the rest from Iran, Myanmar (Rohingyas), Palestine and elsewhere. Based on the principle of “Leave No One Behind,” this group should be included in government planning.

There has been advocacy around access to education in government schools. Currently 140 primary-aged refugee children are provided with access to private education with the support of UNHCR. However, refugee and asylum-seeking children that are at secondary school level do not have access to education unless they receive the support of individual donors within the host community. According to Sri Lanka’s obligations under the Child Rights Convention and on the principle of LNOB (Agenda 2030), all asylum-seeker and refugee children should be provided with access to education in government schools on the same basis as nationals.

During their time in Sri Lanka, asylum-seekers and refugees need to live off their savings or depend on the assistance of UNHCR and other donors to survive. As a middle-income country, Sri Lanka now imports labour for certain sectors. There has been advocacy for some of these jobs to be given to refugees and asylum-seekers who are already in the country and have the skills, so that they can live an empowered life and contribute positively to their country of asylum.

In addition, during the conflict, many Sri Lankans fled to a number of countries, including nearly 100,000 individuals who had sought asylum in India and currently reside in and outside of camps in Tamil Nadu, South India. Around 1,000 to 1,500 individuals have

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500 UNHCR Sri Lanka 2021.
501 Ibid.
been returning each year. At present, refugees return through the UNHCR and receive limited assistance. Some are included in the programmes of other UN agencies and NGOs. The protracted presence of a large refugee population in Tamil Nadu also leaves many highly vulnerable to human trafficking networks that operate in Southern India.

Almost 12 years after the end of the armed conflict, comprehensive solutions are needed for this group of individuals on both sides of the border. For those who wish to return, a multifaceted return package covering cash, housing, livelihood and documentation support is required. This assistance needs to be supported by the government, UN and other donors.

Currently, the UNHCR undertakes an annual random sampling of those who have returned within the previous two years to understand the challenges they face. UNHCR’s monitoring reveals that their primary challenges are housing, livelihoods, lack of material support from the government, documentation, water and sanitation. Anchoring the return of these individuals will ensure that they do not displace again and that they can resume their lives with dignity and contribute effectively to the country.

**Potential Recommendations**

1. Consider asylum-seekers and refugees as a vulnerable category so that they have access to welfare support, employment and public education.
2. Facilitate sustainable reintegration for Sri Lankan refugees returning from India and elsewhere.
3. Create livelihood opportunities for these groups and enable them to gain employment.
4. Create legislation to allow government to provide land/housing for returnees who are landless and without shelter in order to enhance sustainability.
5. Implement the National Policy on Durable Solutions for Conflict-Affected Displacement.
6. Internally Displaced Persons (IDPs)—Impacted by Protracted Armed Conflict, Environmental Disasters and Climate-Induced Displacement
Over a million persons were displaced owing to the protracted conflict. Each year close to 30,000 families are displaced owing to environmental calamities including floods, drought, and other disasters. While some have been resettled, there is still much to be done both on achieving an evidenced-based approach to risk mitigation and building sustainable reintegration and social cohesion models.

**Potential Recommendations**

1. A needs assessment can identify current requirements and challenges faced by IDP communities 12 years after the end of the protracted armed conflict.
2. New data and evidence are required to formulate programmatic interventions for displaced communities owing to natural disasters, climate change and lessons learned to inform future policy.

**Analysis**

Sri Lanka’s estimated child population is a little over 6.1 million. Data related to abuse of children is alarming, as are many unmet needs of children including nutrition, quality and coverage of water and sanitation facilities, unnecessary institutionalisation and long periods of detention for petty crimes.

While primary school enrolment numbers are encouraging, irrational stresses are frequently caused by the education system’s limitations and lack of social protections. Too many children are leaving school without the skills or mindset needed for employment.

In comparison to other countries in the region, Sri Lanka falls behind in child nutrition indicators. Adequate nutritional intake and appropriate diet practices are fundamental for children’s brain development and health, especially in the early stages of life. In Sri Lanka, almost one in six babies are born with low birthweight (LBW, less than 2500 g), already putting them at a disadvantage for optimum growth including physical cognitive development. LBW is a common predictor of wasting. 17.8 per cent of children under five are stunted, and that number is much higher among poorer populations such as the estate sector (32 per cent). 15.4 per cent

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505 Sylcan Trust, Climate Change and Human Mobility in Sri Lanka, Policy Brief (August 2020).
experience wasting, with the highest prevalence among infants 0 to six months (at 19 per cent). A recent DHS study found the mother’s age at giving birth, wealth quintile, geographical location, ethnicity, education, gestational age at birth, birth order, new-born’s sex, mother’s height and body mass index, multiple delivery, type of delivery and the number of antenatal care visits all to be statistically significant variables that determine the birthweight of a child. These factors need to be included for policymaking.

Ensuring a protective, caring and safe environment for children remains one of the key challenges in the country. Children are directly affected by disasters through death, injuries, displacement and separation from the family. Child deaths and injuries have been higher than that of adults in most disasters in the South Asian region (SAARC, 2015). Food insecurity, air pollution, vector-borne diseases, acute respiratory infections, diarrheal diseases and malnutrition can have significant detrimental impacts on a child’s early development.

**Potential Recommendations**

1. Work with children as agents of change, in full recognition of their capacity to prepare for and respond to stressors induced by climate change.
2. Government should prioritise children’s safety, survival, development and participation in climate change decision-making, and in national accountability processes for climate action, implementing programmes that focus on the most marginalised and vulnerable, including those with disabilities and from ethnic minority groups.
3. The issue of low birthweight must be handled within a multisectoral framework, as it cuts across factors related to demography, geography and socioeconomics of both mother and child.
4. Psychological and physical abuse by parents and teachers as a means of discipline should be prohibited and abolished, and interventions undertaken to move social norms towards positive discipline.

Analysis

EQUAL GROUND, an organization working for the rights of Lesbian, gay, bisexual, transgender, queer and intersexed (LGBTQI+) people in Sri Lanka, stated that approximately 19.6 per cent (753,973) of adults aged 18 years and older living in Colombo, Matara, Nuwara Eliya and Kandy in 2017 are either lesbian, gay, bisexual and/or transgender.\textsuperscript{514} LGBTQI+ people have been disproportionately impacted by both the COVID-19 virus itself and its containment measures.

Though there are LGBTQI+ people in every Sri Lankan community, there is significant stigma and discrimination towards this segment of the population. The public and many health workers are typically not sensitive to the unique challenges they face in accessing services and information on sexual and reproductive health and rights, leading to disparities in access and quality of healthcare. Laws criminalising same-sex relations further increase negative health outcomes for LGBTQI+ people. This has been especially true during the COVID-19 pandemic: stay at-home restrictions forced many LGBTQI+ youth to be confined in hostile environments with unsupportive family members or partners, increasing their exposure to violence, as well as mental health and psychosocial issues such as anxiety, depression and the lack of supportive networks.

Potential Recommendations

1. Specific efforts should be made to ensure that LGBTQI+ people do not experience discrimination or retribution for seeking healthcare during and after the pandemic.
2. Health services that are particularly relevant to LGBTQI+ people should not be deprioritised in the current situation.
3. Shelters, support services and other measures to address GBV during the COVID-19 pandemic should take steps to include the LGBTQI+ population.
4. Include a budget line on reproductive health in the government budget in 2022 specifically focusing on key populations.

Analysis

Sri Lanka’s age structure is changing rapidly. Between 1981 and 2012, the proportion of the population aged 60 years and over has increased from 6.6 per cent to 12.4 per cent.\textsuperscript{515} It is estimated that by 2030, one in five persons in Sri Lanka will be above the age of 60.

Women continue to make up a growing majority of the older population as, on average, they outlive their male counterparts,

often leaving them widowed and alone. Females account for about 56 per cent of the total aged population. In the oldest group (80+), this proportion was 61 per cent. In 2012, one in every three older women were widowed in Sri Lanka. Forty per cent of female household heads are widowed, divorced or separated. Widows face social stigma and are marginalised and considered inauspicious. Their lack of economic autonomy and security makes them particularly susceptible to sexual harassment and exploitation.

Older women (60 and over) are especially vulnerable due to existing health conditions as well as social and economic conditions. Given the low rate of female labour force participation in Sri Lanka, most older women will not have access to a pension and are likely to have fewer assets or savings. Older women are also less likely to receive health care that meets the specific needs of an ageing population. This can restrict their capacity to exercise rights, make choices and access services. A lifetime of inequalities has led to many women being unable to live a healthy and enjoyable life in their later years.

In Sri Lanka, the majority of older persons live with their family and rely on them for financial and in-kind support. However, changes in society—the move to nuclear families, urbanisation, migration and more women entering the labour force—have affected this traditional system of family care. As the dependency ratio increases, the burden on families will increase significantly.

In 2012, three-fourths of older persons were economically inactive. Older females are mostly engaged in unpaid work, including providing childcare within the family. This leaves them heavily reliant on family and government transfers, including pensions. Less than one-fifth of older persons receive pensions and only one-third of the working population participate in pension schemes. The situation is worse for women, since female labour force participation is very low (around 36 per cent) and the majority of older women were either engaged in the informal economy or never worked at all.

The aging population is also more vulnerable to an increase in climate-related health hazards due to impaired physical mobility, diminished sensory awareness, pre-existing health conditions, and social and economic constraints. Including older people in disaster response can save lives, minimise harm and maintain health and functional capacity. The aging population is especially vulnerable as COVID-19 continues to spread. Older persons can be increasingly subject to abuse owing to mobility or disability restrictions. Such abuse can include but is not limited to physical, psychological, sexual, and financial exploitation and neglect. Moreover, social distancing can lead to loneliness, which is a serious health risk.

Potential Recommendations

1. Prioritise and address the gender dimensions of aging.
2. Adapt a life cycle approach to policy and programming.
3. Create additional resourcing and strengthened healthcare services for geriatric care including mental health services.
4. Institute a voluntary contributory national pension scheme to supplement other old-age financial provisions.
5. Study options for comprehensive social protection for older persons.

Analysis

Sri Lanka is known to be a transhipment hub for international drug trafficking owing to its strategic location as a connector of the maritime East-West shipping lanes. Over the past decade, cannabis, heroin and methamphetamine have been identified to be the top three drugs used on the island, with a steadily increasing trend in the use of synthetic drugs. According to the Minister of Justice, approximately 553,000 people (about 2.5 per cent of the population) are addicted to drugs. The National Dangerous Drugs Control Board (NDDCB) reports around 20 per cent of illicit drug users in Sri Lanka are aged 19–25, and 38 per cent are aged 26–35.

Over the past five years, the average number of annual arrests stands at 86,000. Near 50 per cent of Sri Lanka’s prison population has been incarcerated for drug-related offences, resulting in overcrowded facilities. Nearly 99 per cent of those arrested are men, leading to many negative social and economic consequences such as poverty due to income loss. Drug-related court cases increased from 6,600 in 2015 to 16,000 in 2019.

Potential Recommendations

1. Increase voluntary drug rehabilitation programmes for drug users to help prevent prison overcrowding and provide those affected with proper healthcare.
2. Abolish the Drug Dependant Persons (Treatment and Rehabilitation) Act 2007 Art. 10, which stipulates that a “drug dependent person” can be sent for “compulsory treatment and rehabilitation”. This is contrary to the International Human Rights standards and standard 2.2 of the International Standards for the Treatment of Drug Use Disorders (WHO/UNODC, 2020).

517 For country specific drug-related data please visit the NDDCB website: http://www.nddb.gov.lk/
12. Persons with Disabilities

Analysis

A cross-country survey from the UN’s 2018 Disability and Development Report shows persons with disability are more likely than others to have poor health, and are therefore more vulnerable to the impact of low-quality or inaccessible healthcare services. This places them among the most marginalised groups when it comes to accessing information and services during the COVID-19 pandemic. Persons with disabilities also continue to be hampered by inaccessible physical environments, despite laws and regulations that require all public buildings to be accessible.

The 2012 DCS census records 8.7 per cent of Sri Lanka’s population as persons with disabilities, but significant concerns remain regarding the definition and criteria for identifying persons with disabilities. Rather than recognising their disability as an evolving concept, the legislative definition emphasises their dependency—highlighting insensitivity towards disability. Policy pronouncements notwithstanding, persons with intellectual disabilities, paraplegics and those with severe disabilities are thus frequently denied access.

In general, and especially during the pandemic, women living with disabilities have faced complex issues such as domestic violence, physical, emotional, psychological and sexual abuse, and issues concerning pregnancy, labour, and maternal and new-born health. Furthermore, persons with disabilities are likely to be at increased risk of mental health and psychosocial issues during the pandemic. Identifying and eliminating barriers to accessing healthcare services should start with training healthcare providers to cater to persons living with disabilities; strengthening national policies on healthcare in line with crisis response plans; and empowering persons with disabilities to take control over their own healthcare decisions. The GoSL committed to a rights-based approach by acceding to the United Nations Convention on the Rights of Persons with Disabilities (UNCRPD) on 8 February 2016.

Potential Recommendations

1. Collect sex/age/disability-disaggregated data for better planning, resource allocation and targeting of service delivery.
2. Strengthen provision of healthcare, education, and other social services for persons living with disabilities.
3. Generate trilingual public awareness on prevention and safety measures, laws and regulations, etc. in accessible formats (e.g., sign language).

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518 Among forty-three countries, 42 per cent of persons with disabilities versus 6 per cent of persons without disabilities perceive their health as poor. Sri Lanka was not part of this survey. United Nations Department of Economic and Social Affairs, Disability and Development Report, 2018, https://social.un.org/publications/UN-Flagship-Report-Disability-Final.pdf

4. Include reproductive health specifically focusing on persons with disabilities in the government budget in 2022.

5. Improve universal physical access to persons with disabilities.

6. Mainstream disability into the Sustainable Development Roadmap currently being designed by the SD Council of Sri Lanka.

Analysis

Special attention is needed to tackle persistent human development deficits in the Estate Sector, mainly Tamils of Indian origin in the South-West and Central areas. Headcount poverty in 2016 was highest in the estate sector at 8.8 per cent—double the average for rural areas and more than four times the average for urban areas. The post-conflict decline in multidimensional poverty could be attributed to considerable improvements in the rural sector and some improvement in the urban sector, but there was little change in the estate sector.

The proportion of households that cannot afford a nutritious diet is largest among this group, with food accounting for nearly 50 per cent of household expenditure, compared to 30–35 percent for non-estate sectors. Affordability and availability of nutritious diets is low, and the food purchased in the estate sector is also less diverse, with staple foods accounting for a greater share of overall intake and lower expenditure shares of meat, fish, milk and prepared foods. The prevalence of child undernutrition is high, and stunting affects as much as a third of children in the estate sector.

Difficult terrain in the estate sector has led to challenges in accessing health services for some groups, while budget measures to provide television sets in rural and estate schools suggest that many households are inadequately equipped for access to remote learning. Women in the agricultural sector are especially vulnerable to food insecurity, given that they account for around three-fourths of farm and estate labour yet rarely own the land on which they work. Landslides have also affected the estate sectors of the country, further increasing their vulnerability.

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520 Sri Lanka, Department of Census and Statistics, Poverty Indicators based on the Household Income and Expenditure Survey – 2016


523 Ibid.


527 Keith Forbes and Others, Forests and landslides: The role of trees and forests in the prevention of landslides and rehabilitation of landslide-affected areas in Asia, FAO Regional Office for Asia and the Pacific, Bangkok, 2013.
Potential Recommendations

1. Consider expanding the scope and coverage of existing social protection systems to include specific provisions for agriculture and estate-based workers.

2. Increasing estate sector access to emergency assistance in the event of natural disasters or other events that adversely affect food security and livelihoods.

Analysis

Human trafficking is a serious organized crime that takes place both within and across borders. Men, women and children can be trafficked for a wider range of exploitative purposes such as forced labour, sexual exploitation/forced prostitution, domestic servitude and removal of organs.

As a country of origin, Sri Lankan women and men migrate primarily to the Middle East and certain Asian countries for employment as domestic workers, or to work in garment factories, or on construction sites. Some are subjected to unreasonably long hours for little to no pay and trapped in situations of forced labour. As a destination country for migrants, there are reports of foreign women being trafficked to Sri Lanka for sexual exploitation. Within the country, there are incidents of women deceived into accepting jobs in the main cities to work in the garment and hospitality sectors, beauty salons/spas, or as domestic workers who are subjected to forced labour or exploitation in prostitution. Cyber exploitation and pornography involving children have also been increasingly observed.\(^{528}\)

Due to the underground criminal nature of human trafficking, identification of victims is challenging even under non-crisis circumstances. The effects of the pandemic have further curtailed identification efforts of both internal and external victims of human trafficking: the confinement and movement restrictions and shifting priorities of law enforcement from the apprehension of traffickers to the monitoring of confinement have hindered victim identification measures and have slowed the pace of referral mechanisms.

The GoSL has taken key measures to combat trafficking, ratifying the UN Palermo protocol in 2015 and the Penal Code (Amendment) Act No. 16 of 2006, enacted to criminalise human trafficking. Further, the Victim and Witness Protection Act was enacted in 2015 (with subsequent amendments). The establishment of the ‘National Anti-Human Trafficking Task Force’; the development of the Standard Operating Procedures (SOP) on the effective identification, protection, and referral of victims of human trafficking; and the

endorsement of the National Strategic Action Plan to Monitor and Combat Human Trafficking (2021-2025) are key measures taken by the GoSL to combat human trafficking with technical support from IOM.

Despite these sustained efforts, human trafficking remains an area of grave concern. Government, law enforcement and non-government officials should be empowered to effectively screen, identify, and refer victims of trafficking. Victim and witness protection services should be strengthened to encourage victims to come forward and report the crime. Access to shelter, legal aid, medical, psychosocial support services, livelihood, and effective reintegration options are crucial for the sustainable recovery of victims. Data related to human trafficking should be collected and maintained for informed decisions and policymaking.

**Potential Recommendations**

1. Increased governmental efforts to effectively identify, screen, refer and protect victims of human trafficking.
2. Enhance access to crucial services such as legal aid, shelter, medical and psychosocial support services, livelihood support and reintegration.
3. Increase government efforts to investigate and prosecute traffickers.
4. Support and create a conducive environment for victims to participate in court trials.
5. Maintain trafficking data, develop evidence-based policies and research for informed decisions and policymaking.
Progress to 2030: Risks, Challenges, Gaps, and Opportunities
To deliver on an ambitious development agenda, consolidate its status as an upper-middle income country, and as a base for further growth and development, Sri Lanka needs to navigate two key transitions.

i. The economic and social transition: Only a small number of countries have successfully navigated the transition from middle-income to high-income status over the past three decades, suggesting that continued economic and social progress for middle-income countries can be difficult to realise. Macroeconomic policies that generate adequate revenue are needed to ensure investments in education and health systems that promote a larger, more flexible and highly skilled labour force, along with measures to promote technological change and diversification of economic activities.529

ii. The financial transition: Accession to middle-income status often initiates a process of changes to credit terms and access to concessional financing from some bilateral and multilateral institutions. For Sri Lanka, this means a transition in development assistance away from concessional assistance. Maintaining macroeconomic policies that promote fiscal and external stability, regulatory certainty and social cohesion are required in order to improve the investment climate and attract the capital needed to drive economic and social investment.530,532

The risk analysis (Annex 1) highlights two very high risks, justifying selection of financing for development as a key driver of SDG-based transformation potential. Climate change action and disaster risk reduction are twin threats that are also ranked as high risks. A third area of high risk is weakening institutions and governance mechanisms; increased societal tensions; reduced service delivery effectiveness; and insecurity across a number of domains. Improving public sector effectiveness is another driver of transformation. The fourth area of major risk is the increasing digital divide.

Based on a comprehensive review of the findings under the five Pillars of the CCA, the following nine factors were identified as innovative opportunities to drive the national transformative agenda through SDG-focused interventions. References to specific CCA Pillars, SDGs and Targets are provided to demonstrate how these issues can be related to many areas of the 2030 Agenda.

532 Charles Kenny and others. 2020. What Is the Role of Aid in Middle-Income Countries?. Centre For Global Development: Policy Paper 201
Demographic Change

An aging population leads to an increase in the prevalence of chronic conditions, demand for more costly health services and continuous engagement with the health system (People; SDG Target 3.8). Demographic change also has important economic and social implications, with changes to Sri Lanka’s working-age population affecting the level of labour force participation, productivity and economic growth (Prosperity; SDG Target 8.1 and 8.2), as well as an additional fiscal burden in the form of higher state-funded pension schemes and income transfers (Prosperity; SDG Target 10.4).

Climate Change

Sri Lanka is vulnerable to the effects of climate change and its impacts on human health, agricultural livelihoods and the increasing frequency and severity of natural disasters. Climate change disproportionately affects the health and well-being of biologically susceptible groups such as children, pregnant women, older persons and persons with disability (Planet; SDG Target 13.b). Climate will likely play a major role in shaping affordability and access to a healthy diet in Sri Lanka, as localised shocks to rain-fed agriculture can exacerbate seasonal availability of locally produced food. Sri Lanka is also increasingly likely to experience events like bad harvests and droughts that put food security at risk (People; SDG Target 2.4). Deforestation and poor land use management impacts livelihoods by nullifying efforts to adapt to climate change (Planet; SDG Target 15.2). Dry-zone areas in the post-conflict regions of Northern and North-Western Province are projected to be major climate change “hotspots” where living standards are expected to decline by more than 10 per cent by 2050. This could serve as a catalyst for further conflict (Peace; SDG Target 16.1).
### Financing for Sustainable Development

Increasing constraints on fiscal space leave little room for Sri Lanka to deliver large-scale outlays as part of a COVID-19 response. Releasing fiscal space in the short term is essential to finance much-needed poverty reduction measures for vulnerable populations and to mitigate potential intergenerational inequalities that may otherwise result from the pandemic (Prosperity; SDG Target 1.5). Limited fiscal space has challenged the financing and prioritising of health responses to the pandemic (People; SDG Target 3.c) and is also likely to force a re-evaluation of mechanisms to finance the provision of key public goods, such as a National Remote-Learning Strategy (People; SDG Target 4.1). The increased risk of debt distress could also mean tough trade-offs between economics and politics that could impact peace, as resource scarcity builds and contributes to societal pressure (Peace; SDG Target 16.1). Sri Lanka’s SD Council has identified the need for a clear financing framework to underpin the government’s policy framework and to achieve the 2030 Agenda (Partnerships; SDG Target 17.14).

### Social Protection

A sustained expansion of the scope and coverage of social protection in Sri Lanka is crucial, particularly during a covariate shock like COVID-19. This expansion should be based on the right and ability of everyone to access social protection as required (Prosperity; SDG Target 1.3). A more responsive social protection system can also provide more timely, targeted assistance in a way that leverages existing transfer mechanisms and minimises burdens on national and subnational governments (Planet; SDG Target 11.5). A system that effectively protects access to nutritious food is crucial to ensure that “nobody is left behind” (People; SDG Target 2.1).
For middle-income countries like Sri Lanka, the transition to middle-income status often requires localised methods of implementation and monitoring. In some cases, implementation bottlenecks can mean that policy ambition does not match the services delivered. Areas identified in the CCA where this might be the case are childhood education and education in multiple languages (People; SDG Target 4.2); addressing and preventing sexual and gender-based violence (People; SDG Target 5.2); environmental management and climate change (Planet; SDG Target 11.b); public access to information from government; and delivery of essential services in multiple languages (Peace; SDG Target 16.10).

While the COVID-19 pandemic may accelerate the update of certain communications technologies, further digitalisation measures could bridge more gaps in public service provision. Poor IT infrastructure, low bandwidth and lack of mobile access were identified as further challenges to engagement with grassroots-level groups during island-wide curfews in 2020, particularly in rural areas (Partnerships; SDG Target 17.14). IT infrastructure is also essential to enable effective integration of digital and telemedicine practices into Sri Lanka’s public health system, which could broaden access to healthcare services and reduce unnecessary exposure during the pandemic (People; SDG Target 3.8). Lack of digitalisation has also contributed to system bottlenecks in resolving disputes in the justice system (Peace; SDG Target 16.3) and service provision (Peace; SDG Target 16.7). The need for technological upgrades extends to natural disaster preparedness, where investments in information systems are required to improve weather forecasting and early warning systems to protect human settlements and coastal infrastructure (Planet; SDG Target 11.5). Foreign direct investment from private enterprises may help facilitate technology transfer and productivity growth, and aid Sri Lanka’s entry into new and higher-productivity export industries (Prosperity; SDG Target 8.2).
Sri Lanka’s existing statistical capacity is able to track broad progress in economic and social development but offers relatively limited coverage of the 244 indicators underpinning the SDGs. Arrangements to evaluate published statistics relating to Sri Lanka’s progress against the SDGs should be an integral part of a single system of national statistics underpinned by a clear, national-level coordination structure (Partnerships; SDG Target 17.19). Collected data should be broadened to include more information on vulnerable groups like migrants, women-headed households and informal workers (Partnerships; SDG Target 17.18). Improved district-level access to health information systems can provide data to support better decision-making during the pandemic (People; SDG Target 3.d), while more frequent, reliable, standardised data on environmental issues will support better environmental impact analyses for development projects (Planet; SDG Target 11.a). New sources of information on physical, psychological and sexual violence are also needed to guide basic service provision in these areas (Peace; SDG Target 16.1).

Despite representing only one-third of the overall workforce, women make up nearly 50 per cent of employment in clerical and non-managerial professional occupations and only around a quarter of managerial-level positions. The unemployment rate for women is also consistently double that of men (Prosperity; SDG Target 8.5). Likewise, only 5.3 per cent of elected parliamentary representatives in 2020 were female, with little change over the last decade despite an electoral system amendment in 2017 mandating that 25 per cent of members in local authorities should be women members. Employer perceptions and cultural stigmas relating to women in leadership can effectively exclude women from securing managerial positions. This same attitude poses obstacles for women entering public office, where they face gender-based discrimination regarding their electability, and the threat of sexual and/or gendered harassment in public life (People; SDG Target 5.5).

Sri Lanka’s constitution guarantees fundamental rights based on gender, but many ethnoreligious laws inhibit control over economic resources for women (People; SDG Target 5.c); permit underage marriage in a way inconsistent with international norms on child rights; and limit female agency over marriage. In some
circumstances, the law does not criminalise marital rape (Peace; SDG Target 16.3). Poorly serviced, overcrowded public transport in major urban settlements poses specific risks to women, where 90 per cent of 2,500 women surveyed island-wide in 2017 had experienced some form of sexual harassment (Planet; SDG Target 11.2). Air pollution and unsafe fuel sources are also associated with an increased prevalence of low birthweight among pregnant women, and increased risk of cataracts and heart and respiratory disease among older women (Planet; SDG Target 11.6). An effective legal framework to govern access to female reproductive services is also required to minimise unsafe reproductive medical practices (People; SDG Target 3.7).

**Conflict Prevention**

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Twelve years after the civil conflict, peace, stability and progress towards the SDGs in Sri Lanka could be hampered by both legacy issues of the protracted armed conflict and also episodes of serious violence taking place in various parts of the country. Steps need to be taken to implement measures both within communities and institutions to build resilience, prevent violence and achieve a sustained peace.

Further complicating these issues are structural problems in governance. Pockets of severe poverty persist, particularly in the former conflict areas of the North and East (Prosperity; SDG Target 1.5). These parts of the island are also among the most vulnerable to the effects of climate change, which can contribute to increased conflict risk through additional stress on resource allocation, management and scarcity (Peace; SDG Target 16.1). Conflict incidence also directly contributes to physical and economic insecurity, which places women at greater risk of violence and disempowerment (People; SDG Target 5.2).

The 2030 Agenda offers a framework for a fair and sustainable transition from crisis response to longer-term recovery. Aligning a whole-of-government recovery strategy with these principles is Sri Lanka’s best chance to mitigate at least some regression and reset progress towards the SDGs. For each pillar of the analysis there are numerous, more detailed recommendations to be considered. These are summarised below by SDG.
Conclusion: Key Findings, Challenges & Opportunities
The analysis in the CCA can be synthesised into four key challenges to realising Sri Lanka’s vision for sustainable development and to the achievement of the 2030 Agenda and the SDGs:

1. Providing more inclusive quality basic services
2. Ensuring equitable growth and a sustained economic recovery
3. Protecting the environment
4. More inclusive and accountable governance

In addition, four cross-cutting issues are:

i. Women’s empowerment and wellbeing and overcoming gender-based discrimination
ii. Digitalisation and uptake of new technologies
iii. Effectively managing demographic change
iv. Greater social cohesion

KEY CHALLENGE 1: PROVIDING MORE INCLUSIVE QUALITY BASIC SERVICES

Progress towards more inclusive service provision requires better resourcing to meet Sri Lanka’s changing health needs – particularly with regard to demographic change; reforms toward a modern social protection system; greater continuity and resourcing of education services, particularly at younger ages; and an expansion of services to better address severe and acute malnutrition – particularly among children.

Meeting Sri Lanka’s changing health needs: To minimise the socioeconomic impact of COVID-19, Sri Lanka’s public health system faces the challenge of maintaining the delivery of and equitable access to essential health services - especially for vulnerable and at-risk groups. The health system must also prepare for the effects of demographic change, as a growing number of elderly persons leads to an increase in Sri Lanka’s non-communicable disease (NCD) burden, and the demand for more costly and complex health services.

Reforms toward a modern social protection system: In April and May 2020, the Government of Sri Lanka spent an estimated Rs. 50 billion (0.33% of 2019 GDP, or US$270 million) in cash transfers to vulnerable populations through existing welfare schemes to help soften the impact of the COVID-19 crisis on vulnerable populations. This initial response compares favourably with other middle-income countries in Asia, though an effective approach to social protection should involve extension beyond time-bound and one-off cash transfers and an expansion of coverage in the medium to long-term. The coverage of existing social protection systems is relatively limited in scope and needs to be expanded to cover basic income security for children, those unable to work, and the elderly, and to ensure unemployment protection, old age pensions and parental leave. Delivery systems are also constrained by politicisation, high administrative costs, and a relatively narrow registry of beneficiaries.
Greater continuity and resourcing of education services: More Sri Lankans are completing education at all levels than before, though it seems unclear whether learning outcomes have experienced a commensurate improvement. National and internationally benchmarked studies suggest that in 2017 lower-secondary students are behind Sri Lanka’s regional peers in minimum proficiency levels in reading and mathematics. These outcomes are likely to be further affected by nationwide school and university closures in response to the COVID-19 pandemic, where preschool education and primary grades appear to have received the lowest level of government support for remote learning, which may have developmental implications for life-long learning and holistic development within these affected cohorts.

Protection from food security “shocks”: Post-conflict economic growth and development has nearly halved the population-wide prevalence of undernourishment from 14.2% in 2006 to 7.6% in 2018, though affordability and access to a healthy diet – one which includes adequate essential nutrients and a diversity of nutritious food groups – is still limited for many Sri Lankan households. These outcomes are likely to have worsened during the COVID-19 pandemic, as income shocks flow through to household food security, and curfew orders and import restrictions disrupt the availability, pricing, storage and quality of food. The recent ban on imports of fertilizer on health grounds is expected to compress agricultural yields and increase food insecurity in the medium-term, as constraints on the ability to expand production of domestic, organic fertiliser may lead to significant drops in crop yields.

Expanding services to better address severe and acute malnutrition: In contrast to population-wide improvements in nutrition status in Sri Lanka, child undernutrition remains relatively high, and improvements have been slow. The availability and quality of inpatient and community-based nutrition care services is inconsistent across the island, with a poorly functioning referral system affecting continuity of care for undernourished children. Persistent sectoral variation in food security risk suggests the most food insecure Sri Lankans are in the estate sector, where the proportion of households that cannot afford a nutritious diet is largest, and food expenditure accounts for nearly 50% of household expenditure, compared to between 30% and 35% for non-estate sectors.
KEY CHALLENGE #2: ENSURING EQUITABLE GROWTH AND A SUSTAINED ECONOMIC RECOVERY

In 2020, Sri Lanka’s economy contracted for the first time since 2001, reflecting the economic impact of the pandemic on Sri Lankan firms, workers, and households. Consensus among major forecasts points to a recovery in economic activity in 2021, though these forecasts may not fully account for the sharp deterioration in Sri Lanka’s public health situation in recent months. Aligning a whole-of-government recovery strategy to the 2030 Agenda will be important to mitigate at least some of this regression and reset progress towards the SDGs.

Limited structural change and a mixed technological record: While the industrial sector (including manufacturing) accounts for over a quarter of Sri Lanka’s economy, it has shown little sign of dynamism over the past decade. The recent slowdown in the manufacturing and broader industrial sectors following Sri Lanka’s post-conflict reconstruction is a cause for concern given the potential role of the sector as a driver of exports, foreign exchange, technological change and employment. A recent growth diagnostic by Harvard University’s Centre for International Development (CID) suggests that Sri Lanka’s exports have grown slower than imports because they have not diversified beyond a narrow set of traditional, low-complexity goods such as tea, rubber products and ready-made garments. It argues that Sri Lanka cannot enter new and higher productivity export industries without a mix of foreign direct investment (FDI) and public-private sector coordination to encourage technology transfer and generate higher value-added production activities.

Impact of COVID-19 on businesses, including micro, small and medium enterprises (MSMEs): MSMEs have been particularly hard hit by the COVID-19 pandemic. The Department of Census and Statistics rapid survey conducted during the 2nd quarter of 2020 found that revenue for SMEs across the services sector fell by as much as 70% over the first five months of 2020 compared to the same period in 2019. The World Bank also suggests that a more prolonged economic downturn in Sri Lanka could push many SMEs into insolvency. The recent surge in COVID-19 cases in Sri Lanka and across South Asia means that a recovery in international tourism activity is also likely to be further delayed, which, as an industry that accounted for 11.0% of employment and 10.6% of the output in 2019 - will materially affect Sri Lanka’s economy in the medium-term.

Financing for more equitable growth and development: Increasing constraints on fiscal space means there is little room for Sri Lanka to deliver the large-scale financial outlays as part of a COVID-19 response, as has been a feature of policy responses by governments around the world. Releasing fiscal space in the short-term is essential to finance much-needed poverty reduction measures for vulnerable populations. Limited fiscal space has made financing and prioritizing health responses to the pandemic challenging and is likely to force a re-evaluation of mechanisms to finance the provision of key public goods, such as a national remote learning strategy. The increased risk of debt distress - both through increasing public debt and revenue shortfalls due to the global pandemic - could also mean tough trade-offs between economics and politics that could impact peace, as resource scarcity builds and contributes to societal pressure. A clear financing framework underpinning the government’s national development policy would also help with medium-term planning towards the 2030 Agenda.
KEY CHALLENGE #3: PROTECTING THE ENVIRONMENT

Sri Lanka is vulnerable to the effects of climate change and its impacts on human health, agricultural livelihoods and the increasing frequency and severity of natural disasters. The recent Sixth Assessment Report from the Intergovernmental Panel on Climate Change highlights how heatwaves and humid heat stress in South Asia will be more intense and frequent during the 21st century, and monsoon precipitation will increase and become more variable over time. These effects are already being observed in Sri Lanka’s poorer regions in the form of drought in the Northern and North Western Provinces, and increased precipitation flooding in the central and eastern provinces. Significant rural-urban migration in Sri Lanka is also placing increasing strains on the island’s urban settlements. Urbanization has also resulted in growing energy demand and an increasing reliance on largely imported fossil fuels, which has likely contributed to the doubling of Sri Lanka’s per capita CO2 emissions over the past decade. Weak enforcement of environmental safeguards further exacerbates biodiversity depletion, while deforestation, loss of vegetation cover, and poor land use management is also placing livelihoods at risk by nullifying the efforts of communities to adapt to climate change.

Mitigating the impact of climate change: Conservative estimates suggest that annual average temperatures in Sri Lanka are projected to rise by between 1.0°C and 1.5°C by 2050, while the number of days surpassing 35°C potentially rising from a baseline of 20 days to more than 100 days by the 2090s. The Northern and North Western Provinces are major climate change “hotspots” where living standards are projected to decline by more than 10% by 2050. Declining living standards can be attributed to worsening health and mortality outcomes due to heat-related illness, lower agricultural productivity due to crop failures, drought and water insecurity, and lower labour productivity due to exhaustion and vector-borne disease. Sri Lanka’s coastal areas are projected to experience more moderate impacts of average temperature change but are more exposed to climate change through rising sea levels and increased frequency and severity of extreme weather events. Sea level rise and average temperature changes have increased the frequency of storm surges and other hydrometeorological events along Sri Lanka’s coastal belt, inundating lands and causing saline intrusion in many areas of Sri Lanka’s coastal belt.

More sustainable urban development: Sri Lanka’s population is becoming increasingly urbanised, placing increasing pressure on water and energy use, solid waste management and other areas of essential service provision. In Colombo, changes in land use from non-urban to urban purposes has caused degradation of local eco-systems and reductions in water-holding capacity of wetland areas, which has increased flood risk for urban residents in the greater Colombo area. The proportion of the urban population living in slums, informal settlements, and inadequate housing is also broadly unchanged, and only around half of all solid waste produced in Western Province is collected and primarily disposed of in landfill, which releases polluting leachate into nearby water bodies and wetlands. Passenger travel via public transport has increased over the past five years at a rate much slower that urban population growth, suggesting that the public transport network may not be effectively servicing areas of high population growth.
Overcoming reliance on fossil fuels: Production-based CO2 emissions per capita in Sri Lanka have nearly doubled since 2010 to reach an estimated 1.1 metric tonnes in 2019 and are over five times higher since 1990. Over the same period, the share of largely imported fossil fuels in Sri Lanka’s total energy supply has more than doubled from 24% in 1990 to 55% in 2018, underpinned by a twenty-fold expansion in the use of coal-powered energy between 2010 and 2018. A major portion of Sri Lanka’s energy needs are still being met by biomass and fossil fuels, each contributing to nearly 40% of total energy demand. This over-reliance on imported fossil fuels has prompted a National Energy Policy to increase the share of renewable sources in total electricity generation to 80% by 2030, with indigenous natural gas, hydroelectricity and other smaller-scale renewable sources expected to underpin these commitments to green and renewable energy production. However, realising this ambitious programme of investment involves negotiating key challenges relating to financing up-front capital requirements, managing the day-to-day fluctuations in renewable energy supply, and supporting the domestic uptake of renewable technologies.

Sustainable environmental management of natural resources and ecosystems: Sri Lanka has been losing its forest cover at an alarming rate over the last two decades, with the loss of vegetation cover, particularly on the slopes of mountains and other high-altitude landform, increasing the susceptibility to landslides and floods. Current rates of forest clearing in these areas will greatly reduce Sri Lanka's ability to withstand and recover from ecological shocks, which are also likely to increase with climate change. Sri Lanka is also a biodiversity ‘hotspot’, with a wealth of endemic species. However, poor environmental and biodiversity safeguards make the country a lucrative target for crimes related to wildlife and forestry. In the absence of any remedial measures, fuel leakage from the damaged container vessel the “MV X-Press Pearl” could also have deleterious long-term effects on Sri Lanka’s already-fragile marine ecosystem, as chemical and plastic intrusion into the marine ecosystem threatens coral, fish, turtles and other marine life in the short-term, while threatening the long-term livelihoods of thousands of Sri Lankan families throughout the island’s coastal communities. Dry-zone areas in the North and East, as post-conflict areas, are particularly vulnerable to the effects of climate change as a catalyst to conflict and have to be considered from a climate security lens. Structural issues have caused them to lag compared to other parts of the country and being more vulnerable to the effects of climate change, the resource allocation and income inequality challenges in these areas could be further compounded.
KEY CHALLENGE #4: MORE INCLUSIVE AND ACCOUNTABLE GOVERNANCE

Twelve years after the civil war, the immediate risks to peace, stability and progress towards the SDGs in Sri Lanka stems not from armed conflict, but from longstanding inter-community tensions and structural problems in governance.

Questions of transparency, oversight and institutional independence in the context of the 20th Constitutional Amendment: The passing of the 20th Amendment to the Constitution in October 2020 saw political power further concentrated in the presidency, weakening parliamentary oversight of the executive. The 20th Amendment also grants the President powers over appointments to previously independent public institutions, such as the judiciary and electoral, public service, audit, bribery, corruption, police and human rights commissions. Removing independent appointments and checks on dismissal of leadership of these institutions reduces their ability to be effective, accountable and transparent. The 20th Amendment removes previous provisions for independent appointments to the Right to Information Commission, the oversight body with power to review information requests denied by entities subject to the Right to Information Act. Women's political participation remains a systemic issue. Sri Lanka consistently ranks among the worst performers on indicators for ‘women in parliament’ in the WEF Gender Gap Index.

Addressing stalled progress on the 13th Amendment to the Constitution: In the North and East, tensions over land threaten to undermine Sinhala-Muslim-Tamil relations. The constitution devolves some land powers to the provinces, but these provisions have not been implemented despite being enacted in 1987 by the 13th Amendment. Such disputes - if left unmanaged - can carry risks of being ethnicised and contributing to wider tensions. State-citizen land disputes involving central government bodies have increased in the past year as elected provincial councils remain absent for a prolonged period. Government ‘language audits’ also suggest that equitable service delivery in all official languages also remains an area of weak performance, especially in Tamil despite all enabling legislation being in place for several decades. New concerns on climate security can further compound land related inter-ethnic resource competition.

Dealing with the past: Addressing the legacy of the armed conflict remains a critical gap in building social cohesion in Sri Lanka. Sri Lanka has made some progress in dealing with economic effects, but less on reconciliation, transitional justice and a political settlement. Public trust, especially among minority groups, can be undermined by a lack of visible progress on dealing with the past. The Office on Missing Persons was able to release a consolidated list of cases of the missing in 2020, which was an unprecedented step in a country with a long history of disappearances. However, no further follow-up action has yet been recorded and the new leadership of the commission remains only partially filled. Since the Government of Sri Lanka withdrew its co-sponsorship of Human Rights Council resolutions, it has promised formulating a domestic alternative which remains undefined. Remaining areas of concern involve addressing issues of past inter communal riots and societal violence, which largely affected Tamil and Muslim minorities, and building systems towards ensuring their non-recurrence.
Towards better functioning of the justice system: There are significant bottlenecks caused primarily by an overloaded court system, and a lack of digitalization, that contribute to lengthy delays in resolving civil and business disputes. The result of such system delays especially with regards to criminal cases is that prisons are overcrowded, at 260% of its capacity as of April 2020, making Sri Lanka's prisons the most overcrowded in South Asia. The controversial Prevention of Terrorism Act (PTA), long identified for reform or repeal remains in use, permitting long periods of detention without charges. Both Tamil and Muslim minorities remain among the communities affected by PTA detentions as a consequence of the armed conflict, and more recent arrests after the Easter Sunday attacks. The emergence of transnational crime networks and associated conflict risks remain poorly understood.

Data for effective decision making: Sri Lanka's existing statistical capacity and data collection processes are able to track broad progress in economic and social development but offers relatively limited coverage of the 244 indicators underpinning the SDGs. The absence of a single system of national statistics broadly limits the capacity of Sri Lanka to monitor the required frequency, quality and coverage of published statistics relating to Sri Lanka's progress against the SDGs. Disaggregation of national-level surveys and administrative datasets to track outcomes of vulnerable or at-risk populations is also relatively limited, with little capacity to monitor the changing social and economic status of groups like migrants, women-headed households or informal workers. At the sectoral level, broader district-level access to health information systems is needed to provide data to support better decision making during the COVID-19 pandemic and more frequent, reliable, standardised data on environmental issues is needed to support better environmental impact analysis for development projects. New sources of information on physical, psychological and sexual violence are also needed to guide basic service provision in these areas.

CROSS-CUTTING ISSUE #1: WOMEN’S EMPOWERMENT AND WELLBEING AND OVERCOMING GENDER-BASED DISCRIMINATION

Sri Lanka's gender landscape is distinctly patriarchal. This dynamic is often reflected across national systems, institutional cultures, and socio-economic structures, and results in women being socially restricted in the choices they make, penalized for challenging gender norms, and rendered more vulnerable to gendered violence. The Department of Census and Statistics and UNFPA note that 24.9% of women have experienced physical and/or sexual intimate partner violence or non-partner sexual violence, which in turn can contribute to women's withdrawal from decision-making roles.

Sri Lanka’s Constitution guarantees fundamental rights and non-discrimination based on sex, though the ability for women to exercise these rights is limited by many personal, criminal and ethnoreligious laws. These overlapping laws inhibit access to and control over economic resources, limit women's agency, health and bodily autonomy. Underage marriage is also permitted in a way inconsistent with international norms on child rights and limit female agency over marriage, and in some circumstances do not criminalise marital rape. Child marriage is defined as the marriage union that takes place before the age of 18. In the 2016 Demographic and Health
Survey, 12% cent of women aged 25-49 were married at age 18 or younger, compared to 14% in 2006/07.

Judicial and administrative systems are also largely gender-insensitive, which affects basic service provision in these areas. In 2021, 5.3% of elected parliamentary representatives are female, with little change over the last decade despite an electoral system amendment in 2017 mandating that 25% of members in local authorities should be women members.

There is also a sustained lack of women in leadership within the workforce, with only a quarter of managerial positions taken up by women, and women making up 60% of employment in clerical and lower-level professional occupations. Employer perceptions and cultural stigmas relating to women in leadership can effectively exclude women from securing managerial positions, and poses obstacles for women entering public office, where women face gender-based discrimination regarding their electability, and the threat of sexual and/or gendered harassment in public life. Stigma along with gendered and patriarchal stereotypes tend to reinforce norms that restrict women's autonomy, and attempt to limit them to passive and dependent roles – particularly within the home.

CROSS-CUTTING ISSUE #2: DIGITALISATION AND UPTAKE OF NEW TECHNOLOGIES

While the COVID-19 pandemic may accelerate the update of certain communications technologies, further digitalisation measures may be required to bridge certain gaps in public service provision. Poor information technology (IT) infrastructure, low internet and mobile access were also identified as challenges to continuing engagement with grassroots-level groups during island-wide curfew periods in 2020 - particularly in rural areas. IT infrastructure is also essential to enable digital and telemedicine practices to be effectively integrated into Sri Lanka’s public health system, which could broaden access to healthcare services, reduce unnecessary face-to-face contact during the pandemic, and save on travel and waiting time at hospitals. A lack of digitalization has also contributed to system bottlenecks and delays in resolving civil and business disputes in the justice system and service provision to end-users that are a mix of online and offline processing. The need for technological upgrading also extends to natural disaster preparedness, where investments in information systems are required to improve weather forecasting and early warning systems and to protect human settlements and coastal infrastructure. Foreign direct investment from private firms may be beneficial to facilitate technology transfer, productivity growth, and to allow Sri Lanka’s entry into new and higher-productivity export industries.
CROSS-CUTTING ISSUE #3: EFFECTIVELY MANAGING DEMOGRAPHIC CHANGE

UN population projections suggest that one in every five persons in Sri Lanka will be 60 years or over by 2030, compared to one in eight in 2019. An aging population leads to an increase in the prevalence of chronic conditions, demand for more costly, complex health services and continuous engagement with the health system. Demographic change also has important economic and social implications, with changes to Sri Lanka’s working-age population affecting the level of labour force participation, productivity and economic growth, as well as posing an additional fiscal burden in the form of higher state-funded pension schemes and income transfers.

CROSS-CUTTING ISSUE #4: GREATER SOCIAL COHESION

In a January 2021 report mandated by the Human Rights Council, the UN High Commissioner for Human Rights noted that some trends in 2020 represented “clear early warning signs of a deteriorating human rights situation and a significantly heightened risk of future violations”. Sri Lanka notably withdrew co-sponsorship of Human Rights Council Resolution 30/1, in favour of exploring options for a domestic alternative for reconciliation and peacebuilding.

Re-establishing English as a medium of instruction in schools and teaching of second national languages in schools is a recognised means to eliminate language prejudice and promote social cohesion. Several national policies and roadmaps have been developed by both the Ministry of Education and the Office of National Unity and Reconciliation to achieve greater social cohesion through peace education, though implementation in this area has stalled amidst frequent machinery of government changes. A 2016 report from the National Education Commission cites difficulties in delivering a trilingual programme of education due to shortages of Second National Language teachers, constraints on curricular material, resources and syllabi, and a paucity of bilingual textbooks and other learning material in bilingual education. More recently, an estimated 50,000 migrant workers have returned home in response to the COVID-19 pandemic, which has had implications for existing social protection systems, care networks and social cohesion as the needs of forced migrant returnees pose additional strain on local communities.
### Potential Recommendations by SDG and Vulnerable Group

**By SDG**

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<tr>
<td>People</td>
<td>SDG 2: Zero Hunger</td>
<td><strong>Address</strong> food insecurity and vulnerability by providing continued access to nutritious food for vulnerable populations through Sri Lanka's social protection system.</td>
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<td><strong>Review</strong> fertiliser use and crop yields during the coming Maha season to minimise undue price fluctuations for key food items and food security risks.</td>
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<td><strong>Improve</strong> continuity of inpatient and community-based care for individuals affected by moderate and severe acute malnutrition through improved public health information systems tracking coverage, treatment progress and outcomes for beneficiaries.</td>
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<td>SDG 3: Good Health and Well-Being</td>
<td><strong>Mobilise</strong> temporary health workforce capacity through volunteer services and retired health professionals, especially for local communities and the most vulnerable.</td>
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<td><strong>Expand</strong> district-level Health Emergency Management Systems to support effective decision-making during the COVID-19 pandemic.</td>
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<td><strong>Review</strong> Sri Lanka's SDG 3 National Action Plan for Health and Well-Being to focus more on universal health coverage, and review Sri Lanka’s International Health Regulation (IHR) core capacities and pandemic preparedness.</td>
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<td><strong>Develop</strong> more accurate, up-to-date patient information to provide better continuity of care, prevent the duplication/overlap of services, and enable disaggregated monitoring of health services that improves the overall allocation of health system resources to areas of greatest need.</td>
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<td><strong>Bridge gaps</strong> in access to healthcare services through digital and telemedicine practices to reduce exposure risks at hospitals during the pandemic.</td>
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<td><strong>Maintain</strong> equitable access to essential health services during the pandemic by implementing guidelines for continuity of services; providing protections and capacity-building for workers to engage with vulnerable groups; and improving communication strategies in local languages.</td>
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|        | **SDG 4: Quality Education** | **Expand** health service provision to support early detection and management of NCDs, disability and long-term care, and better continuity of care between the primary, secondary and tertiary systems.  
**Secure** adequate government financing for health-related service provision to keep pace with population needs, including national rollout of a COVID-19 vaccination programme. |
|        | **SDG 5: Gender Equality** | **Engage** in more data-driven monitoring of student learning outcomes and retention.  
**Invest** to meet infrastructure shortfalls and maintain access to education for disadvantaged students, with sectoral planning and resource allocation responding to changes in learning modalities across the island.  
**Develop** a sustainable national remote-learning strategy across the entire education system using viable ‘low- or no-tech’ alternatives.  
**Develop** an early childhood curriculum to deliver the core skills needed for transition into formal schooling.  
**Improve** working conditions and training opportunities for teachers to promote skill development, incentivise teacher effort and improve students’ educational experience and performance.  
**Adjust** national curricula to incorporate ‘transferable’ skills as key competencies in education to assist in the school-to-work transition.  
**Align** the Technical and Vocational Education and Training (TVET) sector with the labour market to provide alternate schooling and retraining pathways for Sri Lankan youth struggling to access the labour market—both during and beyond the COVID-19 pandemic.  
**Target** support measures towards women-led enterprises and workers to mitigate the economic impact of COVID-19, given pre-existing inequalities in assets and access to credit among women-owned enterprises, and their overrepresentation in industries heavily affected by COVID-19.  
**Revive** stalled legislative efforts to end discrimination against women, girls and populations with diverse sexual orientation and gender identities to facilitate greater and more inclusive economic, social and political participation. |
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<td>Prosperity</td>
<td>SDG 1: No Poverty</td>
<td><strong>Initiate</strong> reforms to move towards a modern social protection system with a nationally defined ‘floor’ to guarantee the right of access to comprehensive health care, basic income security for children, those unable to work and the elderly, and unemployment protection, old age pensions and parental leave.</td>
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<td>Prosperity</td>
<td>SDG 10: Reduced Inequalities</td>
<td><strong>Deliver</strong> targeted poverty reduction measures for vulnerable populations to provide income support and address other potential inequalities that may result from the COVID-19 crisis. Cost savings through more efficient service delivery across levels of government and improving the targeting of large fiscal outlays may provide a revenue-neutral means to expand services in the short term.</td>
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<td>Prosperity</td>
<td>SDG 8: Decent Work and Economic Growth</td>
<td><strong>Safeguard</strong> the stability of Sri Lanka’s financial system through rebuilding bank buffers and enacting stricter regulation for non-banking financial institutions. <strong>Improve</strong> financial access for MSMEs and ensure continued access to capital for enterprises and households as the COVID-19 recovery takes shape. <strong>Strengthen</strong> efforts to combat Human trafficking and safeguard the rights of victims and vulnerable migrants. <strong>Create</strong> an enabling environment for businesses to improve Sri Lanka’s global standings in terms of a favourable business destination. <strong>Facilitate</strong> orderly, safe, regular and responsible migration and mobility of people,</td>
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<td>including through the implementation of planned and well-managed migration policies</td>
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<td>Planet</td>
<td>SDG 9: Industry, Innovation and Infrastructure</td>
<td>Restart job creation in manufacturing, service and related sectors by investing in further diversifying Sri Lanka's industrial export base.</td>
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<td>SDG 6: Clean Water and Sanitation</td>
<td>Install pipeline systems in new urban developments to ensure continued groundwater access and implement stronger protection and conservation measures in key drinking water catchment areas to prevent saline intrusion during drought periods.</td>
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<td>SDG 7: Affordable and Clean Energy</td>
<td>Conduct feasibility studies on the generation, storage and financing needs of different forms of renewable energy to facilitate Sri Lanka's transition to a ‘greener’ energy mix.</td>
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<td>SDG 11: Sustainable Cities and Communities</td>
<td>Align Sri Lanka's urban planning measures with sustainable planning practices—such as the principles of the UN's 'Compact Cities' agenda—to minimise spatial inequalities, congestion and other inefficiencies associated with unchecked urban sprawl. Create more efficient urban development by promoting better use of existing urban space through urban infill, revitalisation of existing infrastructure and better coverage of existing transport links. Maintain wetlands and access to green space for flood resilience, ecotourism and better health and well-being for urban residents. Better regulate public transit and waste management—including solid waste, water waste and clinical waste—to manage the sustainable expansion of urban settlements. Incorporate disaster risk reduction and climate change adaptation into land use planning and infrastructure decisions to minimise disaster risk, particularly for vulnerable and marginalised populations.</td>
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<td>SDG 12: Responsible Consumption and Production</td>
<td>Enforce more stringent environmental safeguards and introduce new technologies and production processes to support the 'greening' of construction services and stop further environmental degradation.</td>
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|                         | **SDG 13: Climate Action**      | **Facilitate** low-carbon development through locally sourced building materials, skilling or reskilling the labour force in sustainable production practices and benchmarking sustainable production processes.  
**Map** Sri Lanka’s changing population dynamics, consumption patterns and demands on natural resources to assess changes in the ‘carrying capacity’ of the ecological system.  
**Develop** more disaggregated data and information systems to monitor and assess the impact of climate change on economic and social development, and to design effective social protection and insurance mechanisms to support at-risk groups affected by natural disasters.  
**Strengthen** technical skills within the Department of Meteorology, the Department of Irrigation, and the National Disaster Management Centre to interpret and apply climate/weather information and mitigate climate change risk.  
**SDG 14: Life Below Water** | **Strengthen** the surveillance and enforcement powers of the CEA to prevent suspected illegal sand mining and deforestation, which cause riverbank erosion and saltwater intrusion into main rivers.  
**SDG 15: Life on Land** | **Engage** in multistakeholder dialogue when designing and implementing climate-related initiatives to ensure the transition towards a green/circular economy is fair and just.  
**Mobilise** community entities to co-design and implement sustainable livelihoods projects and build local support for greater ambition in national climate commitments.  
**Peace** | **SDG 16: Peace, Justice and Strong Institutions** | **Invest** in improving the monitoring, surveillance, detection and prosecution of actors involved in illicit trade flows—particularly drugs and armaments—to reduce the social costs and risk to human life posed by these substances and help fulfil Sri Lanka’s long-standing regional commitments to reduce illicit arms flows.  
**Implement** devolution of land and police powers as mandated by the constitution to diffuse intercommunity tensions in the North and East.  
**Reduce** overcrowding in the prison system by reducing bottlenecks in the courts system and investing in more and improved accommodation for incarcerated... |
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<td><strong>Operationalise</strong> the Official Languages Policy to improve access to information in Sri Lanka’s official and “link” languages.</td>
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<td><strong>Deliver</strong> on historical commitments to transitional justice, dealing with the past and reconciliation, particularly in the regions most severely affected by previous conflict.</td>
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<td><strong>Invest</strong> in programmes to educate communities on prevention of violence and peacebuilding at the interpersonal and community levels to increase social cohesion, including recommendations from the Lessons Learnt and Reconciliation Commission (LLRC) on promoting social cohesion through education.</td>
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<td><strong>Adopt</strong> a national strategic plan to positively harness youth volunteerism and build social cohesion.</td>
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<td><strong>Implement</strong> a National Action Plan on Women, Peace and Security to ensure that gender is mainstreamed in peacebuilding efforts, and equal ownership and leadership of these processes is granted to women and vulnerable groups.</td>
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<td><strong>Implement</strong> the National Strategic Action Plan to Monitor and Combat Human Trafficking (2021-2025) led by the Ministry of Justice and the National Anti-Human Trafficking Task Force, and ensure effective screening, identification, referral and protection of victims.</td>
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<td><strong>Improve</strong> service delivery and supporting demilitarisation efforts in the North and East as a pathway to improving state-minority relations.</td>
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<td><strong>Maintain</strong> space for dialogue among communities and diaspora groups to facilitate cross-cultural understanding and develop stronger ties between groups to support social cohesion, resilience and reconciliation.</td>
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<td><strong>Advocate</strong> for the continuing role of civil society in SDG dialogues, including through forums like the Voluntary People’s Review of SDGs.</td>
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<td><strong>Partnerships</strong></td>
<td>SDG 17: Partnerships for the Goals</td>
<td><strong>Facilitate</strong> more regular engagement between government, civil society and the private sector through a joint UN-GoSL stakeholder mapping exercise focusing on the 17 SDGs.</td>
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<td>Amend</td>
<td>the Sustainable Development Act (2017) to formalise participation of non-government entities in decision-making bodies governed by the Act, creating a pathway for civil society, academia and the private sector to contribute to planning, implementation and monitoring of the SDGs.</td>
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<td>Capitalise</td>
<td>on partnerships forged during the COVID-19 crisis as a space for partners to engage in constructive, meaningful and continued engagement in major government policymaking processes or programming activities.</td>
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<td>Incorporate</td>
<td>the SDGs into subnational budgeting and planning processes to better link policy ambition at the central government level to the delivery of essential services that underpin the SDGs.</td>
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<td>Better coordinate</td>
<td>activities and engagements between the UN's resident agencies in Sri Lanka—including International Financial Institutions like the World Bank, the IMF and the Asian Development Bank—to improve government's confidence in the UN system.</td>
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<td>Consider</td>
<td>a national all-agency outreach campaign featuring tailored messages to civil society groups and the private sector that could help demonstrate the value and relevance of the SDGs to a wider audience.</td>
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<td>Institute</td>
<td>an annual joint United Nations-Sustainable Development Council platform to provide regular updates on progress achieved towards the SDGs, highlight contributions of donor partners and provide a forum for multilateral engagement on the SDGs.</td>
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<td>Expedite</td>
<td>the development of legislation underpinning the 2019 National Policy on Volunteering to support “People-Based Action” for the 2030 Agenda.</td>
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<td>Establish</td>
<td>a renewed compact between the GoSL, the UN and relevant partners to support more frequent, reliable and disaggregated data to track progress under the SDGs and incorporate localised SDG indicators into national planning processes and development strategies.</td>
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<td>Adopt</td>
<td>a whole-of-government framework for data generation, management and exchange, using the draft National Data Sharing Policy of February 2020 as a</td>
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<td>framework for the expansion of information-sharing within and between government ministries.</td>
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<td><strong>Broaden</strong> the sampling frames and survey methodologies for national-level surveys and administrative datasets to include more information on vulnerable or at-risk populations like migrants, women-headed households and informal workers, and comply with the six principles of the UN’s Human Rights-Based Approach to Data.</td>
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<td><strong>Implement</strong> IT-driven data collection methods to reduce post-collection processing and quality-assurance times for nationally representative surveys conducted by the Department of Census and Statistics.</td>
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<td><strong>Align</strong> DCS’ business model with its stated policy on ‘affordable’ access to microdata to catalyse more research and robust analysis of “what works” in sustainable development in Sri Lanka.</td>
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### By Vulnerable Group

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<td><strong>Ensure</strong> that the protection, economic and political empowerment of Women Heads of Households is prioritised in policymaking at national and local government levels.</td>
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<td><strong>Introduce</strong> training and incentives to return to work such as better childcare and work life arrangements.</td>
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<td><strong>Introduce</strong> financial and business development services for women-run business start-ups.</td>
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<td>Women Ex-combatants</td>
<td><strong>Ensure</strong> all monitoring and reporting processes relating to national security are gender-sensitive, safe and accessible to women ex-combatants.</td>
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<td><strong>Review</strong> the current status of women ex-combatants to assess needs and missed opportunities, leading to the adoption of targeted policies to enable full reintegration.</td>
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<td>Women Within the Remit of Discriminatory Personal Laws</td>
<td><strong>Reform</strong> personal laws to ensure gender parity and autonomy, while ensuring consultative processes with relevant communities in recognition of their cultural and symbolic value.</td>
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<td>Female Sex Workers and People Living with HIV/AIDS</td>
<td><strong>Develop</strong> more disaggregated data collection through relevant surveys on HIV/AIDS.</td>
</tr>
<tr>
<td></td>
<td><strong>Provide</strong> more focused relief services and better continuity of essential healthcare services.</td>
</tr>
<tr>
<td></td>
<td><strong>Promote</strong> public information and awareness campaigns on HIV/AIDS prevention measures.</td>
</tr>
<tr>
<td>Migrant Workers</td>
<td><strong>Develop</strong> more comprehensive data on worker migration for migration policy planning through interagency cooperation in data collection and capacity building.</td>
</tr>
<tr>
<td></td>
<td><strong>Improve</strong> integrated border management processes to manage movement of migrant workers and others based on international good practices.</td>
</tr>
<tr>
<td></td>
<td><strong>Provide</strong> legal aid services for detained migrants through Sri Lanka's missions overseas.</td>
</tr>
<tr>
<td>Group</td>
<td>Recommendation</td>
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<tr>
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</tr>
<tr>
<td><strong>Engage</strong> in gender-sensitive recruitment and better training for staff dealing with Sri Lankan migrants in Sri Lanka’s missions in Middle Eastern countries.</td>
<td></td>
</tr>
<tr>
<td><strong>Develop</strong> a more focused programme of socioeconomic reintegration support and training to assist migrants returning to Sri Lanka due to the pandemic.</td>
<td></td>
</tr>
<tr>
<td><strong>Strengthen</strong> domestic counter-trafficking protection services and adequate social, psychosocial and economic reintegration options for victims of human trafficking.</td>
<td></td>
</tr>
<tr>
<td><strong>Asylum and Refugee Seekers</strong></td>
<td><strong>Classify</strong> asylum-seekers and refugees as a vulnerable category so that they have access to welfare support, employment and public education.</td>
</tr>
<tr>
<td><strong>Facilitate</strong> the return and reintegration of Sri Lankan refugees returning from India and elsewhere.</td>
<td></td>
</tr>
<tr>
<td><strong>Create</strong> livelihood opportunities for returnees and enable returning graduates to gain employment.</td>
<td></td>
</tr>
<tr>
<td><strong>Provide</strong> land/housing for returnees who are without land and shelter in order to enhance sustainable reintegration and avoid further displacement.</td>
<td></td>
</tr>
<tr>
<td><strong>Implement</strong> the National Policy on Durable Solutions for Conflict Affected Displacement.</td>
<td></td>
</tr>
<tr>
<td><strong>Internally Displaced Persons (IDPs) Impacted by Protracted Armed Conflict, Environmental Disasters and Climate-Induced Displacement</strong></td>
<td><strong>Identify</strong> the current requirements and challenges faced by IDP communities 12 years after the ending of the protracted armed conflict.</td>
</tr>
<tr>
<td><strong>Develop</strong> new data and evidence on the challenges faced by displaced persons owing to natural disasters and climate change, and identify lessons learned to inform future policy and programmatic interventions.</td>
<td></td>
</tr>
<tr>
<td><strong>Children</strong></td>
<td><strong>Work</strong> with children to prepare for and respond to climate change-induced shocks and stressors.</td>
</tr>
<tr>
<td><strong>Prioritise</strong> children’s safety, survival, development and participation in climate change decision-making, and in national accountability processes for climate action.</td>
<td></td>
</tr>
<tr>
<td><strong>Implement</strong> a multisectoral approach to addressing low birthweight among children, recognising its demographic, geographic and socioeconomic drivers.</td>
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<tr>
<td>Group</td>
<td>Recommendation</td>
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</tr>
<tr>
<td><strong>Persons of Diverse Sexual Orientations &amp; Gender Identities</strong></td>
<td><strong>Recommendation</strong> to change social norms towards positive disciplining of children and minimise the incidence of psychological and physical abuse by parents and teachers in the discipline of children.</td>
</tr>
<tr>
<td><strong>Ensure</strong></td>
<td>Ensure that LGBTQI+ people are not subjected to discrimination or fear retribution for seeking healthcare during and after the pandemic.</td>
</tr>
<tr>
<td><strong>Ensure</strong></td>
<td>Ensure continuity of relevant and specific LGBTQI+ health services during the COVID-19 pandemic.</td>
</tr>
<tr>
<td><strong>Include</strong></td>
<td>Include the LGBTQI+ population in measures to address SGBV, such as shelters and support services—particularly in the context of the COVID-19 pandemic.</td>
</tr>
<tr>
<td><strong>Include</strong></td>
<td>Include reproductive health as a line item in the government budget for 2022, with allocated expenditures towards key populations.</td>
</tr>
<tr>
<td><strong>Older Persons</strong></td>
<td><strong>Prioritise</strong> and address the gender dimensions of aging.</td>
</tr>
<tr>
<td><strong>Adopt</strong></td>
<td>Adopt a life cycle approach to policy and programming.</td>
</tr>
<tr>
<td><strong>Provide</strong></td>
<td>Provide additional resources to strengthen health care services for geriatric care including mental health and recovery services.</td>
</tr>
<tr>
<td><strong>Institute</strong></td>
<td>Institute a voluntary contributory national pension scheme to supplement other old-age financial provisions.</td>
</tr>
<tr>
<td><strong>Explore</strong></td>
<td>Explore options for more comprehensive social protection for older persons.</td>
</tr>
<tr>
<td><strong>Drug Users and Prison Population</strong></td>
<td><strong>Increase</strong> voluntary drug rehabilitation programmes for drug users to prevent prison overcrowding and provide proper health care to those affected.</td>
</tr>
<tr>
<td><strong>Persons with Disabilities</strong></td>
<td><strong>Expand</strong> the provision of healthcare services for persons living with disabilities.</td>
</tr>
<tr>
<td><strong>Abolish</strong></td>
<td>Abolish the Drug Dependant Persons (Treatment and Rehabilitation) Act 2007 Art. 10, stipulating that a “drug dependent person” can be sent for “compulsory treatment and rehabilitation”.</td>
</tr>
<tr>
<td><strong>Collect</strong></td>
<td>Collect disaggregated data for sex, age and disability for better planning, resource allocation and targeting of service delivery.</td>
</tr>
<tr>
<td><strong>Provide</strong></td>
<td>Provide trilingual public awareness on prevention and safety measures, laws and regulations in accessible formats (e.g., sign language).</td>
</tr>
<tr>
<td>Group</td>
<td>Recommendation</td>
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</tr>
<tr>
<td></td>
<td><strong>Mainstream</strong> disability into the Sustainable Development Roadmap that is currently being designed by the SD Council of Sri Lanka.</td>
</tr>
<tr>
<td>Estate Sector Population</td>
<td><strong>Expand</strong> existing social protection systems to include specific provisions for agriculture and estate-based workers to access emergency assistance in the event of natural disasters or other hydrometeorological events.</td>
</tr>
<tr>
<td>Victims of Human Trafficking</td>
<td><strong>Increase</strong> efforts by Government to effectively identify, screen, refer and protect victims of human trafficking.</td>
</tr>
<tr>
<td></td>
<td><strong>Enhance</strong> access to crucial services such as legal aid, shelter, medical and psychosocial support services, livelihood support and reintegration.</td>
</tr>
<tr>
<td></td>
<td><strong>Increase</strong> Government’s efforts to investigate and prosecute traffickers.</td>
</tr>
<tr>
<td></td>
<td><strong>Support</strong> and create a conducive environment for victims to participate in Court trials.</td>
</tr>
<tr>
<td></td>
<td><strong>Maintain</strong> trafficking data, develop evidence-based policies and research for informed decision and policy making.</td>
</tr>
<tr>
<td></td>
<td><strong>Strengthen</strong> and formulate counter trafficking responses in line with the National Strategic Action Plan to Monitor and Combat Human trafficking (NSAP 2021-2025).</td>
</tr>
</tbody>
</table>
Annexes

Annex 1: CCA Methodology

The CCA report primarily consists of five papers based on the ‘5 P’s’ underpinning the Sustainable Development Goals. The 5Ps are the key elements that led to the development of the SDGs and are outlined in the General Assembly Resolution 70/1 Transforming our World: the 2030 Agenda for Sustainable Development. They cover all 17 SDGs and highlight how the SDGs are “an intertwined framework instead of a group of siloed goals”. This framework allows us to analyse the root causes of constraints to sustainable development in an integrated manner.

<table>
<thead>
<tr>
<th>People</th>
<th>We are determined to end poverty and hunger, in all their forms and dimensions, and to ensure that all human beings can fulfil their potential in dignity and equality and in a healthy environment.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prosperity</td>
<td>We are determined to ensure that all human beings can enjoy prosperous and fulfilling lives and that economic, social and technological progress occurs in harmony with nature.</td>
</tr>
<tr>
<td>Planet</td>
<td>We are determined to protect the planet from degradation, including through sustainable consumption and production, sustainably managing its natural resources and taking urgent action on climate change, so that it can support the needs of the present and future generations.</td>
</tr>
<tr>
<td>Peace</td>
<td>We are determined to foster peaceful, just and inclusive societies which are free from fear and violence. There can be no sustainable development without peace and no peace without sustainable development.</td>
</tr>
<tr>
<td>Partnerships</td>
<td>We are determined to mobilize the means required to implement this Agenda through a revitalized Global Partnership for Sustainable Development, based on a spirit of strengthened global solidarity, focused in particular on the needs of the poorest and most vulnerable and with the participation of all countries, all stakeholders and all people.</td>
</tr>
</tbody>
</table>

Despite their intrinsic relationship to the 2030 Agenda, there is no consensus as to which SDGs are most closely linked to each of the 5 P’s. Previous studies that attempt to classify the SDGs largely do so based on the wording of the 5 P’s or the targets within the SDGs. In the majority of studies, the ‘People’ pillar includes SDGs 1,2,3,4 and 5; the ‘Prosperity’ pillar

most frequently covers SDGs 8 and 9; the ‘Planet’ pillar uniformly covers SDGs 12-15 (see table below).

This CCA adopts a classification of the 17 SDGs that is broadly consistent with other published assessments, with some notable departures. For the Sri Lanka CCA, SDG 1 (“No Poverty”) and SDG 10 (“Reduced Inequalities” are analysed under the ‘Prosperity’ pillar to better assess inclusive growth in Sri Lanka. The remaining SDGs under the “People” pillar broadly resemble a human capital approach to human development. SDG 6 (“Clean Water and Sanitation”) is shifted to the “Planet” pillar to reflect the specific ecological challenges relating to access to clean water and appropriate sanitation posed by climate change and unsustainable land use practices.

Classifications of the 17 sustainable development goals (SDGs) in relation to the five pillars (5 Ps)

<table>
<thead>
<tr>
<th>Organisation</th>
<th>People</th>
<th>Planet</th>
<th>Prosperity</th>
<th>Peace</th>
<th>Partnerships</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proposed approach</td>
<td>2,3,4,5</td>
<td>6,7,11,12, 13,14,15</td>
<td>1, 8, 9, 10</td>
<td>16</td>
<td>17</td>
</tr>
<tr>
<td>IMF</td>
<td>5,10</td>
<td>6,7,12,13</td>
<td>1,8</td>
<td>16</td>
<td>3,4,9,17</td>
</tr>
<tr>
<td>United Nations in Viet Nam, CCA (2016)</td>
<td>1,2,3,4,5,6</td>
<td>11,12,13,14,15</td>
<td>7,8,9,10</td>
<td>16</td>
<td>17</td>
</tr>
<tr>
<td>United Nations in Rwanda (2016)</td>
<td>2,3,4</td>
<td>6,12,13,14,15</td>
<td>7,8,9,10,11</td>
<td>1,5,16</td>
<td>17</td>
</tr>
<tr>
<td>SDG Profile Report Draft, Burkina Faso (2017)a</td>
<td>1,2,3,4,5,6</td>
<td>12,13,14,15</td>
<td>7,8,9,10,11</td>
<td>16</td>
<td>17</td>
</tr>
<tr>
<td>OECD (2017)</td>
<td>1,2,3,4,5</td>
<td>6,12,13,14,15</td>
<td>7,8,9,10,11</td>
<td>16</td>
<td>17</td>
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<tr>
<td>Azerbaijan, VNR (2017)</td>
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<td>Slovenia, VNR (2017)</td>
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<td>Poland, VNR (2018)</td>
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<tr>
<td>Leal Filho et al. (2018)</td>
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<td>Sri Lanka, MAPS (2018)</td>
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<tr>
<td>Stockholm Resilience Center (2016)</td>
<td>1,2,3,4,5,7,11</td>
<td>6,13,14,15</td>
<td>8,9,10,12</td>
<td>17</td>
<td></td>
</tr>
<tr>
<td>Wiltshire (2015)</td>
<td>1,2,3,4,5,6,7</td>
<td>11,12,13,14,15</td>
<td>8,9</td>
<td>10,16</td>
<td>10,17</td>
</tr>
<tr>
<td>France Diplomatie (2017)</td>
<td>1,2,3,4,5</td>
<td>6,7,11,13,14,15</td>
<td>8,9,10,12</td>
<td>16</td>
<td>17</td>
</tr>
</tbody>
</table>
Evidence informing the CCA is drawn from published research and analysis from government, international organizations, academia, think-tanks and civil society organizations, supported by national and international statistics and sources. This evidence was guided and informed by stakeholder consultations with key groups relevant to the SDGs and the 2030 Agenda in Sri Lanka, including Government, civil society organizations, academia, think-tanks, bilateral and multilateral donors, and the private sector.

For each of the 5 P’s, the CCA analysis briefly discusses recent developments in Sri Lanka over the period 2016-2019, the impact of the COVID-19 pandemic in 2020, and the outlook for 2021 and further forward. Each chapter concludes with some suggested priorities for policymaking.

In addition to the 5 P’s, the CCA also identifies the groups most at risk of being ‘Left Behind’ - or at risk of being left behind - with respect to sustainable development in Sri Lanka using a similar analytical approach. A risk assessment of specific national developments and their implications for different areas of analysis is included, along with a separate chapter with an estimated “financing gap” and an assessment of the financing landscape for the SDGs in Sri Lanka.
Annex 2: Participatory Process Underpinning the CCA

Team Structure
Sri Lanka's CCA is the product of a participatory process involving 15 resident UN agencies and 5 non-resident UN Agencies.

A CCA Taskforce provided technical review and feedback on each iteration of the CCA, while also contributing to chapter development through written inputs, background reports, and technical/analytical papers. The CCA taskforce comprised of a rotating set of focal points across UN agencies according to relevant areas of expertise.

UNCT Sri Lanka provided a periodic review mechanism for the key components of the CCA. The RCO CCA Team comprising of the RCO Strategic Planner, the RCO Economist and a CCA Technical Adviser synthesised agency inputs into the final CCA report, convened stakeholder consultations and discussions, and provided technical, administrative and secretariat support to the process. Chapter outlines were submitted for comment to the CCA Taskforce, with further iterations at each major step of the drafting.

The RCO CCA team was assisted by specialist technical input from RCO’s Peace and Development Adviser, Humanitarian Coordination Team and OHCHR. In total, the CCA development involved:

- 6 CCA Taskforce Meetings
- 6 UNCT Consultations
- 18 Bilateral consultations with Resident/Non-Resident UN Agencies and IFI’s
- 80 sets of feedback and input from UN agencies at the country, regional and global levels, with line-by-line responses from RCO

Stakeholder Consultations
The CCA was further informed by four dedicated Stakeholder consultations featuring:

- 20 institutions from Business, Academia, Think Tanks, and Scientific Community
- 25 Civil Society Organizations
- 21 Development Partners and IFI’s
- 19 Government Agencies

The Stakeholder consultations involved a discussion on the main themes of the CCA, with specific questions directed to stakeholders regarding:

- Other key issues and priorities under the SDGs not addressed in the draft CCA
- New sources of data to measure progress towards the SDGs
- Suggestions for policy based on the CCA’s analysis to improve the wellbeing of vulnerable populations
Insights from Stakeholder Consultations

Stakeholder engagement highlighted several key emerging policy issues that helped make the CCA more topical and sensitive to the immediate country context, including:

- Highlighting early risks to food security and nutrition associated with reduced importation of chemical fertilizers
- The urgent need to incorporate international treaties and regulations in environmental management into local regulatory and legislative frameworks and ensure compliance with environmental impact assessments.
- The implications of the ongoing review of Sri Lanka's GSP+ status affecting manufacturing exports to the European Union.
- Highlighting the role and the need to capacitate local governments to deliver essential services crucial to the SDGs.
- The need for a properly functioning Right to Information Commission.
Annex 3: Risk Analysis Framework

The concept of risk involves multiple definitions that vary across fields and contexts. Risk is understood as the uncertainty of outcomes, expected loss, chance of damage, probability and extent of undesirable events and deviation from a reference or baseline level. All definitions of risk include the occurrence of a potential event with a potential loss or undesirable outcome. The nature of that loss or undesirable outcome can be physically measurable, socially perceived or constructed.

In Sri Lanka’s country analysis, risk is defined as a factor that could lead to undesirable outcomes that damage the progress made towards the sustainable development goals and/or impose challenges on achieving them. These undesirable outcomes could be monetary in nature and/or negatively impact the values of sustainable development goal indicators.

<table>
<thead>
<tr>
<th>Risk</th>
<th>Risk Outcomes</th>
<th>Outcome Likelihood</th>
<th>SDG Impact</th>
<th>Early Warning Risk Indicators</th>
</tr>
</thead>
</table>
| Macroeconomic Challenges  | Decrease in Public Expenditure              | Medium to High     | High impact on People, Prosperity, and Planet Pillars | • Ratings agencies have downgraded Sri Lanka’s credit rating on sovereign bonds. In 2020, Fitch Ratings downgraded Sri Lanka's Long-Term Foreign-Currency Issuer Default Rating (IDR) to 'CCC' from 'B-'.  
• International banks have issued warnings on Sri Lanka’s debt levels.  
• Local and international think tanks like the Institute of Policy Studies and Verité Research have highlighted the risk of macroeconomic challenges and associated issues.  
• National budget allocations to key sectors such as health and education have fallen over time. Government |
<table>
<thead>
<tr>
<th>Risk</th>
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<th>Outcome Likelihood</th>
<th>SDG Impact</th>
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</tr>
</thead>
</table>
| Poor Post-War Reconciliation Efforts | An Increase in Organised Intercommunity Violence and Crime | High | High impact on People and Peace Pillars | - Inconsistent progress on reconciliation efforts.  
- Growing uncertainty with no clear government communication on the protection of human rights and freedoms.  
- Increasing awareness of hate speech posts on social media.  
- The continued prevalence of nationalist rhetoric.  
- Ethnically biased reporting on mainstream media that could further fracture intercommunity relations. |

Sri Lanka’s post-war reconciliation efforts have been limited to practicing restorative justice and rehabilitating former members of the Liberation Tigers of Tamil Eelam. The government has yet to effectively implement political reform, justice and accountability for its past crimes and wrongdoings, with the aim of reconciling the state and civil society. Sri Lanka has also not yet moved fully away from a nationalist Sinhala-Buddhist agenda and restored the societal relations between opposing population.

- Expenditure on health as a share of GDP decreased from 1.83 per cent in 2005 to 1.3 per cent in 2021. Additionally, government expenditure on education as a share of GDP decreased from 2.59 per cent in 2005 to 1 per cent in 2021.
- Total government income has fallen over time. According to World Bank data, Sri Lanka’s tax revenue as a share of GDP has fallen from 19 per cent in 1990 to 11 per cent in 2019.

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<tr>
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<th>SDG Impact</th>
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</tr>
</thead>
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<tr>
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</tr>
<tr>
<td>The Further Deterioration of Democratic Institutions and Governance</td>
<td>Breakdown in the Rule of Law</td>
<td>Medium to High</td>
<td>Medium to High impact on the People and Peace Pillars</td>
<td>• New legislation and regulations negatively impacting minority communities.</td>
</tr>
</tbody>
</table>

Sri Lanka has made some progress in terms of establishing democratic institutions and governance. However, over the years, the country did not build the capacity required to strengthen and improve democratic governance and institutions. Consequently, its current democratic governance practices and institutions are fragile and weak. Further deterioration of these practices and institutions is likely to lead to a breakdown in the rule of law. This situation could lead to more crime, violence, human rights violations, and the failure to bring justice to those harmed.

- High-profile corruption cases being closed without any convictions.
- No clarity on the number or status of detainees held under the Prevention of Terrorism Act.
- Restrictions on free speech and criticism of the government.
- The Presidential Commission of Inquiry into Political Victimisation and the Special Presidential Commission of Inquiry ordered by the President of Sri Lanka has been viewed by some as an initiative that could potentially undermine the independence of the judiciary, the independence of officers of the Attorney General’s Department and investigators who have investigated and initiated proceedings into matters of human rights abuses and corruption.

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<tr>
<th>Risk</th>
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<th>SDG Impact</th>
<th>Early Warning Risk Indicators</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Higher Levels of Corruption and Rent Seeking</strong></td>
<td>Sri Lanka currently faces high levels of corruption and rent seeking and the country lacks the technical skills and capacity to enforce anti-corruption laws. The deterioration of democratic institutions and governance is likely to worsen this situation and increase corruption and rent seeking. It will be easier for common forms of corruption to exist and worsen and any existing anti-corruption laws are likely to become largely ineffective and not enforced.</td>
<td>High</td>
<td>Medium on Prosperity and Peace Pillars</td>
<td>• According to Transparency International’s most recent survey results for 2020, around 79 per cent of people surveyed think government corruption is a big problem and around 16 per cent of public service users paid a bribe in the previous 12 months.</td>
</tr>
<tr>
<td><strong>Poor Public Sector Service Delivery</strong></td>
<td>The deterioration of democratic institutions and governance is likely to lead to poor and/or selective public service delivery that is likely to become more unresponsive, unaccountable, non-transparent, unfair and centralized. The deterioration will affect the socioeconomic development of the country and status of the population.</td>
<td>Medium to High</td>
<td>Medium to High impact on People and Peace Pillars</td>
<td>• Delays in accessing services through government departments. • Delays in policy implementation. Research suggests that in 2019 only around 30 per cent of budget promises were fulfilled.</td>
</tr>
</tbody>
</table>

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541 https://www.veriteresearch.org/2019/03/01/poor-public-service/.
<table>
<thead>
<tr>
<th>Risk</th>
<th>Risk Outcomes</th>
<th>Outcome Likelihood</th>
<th>SDG Impact</th>
<th>Early Warning Risk Indicators</th>
</tr>
</thead>
</table>
| **Militarisation of the Public Service** | The further deterioration of democratic institutions and governance is likely to encourage higher levels of militarisation within the context of public service. The military may take on a larger role in nation building and Sri Lanka is likely to see an increase in the appointments of former military personnel to state institutions. This situation leaves little room for civil society to participate in decision-making on the allocation of public resources and the delivery of public services. | Medium to High     | Medium to High impact on the People, Prosperity and Peace Pillars | - Appointments of serving and retired military personnel to civil positions\(^543\) within the public sector.  
- The deterioration of the status of Civil Society Organisations (CSOs).                                                                                     |
| **Decline in Privacy and Data Security** | With the deterioration of democratic governance and institutions, Sri Lanka is likely to face delays in the development and enforcement of specific laws related to privacy and data protection which could lead to unregulated surveillance and the leakage/unauthorized use of the public's private/personal data. | Medium             | High impact on Peace Pillar                   | - Higher levels of monitoring and surveillance with potentially little or no regulations around privacy. In May 2019, the prime minister announced a plan to implement a Centralised and Integrated Population Information System (CIPIS)\(^544\) to track individuals engaged in terrorism, money laundering and transaction and financial crimes. Evidence suggests that it was unclear what privacy considerations, if any, had been incorporated into the plan. |

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<tr>
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<th>Outcome Likelihood</th>
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</tr>
</thead>
</table>
| Climate Change and Environmental Degradation | Changes in Temperature and Rainfall  
Changes in Sri Lanka’s temperature and rainfall patterns are likely to cause floods, landslides, destroy agricultural livelihoods, inhibit access to clean water and electricity, and disrupt the country’s vibrant ecosystems, plants and animals. Sri Lanka could face a variety of challenges as a result of rising temperatures, including food shortages and a deterioration of the population’s health as food security worsens. | Medium to High | High impact on People, Prosperity, and Planet Pillars | |
| | Loss of Fauna and Flora  
Unregulated, unplanned, and unsustainable deforestation in Sri Lanka could lead to a severe loss of fauna and flora. A decrease in forests, plants and animals will not only worsen Sri Lanka’s environmental indicators, but also deteriorate human development indicators and overall quality of life. | High | High impact on People and Planet Pillars | - Human-elephant conflict\(^{545}\) in Sri Lanka. According to the Annual Performance Report of the Department of Wildlife Conservation, 279 elephants and 88 people died due to the human-elephant conflict in 2016, increased by 74 and 25 deaths respectively compared to 2015.  
- Decreasing forest cover\(^{546}\) in Sri Lanka. For example, in 2019 Sri Lanka’s forest cover was reported to be 16.5 per cent, a decrease from 29.7 per cent in 2017. |

\(^{545}\) https://elephantconservation.org/human-elephant-conflict-sri-lanka/.  
### Risk Outcomes

<table>
<thead>
<tr>
<th>Risk</th>
<th>Risk Outcomes</th>
<th>Outcome Likelihood</th>
<th>SDG Impact</th>
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</tr>
</thead>
</table>
| **Air Pollution**             | Higher levels of environmental degradation caused by urbanisation are likely to worsen air pollution in Sri Lanka. As air pollution increases, Sri Lanka is likely to see a significant increase in respiratory health issues, which will impact the country’s socioeconomic status. | Medium to High     | Medium to High impact on People, and Planet Pillars | • Reports of increased air pollution.\(^{547}\) In 2020, Sri Lanka’s concentration of hazardous particles PM\(_{2.5}\) was two times higher\(^{548}\) than the WHO exposure recommendation.  
• Respiratory health issues\(^{549}\) caused by air pollution.  
• Increased congestion\(^{550}\) in cities like Colombo. |
| **Weak Response to COVID-19** | Decline in Socioeconomic Development Worsening macroeconomic challenges could lead to the government failing to deliver the large-scale fiscal outlays that are a common feature of government responses to COVID-19. A weak response to COVID-19 is likely to strain the healthcare system and have a negative impact on Sri Lanka’s ability to address other health and safety challenges like dengue fever. A rise in health issues could also mean fewer people are able to | High                | High impact on People and Prosperity Pillars | • The GoSL quickly recognised the need to protect households when COVID-19 began its rapid spread in March 2020. The total cost of this support has been around LKR 55 billion, or 0.33 per cent of Sri Lanka’s GDP. However, there is no guarantee\(^{551}\) that the GoSL can sustain these cash transfers, and the current cash transfers are too low to provide an effective fiscal stimulus.  
• According to Martin Ravallion\(^{552}\), a former World Bank Chief Economist, a |

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\(^{549}\) [https://www.tandfonline.com/doi/abs/10.1080/10934520802060035](https://www.tandfonline.com/doi/abs/10.1080/10934520802060035).  
\(^{550}\) [https://www.themorning.lk/brunch-page-3-traffic-feature/](https://www.themorning.lk/brunch-page-3-traffic-feature/).  
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<tr>
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<th>SDG Impact</th>
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<td></td>
<td>participate in the labour market, which will adversely affect economic growth. More COVID-19 cases caused by virus mutations will prolong the recovery and slow down the reopening of many key industries impacted by COVID-19, particularly tourism.</td>
<td>Medium to High</td>
<td>Medium to High impact on Prosperity Pillar</td>
<td>near-term fiscal injection of transfers worth less than 2 per cent of GDP are most likely to be inadequate to provide any relief or boost the economy.</td>
</tr>
<tr>
<td>Higher Levels of Social Unrest</td>
<td>A weak response to COVID-19 in the form of a poor vaccine rollout could lead to higher levels of social unrest.</td>
<td>Medium to High</td>
<td>Medium to High impact on Prosperity Pillar</td>
<td></td>
</tr>
</tbody>
</table>
| Growing Digital Divide (Nationally and Globally) | Decrease in Efficiencies and Competitiveness | Medium to High | Medium to High impact on Prosperity Pillar | · Sri Lanka’s narrow and ineffective definitions\(^{553}\) of digital literacy and computer literacy are likely to inaccurately illustrate the country's ICT skills.  
· Internet penetration in Sri Lanka has increased, but at a slow rate. Internet penetration increased from 21 per cent in 2010 to 34.11 per cent in 2019.\(^{554}\)Regardless, more than half of Sri Lanka’s population still does not have access to the internet. |


\(^{554}\) [https://www.statista.com/statistics/765516/internet-penetration-rate-sri-lanka/#:~:text=In%202019%2C%20approximately%2034.11%20percent,Lanka%20were%20using%20the%20internet](https://www.statista.com/statistics/765516/internet-penetration-rate-sri-lanka/#:~:text=In%202019%2C%20approximately%2034.11%20percent,Lanka%20were%20using%20the%20internet).
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| Increasing Cyber Insecurity | Higher Propensity of Cyber Attacks The number of cyberattacks in Sri Lanka may increase if the country continues to be a target of cyber criminals. The spread of the Internet of Things (IoT) and higher levels of internet access and connectivity could create more opportunities for cyberattacks or cyber insecurity in Sri Lanka. | Medium             | Medium impact on Prosperity and Peace Pillars | • Only around 10 per cent of Sri Lanka’s population has access to 4G technology, while the remaining 90 per cent are covered by 3G technology.  
• Prevalence of cyber-attacks targeting government and private websites.  
• Lack of education around legislature and grievance mechanisms related to cybercrime and attacks.  
• According to the 24th edition of Microsoft’s Security Intelligence Report, cryptocurrency mining malware has increased dramatically in Sri Lanka (283 per cent higher than the global average and 229 per cent higher than the Asia Pacific average, the highest encounter rate in the region).  
• Ransomware encounters in Sri Lanka were 100 per cent higher than the global average. While the global malware encounter rate has decreased by 34 per cent, the malware encounter in Sri Lanka was 109 per cent more than the global average. |

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| Man-made Disasters   | **Further Deterioration of Environmental and Socioeconomic Indicators.**       | Medium             | Medium impact on People, Prosperity, and Planet Pillars | - Sri Lanka was faced with one of the worst man-made disasters in 2021, when the *X-Press Pearl* container ship[^556] caught fire about 18 kilometers north-west of Colombo, Sri Lanka.  
- Man-made disasters like *X-Press Pearl* cause severe environmental degradation. Affect the health and livelihoods of communities. |

Annex 4: Costing of the Sustainable Development Goals

Objective

Understanding the way forward on financing Sri Lanka's path towards the SDGs requires an estimate of the magnitude of its financing gap. Our analysis focuses on providing an indicative estimate of these financing requirements. In this regard, Gaspar et al. (2019) provides a framework by which cost estimates can be derived for a group of sectors which are critical for a country's sustainable development: education, health, roads, electricity, and water and sanitation. Our analysis closely follows this methodology, making adjustments where necessary, in order to estimate Sri Lanka's financing needs.

The framework uses two main approaches: (1) a cost estimation of establishing universal coverage in several areas of basic service provision, including roads, electrification and WASH services; and (2) an 'input-outcome' process, where cost estimates are derived from a set of required inputs to reach a ‘benchmark’ level modelled by a set of high-performing countries. The second approach is applied in costing the required expenditure on health and education.

Approach

Education

Sri Lanka's performance was benchmarked against upper-middle countries with high education outcomes, proxied by their SDG4 Score in the Sustainable Development Report 2020. Total spending for education was expressed as a function of several input variables, and can be defined as:

\[
\text{Education total spending} = \frac{(\text{AWAGE} \times \text{TSR} \times \text{ER} \times \text{SAP})}{x}
\]

Combining inputs in this way calculates the estimated additional teacher expenses—both in terms of headcount employment and remuneration—required for Sri Lanka to reach a median value of school enrolment, student-teacher ratios and teacher remuneration by 2030 that is comparable to high-performing countries. This expenditure estimate is used as a proxy for the total increase in education expenditure required to 2030 by scaling it according to the share of teaching staff compensation in total expenditure. The variables considered are teacher salaries (AWAGE), teacher-student ratios (TSR), enrollment rates (ER), school age population (SAP) and teaching staff compensation as a percentage of total expenditure (x).\(^{557}\)

Target values for AWAGE and TSR were set at the median value of those

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\(^{557}\) Parameter x in our exercise is a direct measure of teaching staff compensation as a share of total expenditure. This varies slightly from Gaspar et al. (2019) where the compensation of teaching staff as a share of total expenditure is calculated as the residual of total education expenditure less capital expenses and non-compensatory current expenses.
observed in high-performing countries. These input values, when combined with forecasts of school-age population and target enrollment rates, provide an estimate of additional spending on teacher salaries. The median value observed for $x$ is then used to transform this value to reflect total education spending requirement up to 2030. The costing relied primarily on data obtained from the World Development Indicators, Education Statistics database, UNESCO Institute for Statistics database, Central Bank of Sri Lanka and United Nations Department of Economic and Social Affairs. International estimates of teacher salaries were obtained from the UNESCO database, while estimates for base salaries in Sri Lanka were taken from Public Administration Circular: 03/2016 from the Sri Lanka Ministry of Public Administration, with additional information from published media reports on changes to teacher benefits and allowances.

**Health**

The financing gap for the health sector was computed using a similar approach to that described above. Sri Lanka’s performance was benchmarked against upper-middle countries with high health outcomes, proxied by their SDG3 Score. Total spending on health was expressed as a function of several input variables, and can be defined as:

$$Health\ total\ spending = \frac{DPR \cdot pop \cdot (1 + \alpha/\rho) \cdot DAWAGE}{(1 - x)}$$

The variables considered are doctor density (DPR), total population (pop), the ratio of all non-doctor wages to doctor wages ($\alpha$), the ratio of doctors to all other health staff ($\rho$), doctor salaries (DAWAGE) and medical workforce compensation as a percentage of total health expenditure ($x$).\textsuperscript{558} Target values for DAWAGE, DPR and $\rho$ were set at the median value of those observed in the high-performing countries. These input values were combined with population forecasts in order to calculate annual additional spending on remuneration of health workers. The median value observed for $x$ was then used to scale this remuneration-based estimate to calculate the implied total additional health spending requirement up to 2030. The analysis relied primarily on data obtained from the WHO Global Health Observatory, OECD Health Statistics, Central Bank of Sri Lanka and United Nations Department of Economic and Social Affairs. International estimates of health worker salaries were obtained from the WHO Global Health Observatory, supplemented by additional information from published media reports on changes to teacher benefits and allowances. Estimates for base salaries in Sri Lanka were taken from Public Administration Circular: 03/2016 from the Sri Lanka Ministry of Public Administration.

\textsuperscript{558} Similar to the education costing, parameter $x$ in our exercise applies a direct measure of doctor compensation as a share of expenditure compared to the calculations outlined in Gaspar et al (2019).
Water and sanitation

Gaspar et al. (2019) calculates the cost of providing basic water and sanitation based on the WASH World Bank methodology (Hutton and Varughese 2016). This approach estimates the total cost of providing universal coverage of WASH facilities to urban and rural populations by 2030. The analysis identifies the proportion of the population without access to basic WASH facilities and uses forecasts of population growth and urbanization rates to calculate the population to be provided with basic WASH facilities in each year up to 2030. Unit capital costs provided in Hutton and Varughese (2016) are then used as the basis for costing the provision of the basic level of service. The costing relied primarily on data obtained from the WHO/UNICEF Joint Monitoring Programme for Water Supply, Sanitation and Hygiene (JMP) and Central Bank of Sri Lanka and United Nations Department of Economic and Social Affairs.

Electricity

The approach outlined in Gaspar et al. (2019) calculates each country’s cost to achieve universal electricity network coverage by 2030. The analysis identifies the baseline level of electricity consumption using estimates of electricity network coverage levels (as a percentage of population) and electric power consumption per capita published by the World Development Indicators. The population to be added to the network in each year is then estimated based on projections of population growth published by the Central Bank of Sri Lanka and United Nations Department of Economic and Social Affairs. The methodology accounts for an annual increase in per capita consumption of electricity in line with growth in real GDP per capita to calculate the additional electricity consumption of each year. The final cost estimate is then based on the most recent unit cost per kilowatt estimate (in US cents) from the ADB’s Sri Lanka Energy Assessment, Strategy and Road Map – December 2019.

Roads

As per Gaspar et al. (2019), road density is determined to be a function of a number of variables which capture the size and composition of the economy. These variables are GDP per capita, population density, agriculture and manufacturing sector shares in the economy, urbanization rate and the Rural Access Index. The methodology focuses on calculating the cost of providing road access for all, which is proxied by a score of 75 on the Rural Access Index (RAI). A regression is used to determine the relationship between road density and the variables mentioned previously. The results of the regression are then combined with the target level of the RAI and forecasts of growth in population and GDP per capita, to estimate the additional kilometers of roads required up to 2030. The required level of financing is calculated using a cost per kilometer of USD 500,000 as per available literature and incorporates an additional cost of 5 per cent to account for depreciation. The dataset for the regression was gathered from World Bank (2019) and limi et al. (2016) and supplemented by data from UNDESA, CIA World Factbook, African Development Bank and World Development Indicators.
Detailed methodology

Education

In the lower-middle income category, Sri Lanka sits at the top in terms of GNI per capita and ranks second on its score on SDG 4. Hence, Sri Lanka's education outcomes were benchmarked against the top performers in the upper-middle income category (i.e., Mexico, Turkey and Fiji).\(^\text{559}\) The latest available data for AWAGE, TSR and \(x\) were compiled for the selected countries and their median values were used as benchmarks for Sri Lanka's performance.\(^\text{560}\) Benchmark values were calculated separately for preprimary, primary, lower secondary and upper secondary levels of schooling. The tertiary sector was not included due to unavailability of data on all three benchmarked countries. Data for AWAGE in Sri Lanka was also unavailable, hence this information was obtained through a government circular.\(^\text{561}\) For the purposes of this analysis, AWAGE was defined to be the starting salary of teachers, excluding additions such allowances.

Target enrollment rates were set at 50 per cent for preprimary level and 100 per cent for primary and secondary level as per the approach followed in Gaspar et al. (2019). The school-age population was computed using forecasts of total population growth up to 2030, with the assumption that the proportion of the population in each level of schooling remains constant. Additional spending was expressed as the value over and above the existing level of education spending, which amounted to approximately 1.93 per cent of GDP in 2019.\(^\text{562}\) The final estimate was expressed as a percentage of 2019 GDP.

Health

In the lower-middle income category, Sri Lanka sits at the top in terms of GNI per capita and ranks first on its score on SDG 3. Hence, Sri Lanka's health outcomes were benchmarked against the top performers in the upper-middle income category (i.e., Cuba, Maldives, Costa Rica, Serbia, Belarus and Mexico).\(^\text{563}\) The latest available data for DAWAGE, DPR and \(p\) were

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\(^{559}\) Mexico and Turkey were the best performing countries in the upper-middle income category, with scores of 99.59 and 98.76 respectively. The next-best performing country, Fiji, was also included in the analysis in order to have a sample large enough to calculate a median value.

\(^{560}\) In cases where Sri Lanka's performance exceeded the target value, the country's performance was assumed to remain constant up to 2030.


\(^{563}\) Cuba, Maldives, Costa Rica, Serbia and Belarus were the best performing countries in the upper-middle income category, with scores converging to the range of 83.08–85.30. However, due to paucity of information on many of these countries, the next-best performing country, Mexico, was also included in the sample.
compiled for the selected countries and their median values were used as benchmarks for Sri Lanka's performance.

In line with Global Health Workforce statistics database, ‘doctors’ were defined to include three categories: general practitioners; specialist medical practitioners; and medical doctors not further defined. Doctor salaries was calculated as the weighted average of wages paid to general practitioners and specialist medical practitioners. In calculating the weighted average, medical doctors not further defined were assumed to be remunerated at the same level as a general practitioner. For the purposes of this analysis, remuneration was defined to be the average annual gross income of the medical professional, and thus included allowances paid. Of the selected ‘high-performing’ countries, data on remuneration of hospital staff was available only for Mexico. Hence, data for Sri Lanka and one additional high-performing country, Maldives, were sourced through secondary sources. Maldives was selected for this purpose as a regional peer having greater comparability with Sri Lanka when considering the other high-performing countries.

The ratio of doctors to other health staff (\( \rho \)) was computed using the ten categories of health workers available on this database. The ratio of all non-doctor wages to doctor wages was set at 0.5 as per the approach outlined in Gaspar et al. (2019). Forecasts of population growth were obtained via the Central Bank of Sri Lanka and United Nations Department of Economic and Social Affairs. In calculating the value of total annual health expenditure, data on compensation of employees as a proportion of hospital expenditure was used as a proxy for \( x \). Additional annual spending was expressed as the value over and above the existing level of public health expenditure, which amounted to approximately 1.63% of GDP in 2019. The final estimate was expressed as a percentage of 2019 GDP.

**WASH**

The current proportion of the population without access to basic water and sanitation was calculated based on data for 2017 available through the online database of the WHO/UNICEF Joint Monitoring Programme (JMP) for Water Supply. The baseline level of unserved population was assumed to be provided with facilities in 11 equal tranches up to 2030. In addition, the population to be served in each year included the additions to urban and rural population in each year. The growth in rural and urban population were

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565 Categories of health workers considered as doctors were general practitioners, specialist medical practitioners and medical doctors not further defined. Categories of health workers considered in the other category were dental assistants and therapists, dental prosthetic technicians, dentists, medical and pathology laboratory technicians, midwifery personnel, nursing personnel and pharmacists.


567 A decline in the total rural population was accounted to result in zero impact on the additional financing for that year, and not a reduction in the additional financing requirement.
computed based on forecasted population growth and urbanization rates published by the Central Bank of Sri Lanka and United Nations Department of Economic and Social Affairs. Our analysis was limited to the provision of water and sanitation facilities, as the JMP database did not include data on Sri Lanka for hygiene facilities. Further, the database did not provide data for both urban and rural areas on persons without access to “safely managed” services, hence the analysis focused on the provision of basic water and sanitation facilities only. Our estimate thus represents a minimum level of cost, which would need to be scaled up in order to provide a “safely managed” level of services. Hutton and Varughese (2016) distinguishes between two types of costs associated with the provision of WASH services: capital costs, and cost of operations and maintenance. Our analysis has focused on estimating the total capital cost for Sri Lanka using unit capital costs provided in Hutton and Varughese (2016). In line with the methodology outlined in their baseline costing, one lower technology facility and one higher technology facility were considered for the costing, with 50 per cent of the unserved population in each year assumed to receive each option. The financing cost for each year was discounted using a discount rate of 5 per cent and expressed as a percentage of GDP for 2019.

**Electricity**

The baseline level of access to electricity was based on data for 2018 reported as per the World Development Indicators and was assumed to increase to 100 per cent coverage at an exponential rate by 2030. Additional connections to be provided in each year were based on the increased rate of coverage and population projections published by the Central Bank of Sri Lanka and United Nations Department of Economic and Social Affairs. In each year, households with access to electricity were assumed to increase their per capita consumption of electricity in line with projections of growth in GDP per capita published by the IMF. To calculate the total additional cost of achieving universal coverage, additional annual consumption was multiplied by the estimated unit cost of USD 0.14 per Kilowatt hour, provided by the ADB’s *Sri Lanka Energy Assessment, Strategy and Road Map – December 2019*.

**Roads**

As described previously, Gaspar et al. (2019) models road density as a function of a number of variables which capture the size and composition of the economy: GDP per capita; population density; agriculture and manufacturing sector shares in the economy; urbanization rate; and existing rural access, as proxied by the Rural Access Index (RAI). Using the RAI’s underlying cross-sectional dataset of 24 countries, road density (both paved and unpaved) was regressed against the previously mentioned variables. The results of the

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568 Forecasted urbanization rates are provided by UN DESA at five-year intervals. For the purposes of the costing, these values were smoothed over each five-year period at an exponential rate.

569 International Monetary Fund, World Economic Outlook, October 2020: A Long and Difficult Ascent.

570 Road density is defined as total paved and unpaved roads in the country per square km of land area.
regression can be found in the next section. Using the coefficients of the regression, the target RAI and projections for the growth of the population and GDP per capita, we obtain the corresponding level of road density. An RAI score of 75 per cent is used as a proxy for achieving “road access for all.” Sri Lanka’s implied RAI is considerably higher than the 75 per cent threshold, meaning additional road density in Sri Lanka in this exercise is almost entirely driven by projected increases in GDP per capita, urbanization and population density. Sri Lanka’s additional financing needs are calculated by computing the additional kilometers of roads required and factoring in a cost of USD 500,000 per km with an additional cost of 5 per cent accounted for depreciation, as per Gaspar et al. (2019). The total financing requirement up to 2030 is expressed as a percentage of 2019 GDP.

Summary tables

Table 1: Additional investment in SDGs to 2030 (2020-2030), costed as per Gaspar et al. (2019); percentage of 2019 GDP

<table>
<thead>
<tr>
<th>Sector</th>
<th>Health</th>
<th>Education</th>
<th>Water and Sanitation</th>
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<td></td>
<td>23.5</td>
<td>12.7</td>
<td>0.2</td>
<td>0.8</td>
<td>1.4</td>
<td>38.7</td>
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Table 2: Regression of road density

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<tr>
<th>Variable</th>
<th>Coefficient</th>
<th>Standard error</th>
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<tr>
<td>GDP per capita (constant 2010 USD)</td>
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<td>0.0000143</td>
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<tr>
<td>Population Density (people per sq. km of land area)</td>
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<td>0.0003148</td>
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<td>Agriculture, forestry and fishing, value added (% of GDP)</td>
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<tr>
<td>RAI Value</td>
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<tr>
<td>Constant</td>
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571 The share of agriculture and manufacturing sectors in the economy was held constant.
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