



**Statement by Sri Lanka at the Inaugural ECOSOC Forum on  
Financing for Development follow-up  
18<sup>th</sup> -20<sup>th</sup> April 2016, New York**

Mr. President,

First of all, I wish to thank you for convening this inaugural ECOSOC Forum on Financing for Development follow-up at a critical time when the world is poised to implement the new global development agenda.

In a context where means of implementation, particularly financing, is of great importance to the implementation of the *2030 Agenda for Sustainable Development*, this Forum would play a catalytic role in following-up on the commitments that we have made by agreeing on the *Addis Ababa Action Agenda* for financing for development.

It is our belief that the forum would forge coherence between the Addis Agenda and the 2030 Agenda, assisting our endeavours in ending poverty and hunger and achieving sustainable development.

Mr. President,

The adoption of SDGs was a milestone achievement. However, for developing countries such as Sri Lanka, financing remains a key challenge to implementing SDGs.

In keeping with the Addis Ababa Action Agenda, Sri Lanka at present utilizes a mix of public, private and innovative finance options to achieve its development objectives. I would like to elaborate on a few.

**Financing for financial inclusion** has become a priority in the sustainable development agenda of the government. Our National Policy Framework for SME Development adopts a holistic approach with policy interventions identified in the areas of environment, technology and innovation, entrepreneurship, access to finance, market facilitation and research. Access to finance is facilitated through interest subsidy schemes, refinance facilities and credit

guarantee programs for farmers and entrepreneurs in the MSME sector. Going forward, our national strategy for financial inclusion will entail community based multi-stakeholder business models to overcome collateral issues and financial assistance for small and medium green enterprises (SMGEs) to promote commercial scale organic agriculture.

Mr. President,

Sri Lanka has immense potential to channel development finance through active participation in **carbon emission trading**. Sri Lanka ranks as the second lowest carbon emitter with 0.4 metric tons of carbon dioxide emission per capita. Emission reductions can generate income through carbon credit sales. The establishment of the Sri Lanka Carbon Fund has enabled organizations to achieve carbon neutrality.

As foreign inflows diminish and developed nations face constrained fiscal environments, developing countries need to strengthen **domestic resource mobilization**. This would entail pruning bloated public sector balances while encouraging private sector participation in financing. In cognizance of this fact, the Government of Sri Lanka has announced a medium term fiscal policy strategy, which envisages a lower deficit with restrained expenditure and higher revenue mobilization on the back of tax reforms. This would create some fiscal space to achieve SDG targets.

Mr. President,

In the perspective of a developing country, Sri Lanka believes that international development financing will play a major role in the revitalized global partnership. Therefore, the importance of Official Development Assistance as a key means of financing for developing states remains paramount. In this context, it is imperative that developed countries honour their commitments in terms of Official Development Assistance.

In conclusion, Mr. President, we affirm our strong commitment to fully implement the Addis Ababa Action Agenda.

Thank you.