



# **INDIA-SRI LANKA BILATERAL COOPERATION**

## **FOR PROMOTING BLUE ECONOMY**

**May 16 - 17, 2017**  
**New Delhi, India**

**Organized by Vivekananda International Foundation, India**  
**in collaboration with**  
**Pathfinder Foundation, Sri Lanka**

**REPORT OF DISCUSSION ON**  
**INDIA-SRI LANKA BILATERAL COOPERATION**  
**FOR PROMOTING BLUE ECONOMY**  
**HOSTED BY VIVEKANANDA INTERNATIONAL FOUNDATION, INDIA**  
**IN COLLABORATION WITH**  
**PATHFINDER FOUNDATION, SRI LANKA**  
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**Guiding Concepts**

1. The Blue Economy is a relatively nascent concept, which is founded on the premise of sustainable development of the resources of the sea, which will yield benefits for not only coastal states but also the entire world at large, without damaging the marine environment. While there is no overarching definition of this concept, it could be considered as an amalgamation of traditional maritime sectors of shipbuilding, shipping, port development, fisheries, aquaculture and more modern domains of marine tourism and marine leisure. It could also be expanded to include more esoteric and technology-oriented sectors of seabed exploration, deep-sea mining, ocean energy, marine bio-prospecting and biotechnology and the like.

2. India has placed a premium on the development of the Blue Economy with governmental initiatives like ‘*Sagarmala*’ taking the forefront in propelling the country’s future economic growth. Sri Lanka, being an island country is even more dependent on the oceans and has emerged as a maritime time shipment hub in recent times in this part of the world. However, both countries have yet to harness the riches of the oceans to their full capacity. The development of the Blue Economy in our neighbourhood is therefore a necessary imperative, which will require an integrated approach from both countries.

3. A Roundtable Discussion (RTD) was held on 16 May 17 at the premises of the Vivekananda International Foundation (VIF) in New Delhi to deal with the broad theme of ‘*Sustainable Exploitation of Marine Resources*’. The panellists examined aspects of sustainable exploitation of aquatic living resources like fish and other life forms in one session. Another session was devoted to the panellists looking at ways and means of joint exploration of non-living resources, primarily of the seabed. The focus of these efforts was in line with the UN Sustainable Development Goal No. 14 to “Conserve and sustainably use the oceans, seas and marine resources”. The final session delved into the imperatives of maritime security in our neighbourhood, which will facilitate such developmental efforts. The programme of the RTD is placed

as an attachment. A summary of the discussions and the emergent recommendations/conclusions is detailed in the succeeding paragraphs.

#### **Sustainable Exploitation of Aquatic Living Resources**

4. Dr. Shailesh Nayak. The speaker introduced the audience to modern satellite based techniques utilized in the fishery industry to optimize catches whilst preserving the ecological balance in the marine domain. An examination of the various fishing grounds in the neighbouring region clearly illustrated the revalidation of the Maximum Sustainable Yield (MSY) for Indian EEZ to 4.32 million tons from the 2000-2010 figures of 3.82 million tons. The necessity of utilising proper maps and adoption of a scientific approach whilst undertaking brackish water aquaculture was underlined. The status of the four major coral reefs in the region, *viz* Gujarat, Lakshadweep & Minicoy Islands, Tamil Nadu and Andaman & Nicobar Islands showed a clear pattern of deterioration. Modern methods of aquaculture like open sea cage culture are a viable proposition, which have to be exploited to augment the depleting fishery catches. Other benefits from the sea include bio-diesel extraction from marine algae, new drugs from bioactive molecules, exploration of krill, etc. There is huge potential for extracting medicinal drugs from the ocean with a large number of samples, numbering 185, showing promise. The full scope of these benefits will require a census of the marine life in the region. Creation of a national marine Museum and Taxonomic Referral Centre will further aid extraction of the natural resources of the ocean. Climate change and natural disasters like tsunamis have had a debilitating effect on the resources of the ocean. In conclusion, the following was recommended:

- (a) A comprehensive ocean policy to address ocean governance, research and management as well as sustainable use of resources for societal benefits.
- (b) A coordinated action plan for developing and improving capability to forecast ocean state, climate and hazard related phenomena.
- (c) Modelling of ecosystem, ocean and coastal processes and their interactions with humans and vice versa, and developing ocean health index.
- (d) A strategy and implementation plan for global collaboration.

5. Dr Muttukrishna Saravananthan. According to the FAO, the Indian Ocean Region, especially Eastern Indian Ocean, has a huge stock of un-harvested marine resources, unlike other Oceans of the world. Whereas the people of Indian Ocean Rim countries such as Bangladesh, Indonesia, Maldives, and Sri Lanka obtain over 50% of their animal protein from fisheries products, the people of Indian Ocean Rim countries such as Malaysia, Mozambique, Seychelles, Singapore, Tanzania, and Thailand obtain over 20% of their animal protein from fisheries products. During the period 2003-2013, in some IOR countries such as India, Indonesia, Mozambique, and Bangladesh the growth of fish catch has been higher than their

respective population growth. The IORA countries accounted for nearly 13% of the world trade in fisheries products in 2011 amounting to 29 billion dollars. The top five seafood exporters among IORA countries in 2011 were Thailand 40%, India 17%, Indonesia 16%, Australia 5%, and Malaysia 4%. Decreasing import duties for sea-food in developed countries, decreasing transport costs and the increasing consumption of sea-food globally has led to an increase in the international trade in sea-food. Some of the problems faced by the fisheries sector in this region, especially Sri Lanka, include over-fishing, illegal, unreported, unregulated (IUU) fishing, and global warming and climate change. The fisheries sector in Sri Lanka contributes to about 1.4 % of the national GDP and 5.9 % of the GDP of the Northern Province. Poaching causes losses of about 0.1 % of the national GDP while the Northern Province bears a loss of 2.1 % in its GDP. The Sri Lankan side claimed that poaching by Indian trawlers accounted for nearly US\$ 41 million in 2015.

6. Discussions. Some of the issues that emerged during the discussions are enumerated below:

- (a) Resolution of bilateral issues regarding fishing will require sufficient incentivisation of the fishermen by the government, in terms of provision of boats and equipment, to dissuade them from activities leading to disputes.
- (b) The feasibility of establishment of a bilateral arrangement for creation of cooperation amongst fishermen from both countries could be examined.

### **Joint Exploration of Non-Living Resources**

7. Mr Thilak Dharmaratne. The speaker highlighted the priority to Renewable Ocean Energy, Offshore Hydrocarbons, Seabed minerals and Deep-Sea Mining accorded by the IORA in the Jakarta Declaration of May 2017. Sri Lanka has a substantial EEZ, which is expected to increase by about 75000 sq. km after further delimitation of the continental shelf. Exploration on the south-western coast of Sri Lanka between Panadura and Bentota has shown the potential for heavy mineral deposits. Oil and gas exploration activity is also currently underway on the West coast of Sri Lanka in the Gulf of Mannar, off the Southern coast as also on the Northern coast in the Cauvery basin. Considering this potential, some of the recommendations for joint-cooperation in pursuit of exploitation of sea-bed resources are outlined below.

- (a) An inter-governmental agreement to implement the joint exploration and mechanism for both countries to share the resources.
- (b) Identification of the necessary logistics requirements, vessels, and geophysical instruments for such exploration.
- (c) Selection of a suitable team of specialists.

8. Dr Vijay Sakhuja. The speaker gave an in-depth perspective of the Blue Economy and the emphasis placed by the UN on sustainable development of the oceans. The Blue Economy has been defined as the integration of Water based Economy including Inland Water Body & Ocean Economy development with the principles of social inclusion, environmental sustainability and innovative, dynamic business models. The Blue Economy has an estimated potential of about US \$ 24 trillion and consists of resources, which include living and non-living, and services, both human and nature provided. The Blue Economy offers a number of new avenues and industries like development of marine robotics, desalination and development data infrastructure to manage ocean data, etc. However, there are attendant risks since the field is yet ill- defined and poorly regulated. The risk of unintended extraction of marine species associated with blue biotechnologies is also high. The Blue Economy has found resonance in Sri Lanka and India since both are committed to SDG 2030 and the focus is on sustainable development of marine resources, climate change and environment protection. The leadership of both countries, especially PM Narendra Modi and President Maithripala Sirisena, have focused their energies and efforts towards development of the oceans. Some recommendations offered for joint-cooperation between the two countries in this domain are listed below:

- (a) Sustainable development of ocean's living resources.
- (b) Research biodiversity for medicinal products.
- (c) Tap ocean mineral & seabed resources through "clean industries".
- (d) Establish low carbon port facilities.
- (e) Develop a conservation-oriented tourism that champions renewable energy and supports sustainable marine leisure industry.
- (f) Promote maritime archaeology and anthropology.
- (g) Pursue opportunities in ocean energy.
- (h) Coastal protection, mitigate SLR & CC.
- (j) Creation of watershed restorative, health preserving, organic agriculture for food security.
- (k) Champion renewable energy, low loss transmission and energy storage sector.
- (l) Create a green LEED standard construction industry.
- (m) Create an alternative energy public & private transport sector.
- (p) Prepare Blue Green economy workforce.

(q) R&D labs & institutions for technological advancements.

(r) Collaboration between NIOT (India) and Ocean University (Sri Lanka) for technical services & solutions for management of ocean resources and environment.

9. Discussions. Issues that emerged during discussions, after the presentations, are as below:

(a) Sensitivities of each other should be borne in mind if joint exploration with a third country, like China, is to be undertaken. Whilst there may be merit in such a venture, it will require detailed negotiations amongst all involved.

(b) Currently, the world over, near shore exploration is being undertaken. Deep-sea exploration is still in its nascency and cooperation in this field can be undertaken.

### **Imperatives of Maritime Security for Nurturing the Blue Economy**

10. Admiral (Dr) Jayanath Colombage (Retd.). The importance of the Blue Economy to the IOR was clearly highlighted and the adoption of the Blue Economy as a priority area by the IORA in October 2014, was underlined by the speaker.

(a) Threats to the Blue Economy include the risks associated with oil and gas exploration, overfishing for global seafood trade, Illegal, Unreported and Unregulated (IUU) fishing, pollution due to chemicals used for aquaculture projects, greenhouse gases emitted by shipping, acoustic pollution, oil spills and other types of pollution. Coastal tourism can also be unsustainable and disruptive to the ocean environment. Undersea communication cables can also interfere with the benthic zone of the seabed and cause harm. Transnational maritime crime has a major impact on Blue Economy activities.

(b) Environmental degradation due to these threats leads to increased insecurity while poverty and marginalization of coastal populations breed ocean borne crime. Hence the potential of the Blue Economy cannot be fully realized without a sufficient degree of maritime security. Embracing both the concepts will yield the required benefits. At the heart of this nexus should be Cooperative Ocean Governance or Good Order at sea.

(c) The ocean is a complex domain with involvement of multiple sectors and players with cross-jurisdictional and trans-boundary implications. Hence coordination between various actors at the national, regional and global level is necessary. Strategies, laws and action plans therefore need to

be aligned to ensure that potential of the blue economy is extracted in a sustainable manner.

(d) Maritime Domain Awareness (MDA) and information sharing are key enablers for international cooperation at sea. Leveraging innovations in surveillance technology and threat detection systems will provide a good start. It is important to build trust and confidence for effective cooperation.

(e) Due to the complexity of maritime challenges implementation of existent laws is difficult and hence there is a need to work towards joint, inter-agency, inter-state law enforcement and prosecution. The feasibility of establishing a Code of Conduct for maritime users in the Indian Ocean Region can be examined.

(f) Capacity building is the key and not merely technology transfer from West to South. There is a need to create a dialogue and a collective learning process on how challenges can be handled better.

11. Commodore Gopal Suri. India and Sri Lanka, situated as they are at the head of the Indian Ocean, share the major responsibility of ensuring smooth flow of traffic on the sea-lanes in this region. Outlining India's approach to the region, the speaker highlighted Prime Minister's vision of Security and Growth for All in the Region (SAGAR), which encompasses the tenets of commitment to peace and security, building maritime security capacities & capabilities and collective action & cooperation with residents having the primary responsibility for ensuring peace, stability and prosperity in the Indian Ocean while recognising the interests and stakes in the region of other nations. While addressing the issue of bilateral cooperation, each state should have respect for each other's interests without adopting a unilateral approach to contentious issues. This approach should also maintain respect for international legal regimes, especially UNCLOS. Some of the following aspects will need to be addressed for ensuring effective bilateral cooperation on maritime security:

(a) Clear demarcation of maritime zones as guaranteed under international law.

(b) Identification of the adverse impacts of climate change in our region and to our people.

(c) Arrive at a common understanding of threats in the region – terrorism, gunrunning, human trafficking, drug smuggling, etc.

(d) Development of a common framework for addressing challenges.

(e) Information sharing and interaction between concerned agencies.

(f) Generation of Standard Operating Procedures (SOPs) for all contingencies.

(g) Develop complementary capacities.

(h) Dovetailing of bilateral maritime security initiatives into the overall security structure of the region, i.e. IORA, IONS, Trilateral, etc.

12. Discussions. Other issues impinging on maritime security, which emerged from ensuing discussions, are given below.

(a) There is a possibility of using the ISPS code to achieve congruence between India and Sri Lanka for identifying maritime threats and jointly addressing them.

(b) Cooperation with other countries of the region, like Seychelles and Mauritius, could add further benefits.

(c) The current architecture in the region like IORA and IONS has not produced effective results and there may be case for looking afresh at the issue of regional security architecture. A Code of Conduct, as proposed earlier may provide a step in a new direction.

### **Conclusion**

13. The discussions concluded with a resolve to take this initiative further by preparation of a joint paper between the Pathfinder Foundation and Vivekananda International Foundation on the issue of the Blue Economy, which could be later be forwarded for the consideration of respective governments. It was also emphasized that the two institutions should focus on such joint initiatives in the future.

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