

Speech by Mr. K. M. Mahinda Siriwardana, Secretary to the Treasury and the Ministry of Finance, Planning and Economic Development, at the Launch of the “WE Finance Code in Sri Lanka” on 18th March 2025 in Colombo

The Governor, Central Bank of Sri Lanka (CBSL), the Country Director of the Asian Development Bank (ADB), Representatives from the ADB, Esteemed Members of the Financial Sector, Distinguished Guests, Ladies and Gentlemen.

It is both an honour and a privilege to stand before you today on this important occasion, the official launch of the Women Entrepreneurs Finance Code (WE Finance Code) in Sri Lanka. This marks a transformative milestone in our collective efforts to create a financially inclusive economy that truly supports and empowers women entrepreneurs.

Women play a crucial role in the economic and social dynamics of Sri Lanka. Despite representing over 52% of the population, their economic participation is disproportionately low at only 30%, which is in contrast to the global average of nearly 70%.

This discrepancy is not merely a statistic, it is an economic challenge that demands urgent and decisive action. We cannot fully unlock Sri Lanka’s growth potential unless we ensure equal access to financial opportunities for all segments of our society.

The WE Finance Code – A Game Changer for Women Entrepreneurs

The WE Finance Code is an initiative designed to bridge this gap by creating a structured and transparent financial ecosystem that facilitates greater access to finance for women-led businesses.

As you are aware, “The WE Finance Code is a commitment by financial service providers (FSPs), regulators, development banks, and other financial ecosystem players to work together to increase funding provided to women-led micro, small and medium enterprises (WMSMEs) around the world, so that they can grow and add value to the economy and their communities¹”.

This framework is not just about access to credit; it is about ensuring that women entrepreneurs are equipped with the necessary financial tools, backed by data-driven policies, and supported through a strong institutional framework.

¹ <https://www.we-fi.org/we-finance-code/>

At the core of this initiative is the recognition that women-led businesses require more than just financing; they need a supportive regulatory environment, tailored financial products, and a systematic approach to tracking progress. That is why this Code is centered around the systematic collection and use of gender-disaggregated data, a crucial step toward data driven decision-making in financial policy.

Why This Matters for Sri Lanka’s Economic Growth

As the country shifts from a challenging period towards establishing economic stabilization to a new paradigm of economic growth, several structural reforms are required to help unlock growth. Economic growth going forward cannot be driven by unsustainable fiscal and monetary stimulus – it has to be driven by productivity enhancement. Labour productivity is a key factor of production, and the Sri Lankan labour market has faced a long standing impediment of weak labour force participation, which is in turn driven by low female labour force participation.

As of mid-2024, Sri Lanka’s labour force participation was 47.8%, with female labour force participation being just 30%². By increasing female labour force participation, it would be possible to significantly add to productivity growth in the economy and support sustained economic growth over the medium to long term. Sustained economic growth in turn is important to ensure Sri Lanka’s economic, fiscal, and debt sustainability is secured over the medium to long term as well. Therefore, the WE Finance Code initiative has important macroeconomic implications, and similar measures to enhance female labour force participation need to be encouraged as well.

Inclusive Economic Growth

A key priority of Sri Lanka’s government is developing an economy that is inclusive. Reducing income and wealth inequality across various spheres is crucial to ensure sustained economic progress. Evidence from around the world indicates that when women participate fully in economic activities, businesses become more resilient, and economies grow at a much faster rate. The financial sector, in particular, has a crucial role to play in breaking barriers and enabling women entrepreneurs to contribute effectively to Sri Lanka’s development.

By implementing the WE Finance Code, we are ensuring that Sri Lanka does not fall behind in the global movement toward financial inclusivity and gender equality. This is not merely a policy shift—it is a fundamental economic transformation that will enable us to:

² Quarterly Labour Force Survey: 2nd Quarter 2024
(<https://www.statistics.gov.lk/LabourForce/StaticInformation/QuarterlyReports/2ndQuarter2024>)

- Enhance financial stability by ensuring that more diverse businesses receive funding
- Promote innovation and entrepreneurship by enabling more women-led businesses to thrive, and
- Increase overall economic productivity by integrating women more actively into the business sector.

The Critical Role of Data in Driving Progress

Since the economic crisis, the government has made a concerted effort to shift to an evidence based, data-driven policy mechanism. One of the biggest challenges in addressing financial inequality for women-led businesses has been the lack of reliable, gender-disaggregated data. Without accurate data, policymakers and financial institutions are unable to:

- Identify and address barriers to financial inclusion
- Design targeted financial products that meet the unique needs of women entrepreneurs and
- Monitor progress and adjust strategies based on real-time insights.

This is why the WE Finance Code mandates that all banks and financial institutions systematically collect and report gender-disaggregated data to the CBSL. The CBSL will serve as the national aggregator for financial data, ensuring that our financial policies are based on real, evidence-driven insights rather than assumptions. This data-driven approach will allow us to fine-tune our policies, introduce necessary reforms, and ultimately create a more inclusive financial system.

Concluding Remarks

While financial institutions play a critical role in implementing the WE Finance Code, the responsibility of policy enforcement, regulatory oversight, and long-term sustainability lies with us, as policymakers. Moving forward, the Ministry of Finance, in coordination with CBSL and other relevant authorities, will focus on establishing a clear roadmap for further integration of the Code into national financial governance.

As we look ahead, we remain committed to develop policies that are inclusive, data-driven, and responsive to the evolving financial needs of women entrepreneurs.

Let us move forward with purpose and determination, ensuring that today's achievement is not just symbolic but truly transformative for Sri Lanka's financial future, and economic growth trajectory.

Thank you.