

**ACCELERATING THE RECOVERY FROM THE
COVID-19 PANDEMIC AND THE FULL
IMPLEMENTATION OF THE 2030 AGENDA FOR
SUSTAINABLE DEVELOPMENT AT ALL LEVELS**

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SRI LANKA

DIFFERENCE IN IMPACT OF COVID 19

- Facts on Impact of Covid 19
 - Nearly all countries rich or poor suffered
 - Global economy recessed and so are economies of most countries
 - Recovery has begun
- Degree of impact is higher in vulnerable economies
- Different countries need plan their specific paths of recovery
- Generous support needed for worst hit countries to accelerate recovery

Sri Lanka

* Pre-pandemic

- * Graduated to be an Upper middle income country in Year 2018 (\$4000 per capita) from being an LDC in Year 2000 (<\$1000)
- * Access to electricity of 100% and all-island 24x7 uninterrupted power supply
- * Excellent health and education indicators
- * Unemployment rate of below 5%
- * Doubling agriculture productivity by 2030 (Target 2.3) was on line
- * National targets in line with SDG targets determined
- * National policy and strategy on sustainable development drafted
- * Mainstreaming the national targets in ministry, department and other government organisations was in the process
- * Identified over 2000 disaggregated indicators
- * Capacity building to regularly update data was in progress
- * Conducted VNR in 2018 through stakeholder consultation and engagement

Example of Sri Lanka

- US\$ 83 billion upper middle income country's economy is expected to contract by 9.2% in 2022
- Record inflation (>70%) and even higher food inflation (>85%)
- Major Import-Export gap financing sources, the tourism and remittances from overseas workers have diminished sharply (by over 70% & 50% respectively compared to 2019 figures)
- Foreign reserves has diminished from USD 7.8 billion to USD 1.8 billion (just 300 million usable)
- Facing a foreign currency crisis and negotiates with creditors for debt restructuring



EXAMPLE OF SRI LANKA ...Contd

- Facing challenges over fulfilling basic requirements of people such as food, medicine and fuel due to fx crisis
- Long fuel queues experienced earlier have been controlled through introducing fuel quota system, and gas queues through World Bank assistance
- People's struggle against difficulties has forced a government change
- Multilateral loans have been repurposed to meet essential public needs
- Power cuts due to challenges in importing fuel due to foreign currency crisis
- Local currency has depreciated near 100%
- Collapse in construction industry and many other local industries
- Poverty rate quadrupled (3.3% to 14.3%)

Example of Sri Lanka

Factors led to collapse of economy triggered by Covid 19

- * Imports based economy
- * Lack of diversity in exports
- * Over dependence on tourism and remittances to bridge the import – export gap
- * Manufacturing industry not strong - unable to compete with imports in many instances
- * Non prudent economic decision making (organic agriculture, delay in seeking IMF assistance)

VALIDITY OF SDGs

- SDGs are still valid and need to push for sustainable development has been further justified
- Sustainability of current practices has been challenged.
- Need has arisen for revising targets to be realistic to the new normal
- An aggressive approach to achieve the planned targets based on pre – Covid 19 scenario may not be practical for many developing countries
- Priorities may be changed in limited resource allocation
- Reforms and restructuring may be on top of the agenda

ABOUT SDG 11

- With reduced per capita income, high potential exist to strengthen public transport and effect private to public transport shift
- Public housing projects and mega infrastructure projects may have to be cancelled, postponed or rescheduled
- Relocation projects such as to protect cultural heritage may also have to be rescheduled
- Obtain donor assistance for DRR and mitigate vulnerability of vulnerable communities
- Strengthen community and local government engagement to minimise expenditure of community services such as waste management through low cost solutions
- Generous global support to the worst hit economies is paramount for the recovery of such economies