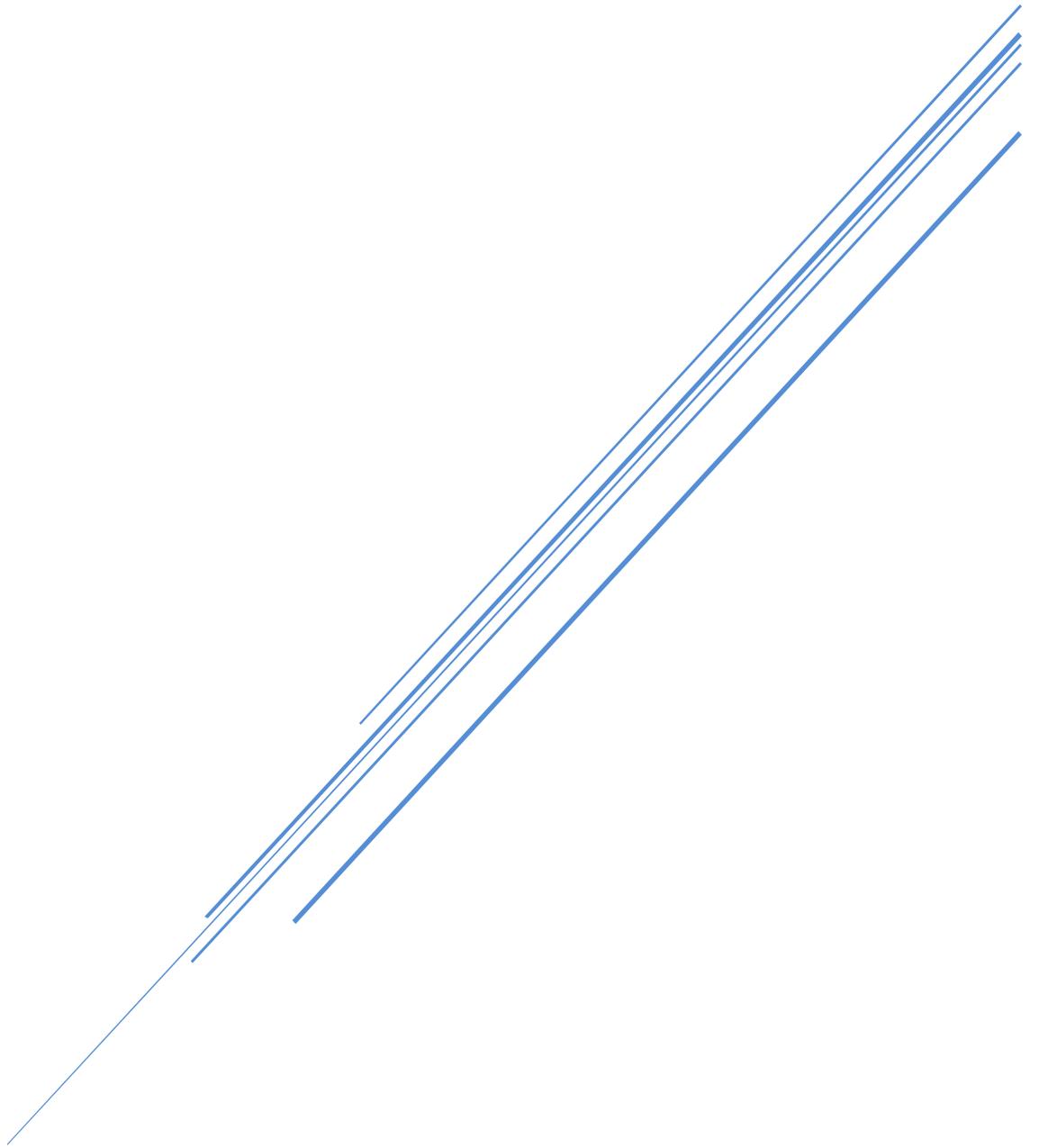


SRI LANKA CASE STUDY

Investigating Potential for Sri Lanka-China-UK Trilateral
Cooperation



Prelims

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Acronyms

APTA	Asia Pacific Trade Agreement
BRI	Belt and Road Initiative
CHEC	China Harbour Engineering Co., Ltd
DEFRA	UK Department for Environment, Food and Rural Affairs
DFID	UK Department for International Development
EIA	Environmental Impact Assessment
EU	European Union
FAO	Food and Agricultural Organization of the United Nations
FCO	UK Foreign and Commonwealth Office
FDI	Foreign Direct Investment
FTA	Free Trade Agreement
GSP+	Generalised Scheme of Preferences
ILO	International Labour Organization
IMF	International Monetary Fund
IPPC	International Plant Protection Convention
NGO	Non-governmental Organization
OHCHR	Office of the United Nations High Commissioner for Human Rights
SLTDA	Sri Lanka Tourism Development Authority
SLTPB	Sri Lanka Tourism Promotion Bureau
SMEs	Small- and Medium-sized Enterprises
UK	United Kingdom
UN	United Nations
UNCRC	United Nations Convention on the Rights of the Child
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations' Development Programme

1 Introduction

In international development today, we see a surge of South-South cooperation, that is, the response of countries in the *Global South* to the longstanding hegemony of countries in the *Global North* (Gray and Gills 2016). Trilateral cooperation is a form of innovative South-South cooperation that ‘involves development actors mainly from the global South and also a wide range of actors, drawing from their respective strengths and working towards a common goal’ (Han 2016: 2). The United Kingdom (UK) and China have increasingly piloted trilateral cooperation (*ibid*). This paper will explore the potential trilateral cooperation between the UK, China and Sri Lanka.

The UK and China can both be important partners for Sri Lanka in development. As the UK navigates Brexit, there are opportunities for Sri Lanka, as a Commonwealth member state, to increase trade and investment with the UK. The UK Government has expressed interest in ‘increasing economic, political and other ties with Commonwealth member countries... [as] an important priority’ (Commonwealth Secretariat 2020: np). Sri Lanka and China have enjoyed diplomatic ties that have lasted over 60 years (Deyschappriya 2019: 365), with China playing a significant role in financing large infrastructural projects such as the Norochcholai Power Station, Mattala Airport, Hambantota Port and the Colombo Port City (Deyschappriya 2019: 368). Furthermore, Sri Lanka can also take advantage of relations with the UK and China to draw on their experiences of development through South-South cooperation and knowledge-sharing.

This report is structured as follows. In chapter 2, we set out Sri Lanka’s national development vision as articulated by current President Gotabaya Rajapaksa. We also contextualise Sri Lanka’s development trajectory in its national politics. In chapter 3, we present current Chinese engagements in Sri Lanka, and identify synergies with Sri Lanka’s national development plans. In chapter 4, we examine the relationship between the UK and Sri Lanka, highlighting the political challenges and opportunities post-Brexit. In chapter 5, we propose areas in which China, the UK and Sri Lanka can cooperate in to advance Sri Lanka’s national vision of development and reflect on the potential challenges we anticipate. Chapter 6 provides concluding comments.

2 Sri Lanka's national development priorities

To understand Sri Lanka's development trajectory, it is imperative to understand its political history. This chapter sets out the persistent challenges that Sri Lanka has faced: ethnic conflict leading to political instability and a long-running fiscal deficit. Then, the current administration's national development vision is drawn upon.

2.1 Development progress and challenges

2.1.1 Political instability

The World Bank (n.d.) classes Sri Lanka as a *middle-income country* that shows much promise despite a long-running civil war that only ended in 2009 and a tumultuous route toward post-conflict development. Former President Mahinda Rajapaksa presided over the end of the civil war period, but as Venugopal points out, Sri Lanka 'is post-war, not post-conflict' (2018: 2). Focusing on economic development alone without conscious reconciliatory efforts inflamed prior ethnic tensions between the Tamils and the Sinhalese majority. This led to the democratic election of Sirisena (2015) who promised political stability, governmental reforms and constitutional amendments guaranteeing democracy.

The political power in Sri Lanka has since then shifted back to the nationalist right with the Presidential election of Gotabaya Rajapaksa. This has multi-fold implications for development in Sri Lanka:

- (i) Political instability can slow or contract economic growth (Central Bank of Sri Lanka 2018);
- (ii) The Rajapaksa administration has recently withdrawn from the 2015 UN Resolution that indicated reformative intentions on Sri Lanka's human rights record, as well as a commitment to reconciliation (The Associated Press 2020). This distances Sri Lanka from traditional development cooperation partners such as the United Nations (UN), the International Monetary Fund (IMF), the World Bank as well as states like the UK; and
- (iii) The Rajapaksa government has been historically fiscally irresponsible when commissioning infrastructure projects and may continue behaving so (Moramudali 2019a).

2.1.2 Trade and fiscal deficit

A persistent economic problem that Sri Lanka has been facing since the 1970s relate to deficits in its fiscal budget (Dissanayake 2016) and trade (Jariya and Hassan 2018). The Asian Development Bank (Weerakoon, Kumar and Dime 2019) characterises Sri Lanka's macroeconomy as *volatile* and *vulnerable* to recurrent balance of payments crisis. Both deficits limit the government's ability to intervene in the market to improve export revenue or encourage domestic consumption and limit its ability to use fiscal policy as an economic tool. In the long run, Dissanayake (2016: 246) found that Sri Lankan budget deficits can also lead to inflation. The recurrent crises have led Sri Lanka to seek bailouts from banks such as the International Monetary Fund (2019).

A trade deficit contributes to Sri Lanka's weak fiscal position. In terms of imports, Sri Lanka largely relies on India, China and the United Arab Emirates (COMTRADE n.d.). The US is Sri Lanka's largest export market, followed by the UK and India (COMTRADE n.d). The UK and China will prove valuable in helping Sri Lanka improve its trade revenue.

2.2 National development vision

Unlike some other countries, Sri Lanka does not have an official national development agenda. The most recent document that makes reference to Sri Lanka's national development, the *Report on Sustainable Sri Lanka 2030 Vision and Strategic Path* was commissioned under the government of former President Sirisena. Since then, Gotabaya Rajapaksa has been elected as Sri Lanka's President. Despite the absence of an official development strategy, we found that Rajapaksa's manifesto provided a strong basis of Sri Lanka's national development agenda. It was inappropriate to use any earlier document, particularly as many points and policies raised in Rajapaksa's manifesto were precisely in opposition to that of the previous administration.

Sri Lanka's national development vision announced by President Rajapaksa prioritises national security, aiming 'to create a productive citizen, a happy family, a disciplined society and a prosperous nation' (Rajapaksa 2020: np).

Table 1: Sri Lanka's national development vision and future pathways

Priorities	Future Pathways and Strategies
National security	<ul style="list-style-type: none"> Strong working links with foreign agencies, opportunities to train locally and abroad, ICT equipment and training for personnel

	<ul style="list-style-type: none"> ● Legal protection, housing and welfare concessions for personnel ● Life-long salaries for disabled soldiers ● Ensuring transparency and meritocratic advancement ● Increased training and recruitment ● Upgrading technology to reduce drug trafficking; creation of rehabilitation programmes
<p>Cooperative, non-aligned foreign policy</p>	<ul style="list-style-type: none"> ● Ensure national ownership of strategic assets and economically important natural resources ● Work with all friendly nations on equal terms ● Focus on reciprocal commercial ties and trade relationships with Asia ● Work on regional security with neighbours ● Acknowledge the standing of developed countries in commerce and trade ● Enhance trade relationships with the Middle East, Vietnam, Indonesia, Malaysia, South Korea, the Philippines, and Singapore
<p>An administration free from corruption</p>	<ul style="list-style-type: none"> ● Delivering justice on the Central Bank Bond scam and 20 other major financial crimes ● Punitive measures for corrupt officials including expulsion from the party and judicial procedures ● Online procurement system for all public investments and expenditure, determination of taxes, awarding of contracts, etc. ● Using technology to eliminate corruption ● To make state-owned enterprises profitable and financially independent. Eradicate all forms of malpractices and corruption. Appointments to be based on merit. Mandatory requirement of forensic audits
<p>A new constitution that fulfils the wishes of the people</p>	<ul style="list-style-type: none"> ● A Parliamentary Select Committee will be appointed to engage with the people, political leaders and civil society groups to prepare a new constitution ● Appointment of officials on a basis of merit ● Increase bureaucratic efficiency by removing <i>red tape</i> ● Restructuring cabinet ministers to meet the SDGs ● Establishment of an Inter-Religious Advisory Council to prevent

	<p>minor tensions between religious and ethnic groups from growing</p> <ul style="list-style-type: none"> ● Establishment of a National Land Commission to prepare a proper land use policy ● Bridging the communication gap by making it compulsory for Sinhalese students to learn Tamil and vice versa ● Legislation to curb election related expenditure
A productive citizenry and vibrant human resource	<ul style="list-style-type: none"> ● Areas of focus: health, youth, women, differently abled and disabled, elderly ● Culture of <i>Working for the Country</i> ● Provide adequate and affordable housing. Continue the urban regeneration programme and extend it to rural communities
People centric economic development	<ul style="list-style-type: none"> ● Macroeconomic targets: average economic growth of at least 6.5 per cent, per capita income of more than US\$6,500, unemployment rate of less than 4 per cent, single digit interest rate, and stable exchange rate ● Manage foreign indebtedness by promoting domestic investments, reducing import expenditure and raising export incomes. Eliminate all unnecessary government expenditures, develop the economy through domestic resource-based exports and import substitution. Encourage social enterprise ● Develop agriculture, fisheries, milk, chicken and egg, tourism, apparel and construction sectors ● Implement the Business Revival Programme ● Increase domestic production of sugar for self-sufficiency ● Expanding and depoliticising cooperatives
Technology-based society	<ul style="list-style-type: none"> ● Maximise the use of the Internet of Things, Artificial Intelligence, Biotechnology, Robotics, Augmented Reality, Cloud Computing, Nanotechnology and 3D Printing ● Mobile and digital payment systems (local and international) ● New legislation for data protection, cybersecurity and intellectual property rights ● Encourage IT entrepreneurship ● Obtaining public services via the Internet ● Digital monitoring and administrative centres

<p>Development of physical resources</p>	<ul style="list-style-type: none"> ● Bridge the urban-rural divide by providing services and infrastructure facilities equally. Integrate all major cities, townships and business zones for <i>agro industrialisation</i> and to create better links for the tourism sector ● Develop a Light Rail Transit system and a Metro Rail system to link satellite cities in Colombo, ensure bus transport system complies with <i>Green Transport</i>, complete unfinished roadworks and feasibility studies ● Upgrade Port of Colombo to double capacity, develop revisit Hambantota port arrangements with the Chinese, develop airports ● Move toward renewable energy; provide clean and safe drinking water; reduce elephant-human conflict and improve disaster warning systems
<p>Sustainable environmental management</p>	<ul style="list-style-type: none"> ● Sustainable agriculture, animal husbandry through the introduction of scientific method ● Circular economy to be promoted (Re-use, Recycle, Re-purpose) ● Minimise waste, improve waste management and introduce sustainable consumption to children ● Increase national forest cover by 30 per cent ● Large scale developments will not be allowed to be identified in environmentally sensitive areas ● Education programmes to increase awareness and to engage with communities
<p>Disciplined, law abiding and values-based society</p>	<ul style="list-style-type: none"> ● Buddhism first and foremost, but in coexistence with other religions ● Rule of law is not to be challenged, but to be protected by the government ● Freedom of speech and publication ● Conservation of historical heritage ● Social protection and welfare to address social inequality

While there is potential for Sri Lanka to attain the vision set out in Rajapaksa’s manifesto, the same structural problems persist. Firstly, any economic development will hinge upon the government’s ability to maintain political stability. The constitutional crisis in 2018, for example, led to a slowed growth of 3.2 per cent (Central Bank of Sri Lanka 2018: np).

Secondly, as the new government has pointed out, Sri Lanka has to grapple with its fiscal deficit while making productive investments that will better its fiscal position in the long run (Rajapaksa 2019: 36).

3 China and Sri Lanka

China and Sri Lanka's bilateral relations date back over 20 centuries to the Ming Dynasty, when Chinese navigator Zheng He sailed to Sri Lanka for trade and cultural exchanges (Kelegama 2014: 132). Sri Lanka was one of the first countries to recognise and support the People's Republic of China (Wang and Ye 2019: 483). Economic relations between the two countries deepened in recent years. Former Sri Lankan President Mahinda Rajapaksa signed eight bilateral agreements and Memorandums of Understanding with the Chinese government in a landmark visit in 2007 (Kelegama 2014: 132-133). Between 2003 and 2016, Deyshappriya (2019: 367-368) accounted for at least 35 high profile meetings between Sri Lanka and China.

3.1 Political relations

There is a political aspect to contemporary China and Sri Lanka's relations. When the Sri Lankan government was accused of human rights violations by the Liberation Tigers of Tamil Eelam at the UN, China supported the Sri Lankan government and later even provided military arms (Wang and Ye 2019: 485). The dynamism of China-Sri Lankan relations are also largely dependent on domestic Sri Lankan politics. Sirisena's successful election in 2015 against then incumbent Mahinda Rajapaksa was partly based on a criticism of the Colombo Port City Project (Wang and Ye 2019: 490). Sri Lanka was warm to Chinese investment under the leadership of President Mahinda Rajapaksa, particularly in large infrastructure projects. The Hambantota port financed by China's Export-Import Bank caused much international furore and raised national concerns over Sri Lanka's independence. Due to a persistent balance of payment deficit, the Sri Lankan government under the leadership of Sirisena faced a crisis as it struggled to service upcoming debt payments 'due to the maturity of international sovereign bonds' and chose to lease out the Hambantota port to China Merchant Port Holdings Limited for 99 years for US\$1.12 billion (Moramudali 2019a: np). International media such as *The New York Times* termed Xi's One Belt One Road Initiative a 'debt trap for vulnerable countries around the world, fuelling corruption and autocratic behaviour in struggling democracies' (Abi-Habib 2018: np).

No matter China's intentions, how Sri Lankans view China will have an impact on future bilateral relations. While the Rajapaksa brothers came into power late last year due to their strong stance on national security and domestic political stability, Gotabaya's manifesto demonstrates an awareness of concerns over Sri Lanka's sovereignty. In particular, the policy direction to have a 'friendly and non-aligned foreign policy' reassures Sri Lankans that

the government 'will be mindful of...national sovereignty... [and] ensure that ownership of strategic assets and economically important national resources are not transferred to any foreign country' (Rajapaksa 2019: 15). This means that while the Rajapaksa brothers are back in power, we can anticipate more moderate relations with China than during their previous tenure.

3.2 Economic relations

China and Sri Lanka have enjoyed dynamic economic relations, with cooperation deepening in areas of trade, investments, infrastructure building via the Belt and Road Initiative (BRI) and tourism. We explore the four aspects and propose how cooperation can be deepened in the South-South model.

3.2.1 Trade

Currently, there exist several formal agreements between Sri Lanka and China designed to enhance trade and investment in Sri Lanka. China is an important trade partner of Sri Lanka, and Chinese imports can potentially help Sri Lanka overcome its balance of payments deficit in the long run.

Table 2: Sri Lanka-China existing trade agreements

Parties	Agreement	Purpose
Bangladesh, China, India, Republic of Korea, Laos and Sri Lanka	Asia Pacific Trade Agreement	Preferential Exports
Sri Lanka and China	Memorandum of Understanding (MOU) on customs cooperation	Ease of trade and investments
	MOU on quarantine cooperation	
	MOU on Trade and Economic Cooperation (prelude to setting up of FTA)	
	Sri Lanka-China Joint Committee for Trade and Economic Cooperation	

	Sri Lanka-China Business Cooperation Council	
Sri Lanka, along with 20 other states were invited to be founding members.	Asian Infrastructure Investment Bank	Improving connectivity, investment in infrastructure projects

Other than the above formal agreements between Sri Lanka and China, the two countries have also attempted to enhance trade relations through negotiations on a possible free trade agreement (FTA). While the two states have not been able to come to an agreement, Sri Lanka has much to gain from securing an FTA with China. A 2014 report commissioned found that Sri Lanka will gain 542 potential exports to China under the new FTA, creating new market opportunities (Wijayasiri *et al.* 2014: 6). Even without an FTA in place, trade relations have deepened over the years. In 2016, China surpassed India momentarily to become Sri Lanka's largest import source (Moramudali 2019b).

Overall, the total trade turnover between China and Sri Lanka has increased over four-fold from US\$965.81 million in 2007 to US\$4,606.36 million in 2017 (The Embassy of Sri Lanka in the People's Republic of China 2019). However, the balance of trade is strongly in China's favour, with Sri Lanka suffering an expanding trade deficit from -US\$894.57 million to -US\$3,776.08 million in the same decade.

Sri Lanka's trade deficit can be explained by an increase in Chinese imports, and also a slow growth in its export market. China's trade deficit with Sri Lanka accounts for 26.4 per cent of Sri Lanka's total trade deficit, in comparison to India's 27.3 per cent in 2014 (Deyshappriya 2019: 371). However, as Kelegama (2014) points out, Sri Lanka's increasing trade deficit with China is not necessarily a bad thing. Sri Lanka's major imports from China include 'light vessels, petroleum products, automatic data processing machines, cotton, knitted or crocheted fabric, man-made staple fibers, textiles, vehicles and parts, mineral and chemical fertilizers, [and] plastic products' (The Embassy of Sri Lanka in the People's Republic of China 2019: np). Many of these imports are primary inputs in Sri Lanka's export market, primarily in the textiles and garment industry (Deyshappriya 2019: 389). Recent import growth can also be explained by the growth of imports in electronics and durable consumer products that Sri Lanka does not have a comparative advantage in producing (Deyshappriya 2019: 372). In comparison, China is not an important export destination for Sri Lanka, despite attempts by the Export Development Board to increase exports to China

(Sri Lanka Export Development Board 2018). The Export Development Board had identified 'apparel, solid or retreaded tyres, tea, coconut fibre, natural rubber, cinnamon, coconuts, fruits, nuts, edible plants preserved with sugar, pepper, frozen fish, excluding fillets and gloves' as products with the greatest export potential, but laments the 'miscommunication and lack of negotiation skills of Sri Lankan SMEs [small-medium enterprises]' (Sri Lanka Export Development Board 2018: np).

Notably, while China is one of Sri Lanka's largest importers, China's exports to Sri Lanka only account for 0.16 per cent of its exports (The Embassy of Sri Lanka in the People's Republic of China 2019) due to the different scales of economies of the two states.

Currently, Sri Lanka is attempting to improve its export volume to China through the following measures:

- The Sri Lankan Export Development Board, which has recruited an international consultancy to better match Sri Lankan exports to Chinese traders (Sri Lanka Export Development Board 2018);
- Developing high technology agriculture through subsidies, loans, land reformations and the introduction of a product quality inspection system and geographical information certificates recognised internationally (Rajapaksa 2019); and
- Reforming the tax system for the apparel industry (Rajapaksa 2019: 38).

3.2.2 Foreign direct investment, loans and grants

China is also one of Sri Lanka's largest source of foreign direct investment (FDI) and government debt. According to the IMF, official Chinese loans to the Sri Lankan government amounted to approximately US\$3 billion at the end of 2018; about 9 per cent of Sri Lanka's external government debt (2019: 10). In comparison, Sri Lanka owes 13 per cent of its debt to the Asian Development Bank, 10 per cent to Japan and 10 per cent to the World Bank (International Monetary Fund 2019: 10). In terms of volume, China has been the largest source of FDI since 2012 (Deyschappriya 2017). The Sri Lanka-Chinese Business Cooperation Council, a private sector initiative, has actively directed Chinese investment to Sri Lanka by holding fairs and 'events such as the Kunming Trade Fair in 2011 and 2013, and "How to do Business in China" seminars' (Deyschappriya 2017: np). Additionally, the Sri Lankan government has initiated a scheme in which Chinese investors can obtain a 'Second Home' passport if they 'invest at least US\$25 million' (Fernando in Deyschappriya 2019: 374).

Chinese FDI in Sri Lanka has been 'directed mostly towards infrastructure development including transportation and power and energy' (Deyshappriya 2017: np). This can potentially be aligned with President Gotabaya Rajapaksa's vision of developing a 'people-centric economy' (2019: 36). More specifically, better infrastructure for transport can help strengthen agriculture exports, improve urban-rural connectivity and position Colombo as a global financial, investment and banking hub. Physical infrastructure will also be key in protecting vulnerable populations from the effects of climate change, delivering judicial processes, maintaining religious sites and delivering social protection. President Gotabaya Rajapaksa's manifesto (2019) mentions *infrastructure* 21 times, illustrating the importance of infrastructure development for Sri Lanka's national development. In 2017, Chinese official development assistance and FDI totalled to over US\$14 billion in Sri Lanka. The concept of connectivity in China's BRI synchronises with Sri Lanka's strategic position in the Indian Ocean: major port projects, international airports as well as road and rail networks have been planned to be connected to Special Economic Zones that will 'transform Sri Lanka into a shipping, aviation and a logistics hub' (Arif and Rafique 2017: 4-5).

The BRI is an integral part of the economic relations between Sri Lanka and China. The BRI envisions two routes: one on land between China and Europe via Russia and the other maritime route links China to Southeast Asian countries and beyond (The State Council 2015). Other than the US\$8 billion in financing through the BRI, the Asian Infrastructure Investment Bank had also proposed funding of up to US\$32 billion for further infrastructure projects in Sri Lanka (Wijayasiri and Senaratne 2018: 387). Notable BRI projects include the Colombo International Financial City, the Hambanota Port, the Colombo Port Expansion and the Mattala Rajapaksa International Airport. Considering Sri Lanka's infrastructure gap, the BRI has potential to bring about much socio-economic development in Sri Lanka by increasing connectivity within the nation, and also between the nation and its neighbours (Wijayasiri and Seratne 2018: 387-389).

3.2.2.1 Challenges with the BRI: fiscal responsibility

However, even as these infrastructural projects hold promise for Sri Lanka's development, it remains crucial that the Sri Lankan government can take advantage of these investments by providing an attractive investor climate, strengthening its export value and improving governance mechanisms. Moreover, prudent fiscal decisions need to be made going forward. While majority of the loans for the Hambantota port project were concessionary, poor governmental decisions to construct the port, despite 'persistent fiscal and current account deficits', led the government to lease out the port (Moramudali 2020: np). Sri Lanka's government made the choice to pay off debts that were due to its non-Chinese

creditors - its Chinese loans were not due for repayment yet. However, international media such as *The New York Times* termed Xi's One Belt One Road Initiative a 'debt trap for vulnerable countries around the world, fuelling corruption and autocratic behaviour in struggling democracies' (Abi-Habib 2018: np).

Another factor to consider would be the need to manage mega-projects and to make measured decisions about their locations: they may not immediately be profit-making, if at all (Moramudali 2020). The Mattala Rajapaksa International Airport has been named the *World's Emptiest International Airport*; the *white elephant* project (Shepard 2016). White elephant projects refer to 'projects that are politically motivated and economically unsustainable' (Parks 2018: np). The then President, Mahinda Rajapaksa, made a decision to build a transport hub in Mattalla, his hometown, but the location of the airport and lack of commercial infrastructure meant that the project ultimately failed to reach its ambitions (Shepard 2016).

3.2.2.2 Challenges with the BRI: transparency, accountability and participation

For inclusive, sustainable growth, infrastructural projects will also need to consider the possible environmental and social impacts. For instance, locals have complained that there has been a lack of public consultation and transparency in infrastructural deals between Sri Lanka and China. Villagers have been protesting against the 15,000-acre investment zone in Beragama that was to be handed over to the Chinese, of which villagers viewed to be the most fertile (Perera 2018). Environmental assessment reports have also claimed that the highway linking the Mattala Rajapaksa International Airport and the Hambantota port 'cuts through key elephant corridors', with 'between 15-20% of the island's elephant population' living in the area (*ibid*: np). Protestors are worried about the effects of land reclamation projects, such as 'coastal erosion, landslide threats, noise and air pollution' (*ibid*). From the Chinese perspective, however, these struggles were 'principally a reflection of the political struggles in Sri Lanka' (Wang and Ye 2019: 493). The general manager of China Harbour Engineering Co., Ltd (CHEC), Zhang Xiaoqiang, on the subject of environmental impact assessments (EIA) in the Colombo Port City Project, reflected that:

- (i) the EIA is the responsibility of the Sri Lankan government;
- (ii) the approval authority of the EIA belongs to its Ministry of Coastal Resources;
and
- (iii) the Sri Lankan government should complete all the EIA before handing it over to CHEC. The government had already handed over all the EIA certificates to CHEC and notified them in writing that the relevant formalities were clear and complete.

(in Wang and Ye 2019: 493).

What this reflects is that there is a need for clear chains of responsibility and accountability, with relevant documents made available to all stakeholders and the public, so as to avoid misunderstanding. Official communications such as strategic meetings and dialogue need to be held periodically and documented. Less official means of communication should also be encouraged, to facilitate mutual understanding.

While China is the largest foreign direct investor in Sri Lanka, Chinese FDI in Sri Lanka only amounts to 0.10 per cent of China's GDP. Comparatively, other South Asian countries such as 'Afghanistan and Maldives had stocks worth 2.36% and 0.48% of GDP respectively' (Deyschappriya 2017: np). There is greater potential for Sri Lanka to attract a greater proportion of Chinese FDI. Yet, although China views investment in infrastructural development to be the way forward for economic development, the implementation of these development projects will depend largely on Sri Lankan domestic politics.

3.2.3 Tourism

The government of Sri Lanka views tourism to be a pivotal sector in driving Sri Lanka's national development. It will be attempting to build 'a tourism development programme with the intention of increasing annual tourist arrivals to 7 million people... [and] to annually add a foreign exchange inflow of USD\$10 billion to the domestic economy' (Rajapaksa 2019: 44). The Chinese market is important to the Sri Lankan economy: in 2018, China was the second largest source markets of tourists with a share of 11.3 per cent and 265,965 arrivals (Sri Lanka Tourism Development Authority (SLTDA) 2018: 21). Chinese tourists were also the largest spenders by far, spending US\$277.3 billion, trailed by US visitors who spent US\$144.2 billion (*ibid*: 14). The Sri Lankan government has launched measures such as free visas on arrival and the reduction of airport taxes to encourage Chinese tourists to visit (*Daily FT* 2019). The Tourism Ministry of Sri Lanka had also launched numerous publicity campaigns across China, trained people in Mandarin and started discussions with budget airlines to initiate direct flights between the two countries (*Xinhua* 2019a). While we may see tourism revenue fall (and global economic growth contract) in the short term in the aftermath of the coronavirus COVID-19, the Chinese market shows promise for the Sri Lanka tourism industry in the long-term. In comparison to other destinations in Asia, 'current Chinese tourist arrivals to Sri Lanka are negligible' (Deyschappriya 2019: 387). Only 0.06 per cent of Chinese tourists visit Sri Lanka, as opposed to 41.05 per cent for Hong Kong, 25.7 per cent for Macau and 4.33 per cent for South Korea (Deyschappriya 2019: 387). The growth rate of Chinese tourists in Sri Lanka, however, has increased enormously, growing by 99 per cent

from 2012-2013. This implies that Sri Lanka's tourism industry can be capitalised upon effectively by attracting more Chinese visitors.

3.3 Potential opportunities for Sri Lanka: South-South cooperation

Currently, Sri Lanka is involved in the following South-South trilateral cooperative programmes with China:

- Trilateral Cooperation on Renewable Energy between Sri Lanka, Ethiopia and China (*Mission News* 2019);
- The Food and Agriculture Organisation of the United Nations and the World Food Programme are brokering a South-South and triangular cooperation pilot in Sri Lanka with the support of China to improve 'agricultural services...[enhance] access to markets and... [equip] smallholder farmers with innovative tools and technology in post-harvest management' (World Food Programme 2019: 13);
- United Nations Conference on Trade and Development (UNCTAD) is responsible for implementing the project South-South Integration and the SDGs: Enhancing Structural Transformation in Key Countries of the Belt and Road Initiative. Beneficiaries include Ethiopia, Indonesia and Sri Lanka (UNCTAD n.d.);
- International Plant Protection Convention (IPPC) - China South-South Cooperation Project: 'to develop phytosanitary capacity in some One Belt, One Road countries... [and to set] up pilot sites for demonstrating new technologies and products related to plant health' (Food and Agricultural Organization of the United Nations (FAO) 2019);
- The establishment of the Sri Lanka-China Business Council to facilitate visas, trade fairs, industry exchanges, technical support, et cetera (Sri Lanka-China Business Council 2015); and
- Education exchanges through a large range of both long- and short-term scholarships (The Embassy of Sri Lanka in the People's Republic of China 2019).

3.3.1.1 Creating concrete platforms for exchanges and cooperation

Other than the formalised agreements between China and Sri Lanka, there are also opportunities for Sri Lanka to take advantage of its relationship with China, particularly with

respect to its goals of achieving a technology-based society, export strengthening, and job creation, as well as the management of state-owned enterprises and administrative corruption. In a recent meeting between Chinese Foreign Minister Wang Yi, Sri Lankan President Gotabaya Rajapaksa and Prime Minister Mahinda Rajapaksa, Sri Lanka expressed support of the BRI. China expressed its support for Sri Lanka, and 'called on the two sides to strengthen exchanges and cooperation in the fields of agriculture, technology, education and tourism' (Chinese Embassy UK 2020: np). However, exchanges and cooperation in these fields are presumed to be facilitated through One Belt One Road initiatives, which are not systematically designed for this express purpose.

China can cooperate with Sri Lanka expressly on its goals. For instance, in agriculture, China has agreed to provide training for Sri Lankan officials at training institutes in China in food technology, particularly in the preservation of fruits and vegetables (Embassy of Sri Lanka 2019). China has also expressed a willingness to exchange agricultural technology, knowledge and experience with Sri Lanka, including technologies on rice production, crop diversification etc. (Embassy of Sri Lanka 2019). For Sri Lanka to fully take advantage of this potential technology transfer that will drive up productivity, Sri Lanka and China have to actively create concrete platforms for knowledge exchanges.

3.3.1.2 Promoting trade and investment

In expanding trade relations, China can work with the Sri Lankan government and local Chinese small- and medium-sized enterprises (SMEs) to raise awareness of Sri Lankan products eligible for concessions under the Asia Pacific Trade Agreement (APTA). Kelegama (2014: 138) proposes that 'most exporters are not aware of APTA concessions' and that 'major export products to China... are already eligible for duty cuts... but exporters are not using these concessions.' The Sri Lankan government will have to work on raising awareness of products under APTA. Meanwhile, the Chinese government can help encourage the import of Sri Lankan products by promoting Sri Lankan specialty goods like tea and coconut products.

Sri Lanka can also take advantage of the Sri Lanka-China Business Council as well as the currently available education exchanges with China to create a workforce that can better understand Chinese working practices and better negotiate with Chinese firms. As mentioned, Sri Lanka can potentially expand its export market in China but requires businesses to be able to go through with export deals. There can be further public-private partnerships that link up young promising scholars, giving them the opportunity to study and/or work in China, and incubating them as future leaders of businesses. Since 2015,

China has granted over 1200 scholarships, training opportunities and internships to Sri Lankan students (Xianliang 2017). Current programmes are already underway but can be deepened. For example, students can be matched to scholarships studying business or commerce in China, or to internships with Chinese companies. Seeds for the Future, Huawei Sri Lanka's corporate social responsibility programme, aims to nurture young talent in the industry to drive the digital economy in Sri Lanka: Ten students are selected annually to spend two weeks in China at Huawei to learn about the company's operationalisation, and are also given opportunities to experience Chinese culture and learn about Chinese history while they are there (*Xinhua* 2019b). In the long run, this will help equip at least a group of Sri Lankans with the skills to negotiate with Chinese businesses and consumers.

3.3.1.3 Corruption

Lastly, as Sri Lanka aims to manage its state-owned enterprises more efficiently and weed out corruption, China can share its experience of utilising state-owned enterprises to drive economic development. While Chinese state-owned enterprises have been used by the state to drive social change (Guluzade 2019), what is similar between Sri Lanka and China is the conviction that the public sector should not be privatised but yet should be market-oriented. By sharing its experience, China may help Sri Lankan leaders deal with the same dilemma.

In this chapter, we explored Sri Lanka's historical and current engagements with China. We proposed greater engagement with China in a few areas through the South-South model to boost Sri Lanka's economic development directly. In the next chapter, we turn to Sri Lanka's relationship with the UK.

4 The UK and Sri Lanka

In this chapter, we explore Sri Lanka and the UK's relationship. We highlight their political and economic relations and posit that future relations will be dependent on the political will (or lack thereof) of the Sri Lankan government to uphold human rights as well as the UK's perceived economic interest in the country post-Brexit.

4.1 Political relations

Sri Lanka and the UK share a colonial history: in 1815, the British managed to control almost all of Sri Lanka, then named Ceylon, and Sri Lanka gained independence only in 1948 (Kandaudahewa 2015: 54). As Ratnapalan (2016: 544) posits, 'the public face of British decolonization with respect to independent South Asia... was one of modernization and partnership. The Commonwealth... was reconceptualized as "a world-wide experiment in nation building"' against the backdrop of communism expanding its reach (Ratnapalan 2016: 544).

The strategic compromise between Britain's then post-war strategy and Ceylon's then leaders' needing to attain independence meant that Ceylon maintained friendly relations with the UK. In April 1985, then British Prime Minister Margaret Thatcher inaugurated Victoria Dam, which cost US\$145.38 million in British grant aid (Department for International Development (DFID) 2004: 1). While DFID closed its bilateral programme with Sri Lanka in 2006 when Sri Lanka became a middle-income country, DFID still contributes to the Conflict Prevention Fund in Sri Lanka amounting to about US\$2.57 million per annum (DFID n.d.a).

4.2 Economic relations

4.2.1 Trade

As the UK navigates Brexit, it is particularly important for Sri Lanka to maintain trade relations with the UK, due to its healthy trade surplus (Ward 2020: 10). The UK is also one of the top five countries that Sri Lanka has a positive balance of trade with (Department of Commerce 2017: 10). While Sri Lankan exports to the UK have fallen slightly from US\$1,077.18 million in 2013 to US\$1035.14 million in 2017 (Department of Commerce 2017: 12), over 30 per cent of Sri Lankan exports to the European Union (EU) market goes to the UK (Razzaque, Vickers and Goel 2016: 5). In total, the UK accounts for 9.8 per cent of Sri Lanka's exports (Razzaque, Vickers and Goel 2016: 3). The EU is a comparatively larger

market, coming in after India as Sri Lanka's second-largest trading partner (European Commission 2019). As the UK and the EU work out the terms of Brexit, there are opportunities for the Sri Lankan government to improve trade relations with both the UK and the EU. Under the EU's Generalised Scheme of Preferences Plus (GSP+), Sri Lanka's exports were granted greater access to the EU market in 2017, on the condition that 'Sri Lanka...[advances] human and labour rights and...[work] towards sustainable development' (European Commission 2019). Prospects of Sri Lanka's eligibility in the scheme are bleak after its recent withdrawal from the 2015 UN Resolution that demonstrated its commitment to 'promoting reconciliation, accountability and human rights' (Office of the United Nations High Commissioner for Human Rights (OHCHR) 2014: np). Even without the political turn of events, it is important for Sri Lanka to negotiate its trade position with both the EU and the UK in the long-term as the country will not be eligible for the Generalised Scheme of Preferences (GSP+) once the World Bank classifies it as an upper middle-income country.

4.2.1.1 The success of Sri Lanka's apparel industry

Sri Lanka's exports to the EU and the UK are dominated by its textiles and clothing industry, accounting for 82 per cent of total exports to the EU in 2016 (European Commission 2019). The apparel industry is Sri Lanka's 'principal manufacturing industry... [that brings] in 43 percent [sic] of the country's total export earnings' (Rajapaksa 2019: 35). The Sri Lankan government has laid out plans to carry out tax reforms and to allocate '200 acres of land... for the development of a garments town' (Rajapaksa 2019: 45). The apparel industry has proved resilient following the termination of the Multi-Fibre Arrangement in 2005, carving out a niche market for itself by attracting specialty international firms such as Victoria's Secret, Marks and Spencer, Sainsbury's, Tesco etc., that focused on a wide variety of small scale orders, which were compatible with the small-scale operations of Sri Lankan firms (Athukorala and Ekanayake 2017). In particular, Athukorala and Ekanayake (2017) have identified a shift towards high-end niche products such as lingerie, panties and fashion-basis casualwear. For the Sri Lankan apparel industry to remain competitive, the government has to keep adding value to its exports. One aspect which enabled this effort were Sri Lanka's labour market regulations that allowed the industry to align itself with 'ethical trade' norms internationally (*ibid*: 4). '[M]inimum wage legislation, restrictions on labour retrenchment, severance payments... trade union activism' and signing up to the International Labour Organisation Core Conventions were pivotal moments that made Sri Lanka's apparel workers more attractive (*ibid*: 4) The highly skilled and educated workforce in Sri Lanka also lent itself to quicker upskilling and workplace mobility than other countries and skilled workers are in demand from other countries' apparel industries, though it now faces competition from Asia (Lopez-Acevedo and Robertson 2016).

Sri Lanka can strengthen its export position in relation to the UK and the EU by continuing to invest in human resource development and training in technology and innovation (Bruce 2013). Research projects such as Bruce's, present ways in which private firms in the textile and apparel industries, government and academic institution stakeholder groups can work together in informal associations that ensure that the model of cooperation is flexible, appropriately skilled for the job market and regulated at suitable scales (*ibid*). As long as the Brexit transitions result in a politically stable UK, Sri Lanka can capitalise on its current comparative advantages in the textile and apparel industry to seek a more favourable balance of payment.

4.2.2 Foreign direct investment

UK-Sri Lankan engagements on FDI have largely been led by private firms and Sri Lanka. Recent efforts include the Invest Sri Lanka Forum organised in London by the Colombo Stock Exchange in association with the Sri Lanka High Commission in the UK and Bloomberg (Invest Sri Lanka - CSE 2018) as well as the Investment and Trade Opportunities in Sri Lanka event; a roundtable networking lunch hosted by the Sri Lankan High Commission in London to reach out to Sri Lankan diaspora in the UK (admingajaba 2019a). There have been higher level discussions as the UK prepares for Brexit such as the meeting between the UK Secretary of State for International Trade Liam Fox and the High Commissioner of Sri Lanka in the UK Manisha Gunasekera (admingajaba 2019b). In Fox's speech (2019) at the UK Trade and Export Finance Forum, he used Sri Lanka as a successful example of the UK's *Global Britain* strategy post-Brexit in infrastructure building. As the sole project amounts to US\$61.62 million directed toward building bridges in rural communities in Sri Lanka, the UK's contribution pales in insignificance in comparison to China's. In 2014, the UK was actually the second largest source of FDI (Deyshappriya 2017) but by 2018, Sri Lanka's largest investors were China, Hong Kong, India and Singapore (Santander 2019).

The lack of political direction in terms of increasing UK FDI can be partially explained by the following significant political events. Firstly, the UK is wary of pursuing close political relationships with Sri Lanka after the Mahinda administration has been accused of refusing to address human rights violations during its longstanding civil war. While the UK may hope to pursue closer economic ties with Sri Lanka post-Brexit, Sri Lanka's recent withdrawal from the 2015 UN Resolution which committed the country to investigations of alleged war crimes during the civil war (The Associated Press 2020) will likely force the UK to maintain distance. Secondly, after the 2011 scandal in which UK Conservative MP Liam Fox was forced to quit over close connections with Sri Lanka and nepotist behaviour (Burke 2011), the UK

government has had to manage its public image cautiously. The type of cooperation UK can offer Sri Lanka will be limited but there is much potential considering UK's large volume of investment up to 2014.

4.3 Overseas development assistance

The UK's interest in international development mainly lies in poorer and vulnerable regions (DFID n.d.b). Subsequently, development projects by DFID in Sri Lanka mainly lie in sectors like education, health, sustainable development and conflict. These projects tend to be small in scale and justified by Sri Lanka's Commonwealth links to the UK. We review ongoing projects in Sri Lanka and examine areas in which cooperation can be deepened to support Sri Lanka's national development goals.

Table 3: Current active projects in Sri Lanka

UK Department/Agency	Projects/Programmes
Department for Environment, Food and Rural Affairs (DEFRA)	Avoiding deforestation, managing critical ecosystems and increasing resilience to climate change in Sri Lanka
	Ecosystem conservation and management project additional financing
	Darwin Initiative Round 24
Foreign and Commonwealth Office (FCO)	British Council
	Chevening scholarships
	Supporting human rights, democracy and the rules-based international system in Sri Lanka
	Frontline diplomatic enabling activity in Sri Lanka
	Countering proliferation in Sri Lanka
Department of Health and Social Care	Fleming Fund - country and regional grants and fellowships programme

Conflict, Stability and Security Fund and Foreign and Commonwealth Office	Delivering increased stability and reducing the risk of a return to conflict. Mainly clearing land of mines and other unexploded weapons
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(DFID n.d.b. and FCO 2018)

Bilateral aid between the UK and Sri Lanka has not been unconditional either. As hostilities escalated between the government of Sri Lanka and the Liberation Tigers Tamil Eelam (an armed group seeking an independent state) during a ceasefire agreement, the 'UK suspended US\$3 million of debt relief' (Wheeler *et al.* 2012: 2). The changing political situations in both the UK and Sri Lanka will also alter the dynamics of bilateral relations. The Office of the UN High Commissioner for Human Rights Investigation Report on Sri Lanka in 2015 revealed human rights abuses and crimes by the government of Sri Lanka during the conflict with the Liberation Tigers Tamil Eelam. The UN Resolution 'Promoting Reconciliation, Accountability and Human Rights in Sri Lanka' was adopted, with 23 countries in favour including the UK (OHCHR 2014). As part of its core foreign policy, the UK stated its position that 'trade is important not only to the prosperity of the UK but to Sri Lanka... However, the UK's commitment to free trade goes hand in hand with... [its] commitment to human rights' (House of Lords Hansard 2014: np). While the OHCHR 2015 report submitted to the Human Rights Council recognised that the report was mandated under the leadership of Mahinda Rajapaksa and submitted in relation to the Sirisena government, which promised judicial reforms centred on good governance and human rights (OHCHR 2015: 3), the current political leadership has once again shifted back to the Rajapaksa family since late 2019. In early 2020, the Sri Lankan government withdrew its co-sponsorship of the 2015 UN Resolution (The Associated Press 2020). In the UK, recent news indicated a foreseeable merger between DFID and the FCO (Worley 2020). This implies that UK's interest in Sri Lanka may move even further away from development assistance.

Other than projects in less contested areas such as education, health and sustainable environmental management, the UK's development projects in Sri Lanka are geared strongly toward conflict prevention and reconciliation. Notably, the contested nature of the citizenship of Tamil nationals in Sri Lanka originated from the fact that the British colonial government created class differentials by prioritising English-educated (mainly Tamil) elites over Sinhalese-educated Sri Lankan nationals (World Bank 2003). As the UK's development projects are already not geared toward overseas development aid in Sri Lanka with the exception of conflict prevention, there seems to be a foreseeable continuity in the near

future. As UK's development projects are not already geared toward overseas development aid in Sri Lanka with the exception of conflict prevention, there seems to be a foreseeable continuity in the near future.

4.3.1 Education

Educational exchanges between Sri Lanka and the UK take place in several forms. The British Council supports the Sri Lankan education sector through projects like TRANSFORM, sharing expertise and focusing on professionalisation, quality assurance and helping young people transition into employment; the promotion of the English language and best teaching practices; and improving access to education (British Council 2020). The British Council has also worked with the government of Sri Lanka in the above priority research areas in education (British Council 2020). Additionally, initiatives such as the Chevening Scholarships identify future leaders for further education in the UK (Chevening 2019). The Sri Lankan government has also recognised the low institutional capacities of universities in the country, seeking to make infrastructural investments 'to increase the intake of students' (Rajapaksa 2019: 21). In 2013, Sri Lanka only admitted 23,000 out of 223,000 students who sat for the university entrance exam. 12,000 students went abroad for university in the same year (D'Souza and Moore 2017: np). For overseas Sri Lankan university candidates, the UK is the third most popular option (D'Souza and Moore 2017). As the Sri Lankan government seeks to expand institutional capacities in the education sector to prepare for an increased intake of students, the government can leverage on education partnerships with the UK, to apply the expertise and experience of the UK in training teachers and designing institutions.

4.3.2 Health

Health in the form of human capital development also features in Rajapaksa's vision for Sri Lanka. Projects that foster research and educational partnerships between the UK and Sri Lanka can help build capacity in terms of healthcare resources (Dissanayake *et al.* 2006). For example, a project funded by the World Diabetes Foundation, the NHS and various health institutions in Sri Lanka helped create training and research links, as well as support Sri Lankan researchers 'in developing and writing project proposals and in securing funding' to great success (Dissanayake *et al.* 2006: 351). The Fleming Fund is another programme that helps low- and middle-income nations, including Sri Lanka, 'fight antimicrobial resistance' by encouraging the collection of data that can inform policies and practices (Fleming Fund 2018: np). Similar to the UK, Sri Lanka also has a universal healthcare system. Both systems face large patient numbers and long waiting lists. The UK and Sri

Lanka can seek partnerships and knowledge sharing platforms to share their experiences so as to make both healthcare systems more efficient.

4.3.3 Sustainable development

The UK's interest in conservation of the environment is tied to the nation's commitment to its own 25 Year Environment Plan. In Round 24, the Darwin initiative funded the project 'Livelihoods Insurance from Elephants in Kenya and Sri Lanka' (Darwin Initiative 2015: np), which helps Sri Lanka governments 'insure small-scale women and men farmers for damage caused by human-wildlife conflict, primarily from elephants' (Steele *et al.* 2019: 2). While the project is still ongoing, there are promises that it can contribute to Sri Lanka's vision of sustainable development and UK's aim of reducing the future risk of conflict in Sri Lanka. The program aims to target the 'North-central and North-western Province' and 'at least 10% female headed households' (Steele *et al.* 2019: 2), which happen to be some of the poorest and most vulnerable groups in Sri Lanka. This project is a form of social protection that complements the Sri Lanka government's social protection policies by increasing rural incomes. It also supplements the Sri Lankan vision to conserve environmental biodiversity by reducing the killing of elephants in the event of conflicts with humans. Eventually, the aim of the project is to convince the Sri Lankan government to roll out a national insurance scheme.

The World Bank-managed project on Ecosystem Conservation and Management funded by the UK also aims to reduce human-elephant conflict and is providing support for the Darwin initiative. However, it also has the broader remit of 'strengthening environmental protection by enhancing environmental governance, safeguarding natural habitats and biodiversity and restoring critically damaged ecosystems in ways that contribute to conservation, poverty alleviation and environmental sustainability' (World Bank 2009: 2). Primarily, the project will provide technical support to the Sri Lankan government on identifying critically important biodiversity hotspots and turning them into protected areas, capacity building of resource persons and improvements to infrastructure, develop nature-based tourism within protected areas and mainstreaming environmental concerns into Sri Lanka's development plans (World Bank 2009). The Sri Lankan government can potentially leverage on the project to not only help implement its sustainable environment policy, but also capitalise on the knowledge created in the project to help boost the tourism industry, particularly in protected areas, and in doing so generate income for rural families. This will also bring it toward more inclusive economic growth and reduce social, urban-rural inequality.

This chapter presented the political and economic relations between the UK and Sri Lanka. While we emphasised the uncertainty belying future cooperation due to the political and economic developments in both countries, we anticipate there to be opportunities that the two countries can capitalise upon. In the next chapter, we propose recommendations for the possibility of a trilateral cooperation in Sri Lanka in the areas of trade, investment, tourism and knowledge-sharing.

5 Policy recommendations for China-UK-Sri Lanka cooperation

China and the UK play quite different but complementary roles in Sri Lanka's national development. This chapter will first explore the potential platforms for a trilateral cooperation between the UK, China and Sri Lanka by looking at existing trilateral cooperation mechanisms. Next, it examines the potential of China-UK cooperation in expanding trade, increasing investment and knowledge-sharing with Sri Lanka.

5.1 Trilateral cooperation platforms

Recent trilateral cooperation projects involving the UK, China and Sri Lanka were selected based on their relevance to Sri Lanka's national development priorities. They include:

Table 4: Recent trilateral cooperation projects of relevance involving Sri Lanka, the UK and China

Parties	Trilateral Project	Thematic Area(s)/ Criteria	Outcomes
United Nations Development Programme (UNDP), MOFCOM, Sri Lanka	*Trilateral Cooperation on Renewable Energy in Sri Lanka	Agriculture Technology	<ul style="list-style-type: none"> • Demonstrated use of hybrid RET systems for energy savings and GHG emission reduction in small & medium sized agro-industry including farm, agricultural activities, and agro-processing • South-South knowledge and experience exchanged (UNDP China 2020)
FAO, Sri Lanka, China	*FAO-China South-South Cooperation Programme	Agriculture	<ul style="list-style-type: none"> • Increase of fruit production and trade • Capacity building and technical support for value-addition • Increase farmers' income

			(FAO 2018)
Ethiopia, Sri Lanka, China (with UNDP support)	*Promoting South-South Cooperation in Renewable Energy: Ethiopia, Sri Lanka and China	Physical infrastructure: renewable energy Technology	<ul style="list-style-type: none"> To promote sustainable energy solutions by focusing on demonstrating the applicability of biogas and solar photovoltaic technologies for communities in Ethiopia and Sri Lanka (UNDP Ethiopia 2019)
China, UK, Uganda and Malawi	AgriTT: introduction of Chinese technologies to agricultural sectors; UK (DFID) support	Agriculture Technology	<ul style="list-style-type: none"> Expansion of cassava cultivation in Western Uganda: increasing productivity, improving processing and harvesting, developing value-added cassava products Improve and expand aquaculture practices for tilapia: decrease cost of production by increasing efficiency and lowering costs of inputs; improve the tilapia value chain (Buckley 2017)
Sri Lanka, India, Japan	*Joint development of the Eastern Container Terminal at the Colombo Port	Physical infrastructure: port development	<ul style="list-style-type: none"> Inconclusive but may be affected by Gotabaya Rajapaksa's election and previous experience with the Hambanota port. Rajapaksa emphasises national security and ownership of strategic assets (<i>India Times</i> 2019; <i>The Straits Times</i> 2019)

UK, Brazil, African Union	Enhancing Effective Development Cooperation Between the UK, Brazil and Africa	Friendly, non-aligned foreign policy for Sri Lanka: recognising the standing of developed countries like the UK Helps maintain Sri Lanka's national sovereignty	<ul style="list-style-type: none"> • Importance of national contexts • Need for all three countries to have input from the beginning • Need to assess the partnership, to discuss challenges (Wilton Park 2016)
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*in progress, yet to be evaluated.

At a formal level, the trilateral cooperation can draw on current existing platforms. For instance, there is an ongoing project between the UNDP, Sri Lanka and China's Ministry of Commerce on the transfer of renewable energy technology to the small-medium enterprises in Sri Lanka to aid the country in reducing its greenhouse gas emissions (UNDP China 2020). China and the UK have also engaged in several trilateral projects, including in Africa and Asia (British Embassy Beijing 2017; Gu *et al.* 2017). Setting up successful trilateral platforms will involve learning from these experiences. Parties can leverage on existing partnerships, as well as documents such as the discussion paper released by UNDP (Han 2016) in reflection of trilateral cooperation with China to better anticipate and plan for challenges and to take advantage of opportunities.

Less official means of cooperation should also be encouraged, so as to facilitate mutual understanding. For example, exchanges between research and/or academic institutions, or through education programmes that currently exist between all three countries can help identify mutual concerns. Trilateral dialogues involving both the public and private sectors can be held around policy areas including the expansion of trade, sustainable development, poverty reduction, education, innovation and health. Research institutions can also collaborate and investigate Sri Lanka's model of development in comparison to other South Asian states: physical infrastructure development largely supported by China and overseas development aid that focus on international norms of governance as espoused by the UK.

Through project evaluations and secondary research, we found that the following were important issues that need to be considered in operationalising trilateral cooperation with Sri Lanka.

5.1.1 Key findings from Sri Lanka's trilateral involvement

5.1.1.1 Technology transfer cannot be guaranteed

Chinese technical assistance may not necessarily be adaptable to local contexts, for example in terms of scale, safety standards, energy source and logistical arrangements (Zhou 2018).

There needs to be a holistic focus on sectors: focusing on technology alone will lead to a fragmented approach to value chain improvements, leaving out the private sector, socioeconomic factors and the market (Buckley 2017).

Technologies also need to be suited to the target audience and national needs. They need to be able to attract investors, easily taken up by locals and sustainable in the long run (*ibid*). This necessitates a deeper understanding of the country at the national, local and community levels.

5.1.1.2 Coordination challenges need to be overcome

While South-South cooperation can contribute to a more horizontal relationship in comparison to traditional developmental aid approaches, the actual situation depends on the execution of the project. Firstly, China and the UK need to both commit to realising a more horizontal relationship with the third country (Zhou 2018). Secondly, disagreements over issues of financial management, management structure and compliance of regulations place funders in undeniable positions of power (*ibid*).

All three countries should have inputs from the inception of the project, all the way through to monitoring and evaluation to have true ownership of the project (Wilton Park 2016). This brings up challenges of institutional capacities, especially considering that development agencies may have a large number of projects to oversee. Having to come to consensus is also time-consuming: spaces for dialogue have to be created and partners have to be acutely aware of power relations.

5.1.1.3 Sri Lankan politics will greatly affect the implementation of development projects

Sri Lanka's national politics is a significant factor in determining the success of the partnership with the UK and China. The former Sirisena government had signed a deal with India and Japan to develop the Eastern Container Terminal at the Colombo Port trilaterally. However, the project has been inconclusive due to the change in administration (*India Times* 2019; *The Straits Times* 2019), which has traditionally leaned toward India and Japan's regional strategic opponent China. There are now several factors at play in determining the Sri Lankan's government willingness to work with China and the UK: the perception of the threat to national sovereignty/security, the danger of debt traps and the image of the incumbent government.

5.1.1.4 There is a need to continue to innovate to create better monitoring and evaluation mechanisms for trilateral cooperation

Monitoring and evaluation for trilateral cooperation can be tricky, particularly as 'the substantive value of each partner involved' is difficult to demonstrate (UNDP 2016: 13). Expected results such as mutual learning and technical support can also be difficult to measure. Current tools designed to evaluate North-South cooperation may be inadequate for evaluating South-South cooperation.

5.1.2 Transparency and accountability

For trilateral cooperation to be effective, all parties will have to commit to transparency and accountability. This may prove challenging, considering the need to coordinate three different bureaucracies which are all complex in their own ways and subject to politics of their time.

For example, data on Chinese engagements in Sri Lanka is difficult to obtain. While the Embassy of Sri Lanka in China has a website in which the main formal agreements between Sri Lanka and China have been listed, little information can be found regarding the specifics of each project. Consequently, information regarding Sri Lankan-Chinese engagements are supplemented by press releases in which politicians publicly commit to certain types of cooperation. However, even then, concrete strategies or plans are not announced. The contrasting claims regarding the responsibility of conducting environmental impact assessments, as well as the validity of the ones conducted, for example, were disputed in the Colombo Port City Project (Wang and Ye 2019: 493). In comparison to China, the UK

has been open and transparent about its relationship with Sri Lanka. All publicly funded projects are openly accessible on DFID's website, with links to partners and key documents uploaded.

Going forward, it will be important for collaboration between Sri Lanka, China and the UK to be open and transparent. Additionally, there needs to be clear chains of responsibility and accountability, with relevant documents made available to all stakeholders and the public, so as to avoid misunderstanding. Ideally, all documents should be translated into Sinhalese, Tamil, English and Mandarin. Official communications such as strategic meetings and dialogue need to be held periodically and documented.

5.2 Suggested areas of engagement

Here we suggest how trilateral cooperation can benefit Sri Lanka by expanding trade and investments, boosting tourism and facilitate knowledge transfer.

5.2.1 Expanding trade

Sri Lanka has a trade deficit with China, but a trade surplus with the UK. China and the UK are connected to Sri Lanka by a global supply chain of the apparel industry. Dominant Chinese imports to Sri Lanka include raw materials for the textile industry, which are transformed into apparel that is exported to the UK. China and the UK can work together to strengthen this supply chain. The UK can work with China and Sri Lanka and involve producers, manufacturers and businesses directly in the supply chain to streamline the process and potentially cut costs. To increase trade directly, the UK and China can also actively lower trade barriers with Sri Lanka. For example, the UK and China can market Sri Lanka as a nation of ethical manufacturers, highlighting their adoption of the International Labour Organization (ILO) Core Conventions. The UK can also draw upon its colonial ties with Sri Lanka, as well as Sri Lanka's position within the Commonwealth to encourage trade with the nation (Commonwealth Secretariat 2017). More importantly, the UK has to protect Sri Lanka's GSP+ position as it exits from the EU and look into trade agreements with Sri Lanka after the transition. China can also similarly draw on Sri Lanka's position in the BRI, as well as its historical relations (both cultural and political) to help Sri Lanka market its products to Chinese consumers. Sri Lanka can also look forward to continuing talks regarding an FTA with China.

5.2.2 Increasing and improving investment

China and the UK can work together to help Sri Lanka increase FDI inflows. Firstly, both countries can simplify the process of obtaining visas for Sri Lankan nationals to attend business-related conferences and/or for learning purposes (e.g. study visas, work visas). This will facilitate the ease of travel and make Sri Lanka more attractive to British and Chinese investors. Secondly, China and the UK can provide technical support to the Sri Lankan government to help improve their rating on indexes such as the *Doing Business* index, on which Sri Lanka currently ranks 99th, with a score of 61.8. Thirdly, the UK can market Sri Lanka as a gateway to Asia to its investors, in view of Brexit, while China can market Sri Lanka as a trading hub by drawing on its strategic geographic position in the One Belt One Road initiative. Fourthly, the UK can provide training support for companies investing in Sri Lanka, particularly in the textile and apparel industry, to upskill workers and develop greater human capital. China can also support companies investing in Sri Lanka to provide training opportunities for local Sri Lankan workers by creating programmes in collaboration with the Sri Lankan government. Finally, the UK and China can work together to ensure that infrastructural projects meet international standards and comply with environmental standards by providing their expertise on construction and biodiversity impacts. For example, research collaborations into impacts on the local community can be carried out. However, this will largely depend on cooperation from the Sri Lankan government, and a political willingness for inclusive economic growth.

5.2.3 Tourism

Currently, the Tourism Ministry of Sri Lanka has launched numerous publicity campaigns across China, trained people in Mandarin and started discussions with budget airlines to start direct flights between the two countries (*Xinhua* 2019a). The government of Sri Lanka also slashed airline prices following the Easter Sunday attacks last year to help attract British tourists (Wilson 2019). Additionally, the Sri Lanka Promotion Bureau has just begun a campaign promoting tourism internationally, and one of its first collaborations is with UK ITV, the 'oldest commercial British free-to-air television network' (Sri Lanka Tourism Promotion Bureau (SLTPB) 2020: np).

Both the UK and China can play important roles in boosting Sri Lanka's tourism industry. As mentioned, Chinese tourists are the second largest source market and biggest spenders for Sri Lanka. However, British tourists account for the third largest source market, albeit lagging behind in spending in comparison to Chinese tourists (SLTDA 2018: 21). China and the UK can assist Sri Lanka in expanding its tourism industry in a sustainable way. Sri Lanka is one of the world's 35 biodiversity hotspots, and both China and the UK have a stake in committing to environmental conservation in light of advancing global ecological

degradation. Both China and the UK can help provide expertise based on their experiences. Chinese residents have been increasingly concerned about the environment and China has managed to *green* major tourist destinations such as Hangzhou (Sutcliffe 2015). The UK has also funded a number of successful programmes including the Go Lakes Travel programme (Lake District National Park n.d.).

5.2.4 Knowledge-sharing

5.2.4.1 Technology

One of the ways in which Sri Lanka is seeking to increase productivity is to enhance the use of technology in agriculture to increase productivity. Sri Lanka can leverage on the UK-China Sustainable Agriculture Innovation Network and Knowledge Sharing and Mutual Learning Platform to draw on both countries' experience in agriculture innovation. China and the UK can help improve the level of productivity and value of agricultural products in Sri Lanka through the transfer of technology, sharing the technological know-how regarding the management of seed banks, the use of fertilisers and pest control for various crops.

5.2.4.2 Education

Another aspect of knowledge-sharing that UK and China can collaborate on would be in the education sector. As Sri Lanka attempts to expand its student intake in universities and vocational institutions, UK and China can step in to help identify the 'skills in demand in the 21st Century' (Rajapaksa 2019: 21). The UK and China can also contribute to research in pedagogy and help Sri Lanka better align its education standards with international norms. Furthermore, student and institutional exchanges as well as vocational internships can be encouraged between the three countries, to better create a workforce that is skilled at navigating global networks.

5.2.4.3 Social protection and inequality

China and the UK can also work together to share their experiences on social protection with Sri Lanka. Social protection programmes are the primary way in which the Sri Lankan government is seeking to reduce social inequality. The UK has an interest in promoting conflict prevention and reconciliation in Sri Lanka, while China has had a renewed interest in promoting social protection in the last decade in view of glaring social inequalities (Wang 2014: 163-164). China has much to contribute in terms of decreasing regional income disparities and bridging rural-urban inequalities. While social equality is not perfect in China,

the country has had much experience since the 2000s, with social security spending increasing from 5 per cent in 2000 to 10.5 per cent in 2012, rivalling that of Russia and Brazil (Wang 2014: 189). The UK, comparatively, has social protection policy experience, spending 17.5 per cent per capita more than the European average in 2014 (Office of National Statistics 2017: np). Furthermore, the UK also has direct experience in mediation, specifically in the Northern Ireland Peace Process (McAuley, McGlynn and Tonge 2008). The experiences of China and the UK can prove complementary to Sri Lanka as they represent differing extents of social protection and mediation in different political contexts, which may aid the Sri Lankan government in planning for the future and ease social ethnic tensions.

5.2.4.4 A more effective bureaucracy

Sri Lanka aims to manage its state-owned enterprises more efficiently and weed out corruption. China can share its experience of utilising state-owned enterprises to drive economic development. While Chinese state-owned enterprises have been used by the state to drive social change (Guluzade 2019), Sri Lanka and China share commonalities in the conviction that the public sector should not be privatised but yet should be market-oriented. China sharing its experience may help Sri Lankan leaders deal with the same dilemma. The UK can complement this effort by assisting Sri Lanka with achieving international standards of good governance, such as the Corruptions Perception Index. Being perceived to have a better government will elevate Sri Lanka’s international standing and possibly boost its capacity in determining its development path.

Considering both the challenges inherent in trilateral cooperation with Sri Lanka and the developmental experiences of the UK and China, we make the following recommendations for trilateral cooperation in Sri Lanka:

Table 5: Recommendations for trilateral cooperation with Sri Lanka

Thematic area	Contribution to national development priorities	Potential partners	Risks
Trade: streamlining global supply chain of the apparel industry, promoting	People-centred economic growth; takes advantage of comparative	DFID, Ministry of Commerce China	Need to convince all parties of benefits of securing a streamlined supply

<p>awareness of current Asia Pacific Trade Agreement concessions for specialty products like tea and coconut</p>	<p>advantage (Sri Lanka's niche and reputation for ratifying the ILO convention) and generates possibility for value-addition</p>	<p>Sri Lanka-China Business Council, UK private retail firms, Chinese suppliers, advertising firms in the UK, China and Sri Lanka, SMEs in the three countries</p>	<p>chain. This cooperation is susceptible to competition from other countries in terms of quality and price</p> <p>APTA concessionary products will still be in competition with other global substitutes; dependent on world prices</p>
<p>Trade: The UK and China can mediate between South Asian countries and help increase intra-regional trade</p>	<p>People-centred economic growth. Increase export revenue</p> <p>Enrichment of the BRI, potentially increases overall trade. Elevates Sri Lanka's position in South Asia by leveraging its Commonwealth membership and ties with the UK</p>	<p>DFID, Ministry of Commerce China</p>	<p>Region's preference for import substitution policies (Kathuria 2018)</p> <p>Mediation can be seen as foreign interference</p>

<p>Investment: simplify visa processes for business and study; invest in human capital</p>	<p>People-centric economic development; complements the Business Revival Programme</p> <p>A productive citizenry and vibrant human resource: exchanges can facilitate knowledge transfer in technical skills and also soft skills in cooperation</p>	<p>UK Home Office, Ministry of Public Security China</p> <p>Education institutions and commercial firms from the UK, Sri Lanka and China</p>	<p>Needs to be complemented by a stable political environment in Sri Lanka, as well as Sri Lankan entrepreneurial spirit</p> <p>Possibility of brain drain from Sri Lanka to the UK and China in the long run</p>
<p>Investment in infrastructure: ease of doing business, meeting international standards</p>	<p>Physical resources, connectivity. Better infrastructure can boost tourism, increase agricultural productivity in relation to transport, help Sri Lankan ports become logistical hubs</p> <p>Sustainable environmental management: infrastructure projects need to keep in mind environmental impacts and effects on local communities</p>	<p>Chinese firms involved in the BRI, Chinese state-owned enterprises, the Asian Infrastructure Investment Bank, the Sri Lankan government, the UK Department for Environment, Food and Rural Affairs, the UK Infrastructure and Projects Authority, local communities in Sri Lanka</p>	<p>Perceptions of 'debt-trap diplomacy'. Projects identified may not be fiscally or practically sustainable. Truly participatory approaches that involve the local communities in Sri Lanka will also make execution more difficult</p>

<p>Ecotourism: leveraging on Sri Lanka's natural landscape</p>	<p>People-centric economic development: developing the economy, involving local communities and focusing on sustainability</p> <p>Values based society: possibility of promoting indigenous ways of living including products such as herbal remedies</p>	<p>UK Department for Environment, Food and Rural Affairs, Chinese Ministry of Environmental Protection, Sri Lanka Ecotourism Foundation</p> <p>Research institutions from the UK, Sri Lanka and China, e.g. The Travel Foundation, Asia Pacific Computer Emergency Response Team, Pacific Asia Travel Association</p>	<p>Creating greater social inequality or social unrest by prioritising one geographic area over another. Sustainable tourism can cause greater damage to the environment if implemented badly. Global dynamics such as financial crises and the ongoing COVID-19 epidemic will dampen the tourism sector nonetheless</p>
<p>Technology: Agriculture</p>	<p>Technology-based society: increased productivity through the use of biotechnology</p> <p>People-centric economic development: making farming an attractive profession, expanding export markets and increasing export revenue, contributing to GDP growth, eliminating seasonal</p>	<p>FAO, UK-China Sustainable Agriculture Innovation Network and Knowledge Sharing and Mutual Learning Platform, The Joint UK-China Centre for the Sustainable Intensification of Agriculture</p> <p>Sri Lankan Ministry of Agriculture, the China National Agriculture Wholesale Market Association, DEFRA,</p>	<p>Technologies will have to be adapted to Sri Lankan's agricultural landscape. Knowledge sharing may take a longer time than expected as a learning curve can be anticipated. Cultural perceptions of farming as a profession will take time to change. The Sri Lankan may need to adopt protectionist</p>

	<p>poverty, opportunities for technical cooperation and knowledge transfer</p> <p>Sustainable environmental management: environmentally friendly agricultural practices</p>	<p>Chinese Ministry of Agriculture and Rural Affairs</p> <p>Research institutions from the UK, Sri Lanka and China e.g. Biotechnology and Biological Sciences Research Council, LCIRAH, Rothamsted Research, Chinese Academy of Agricultural Sciences, Hector Kobbekaduwa Agrarian Research and Training Institute, Tea Research Institute of Sri Lanka, etc.</p>	<p>measures for agricultural products in the short-term, increasing the burden on the country's balance of payments temporarily. Protectionist measures (especially when implemented or a long time and without complementary measures) may lead the agriculture industry to be less competitive, stifling innovation and productivity in the long run</p>
<p>Technology: security</p>	<p>National security: cybersecurity, terrorism, drug trafficking, ICT support for personnel</p> <p>Technology based society: through ICT support, training, and sharing expertise on legislating for data protection,</p>	<p>China-UK High Level Security Dialogue</p> <p>Sri Lanka Ministry of Digital Infrastructure and Information Security, UK National Cyber Security Centre, China Ministry of State Security</p> <p>Private technology firms in the UK, China</p>	<p>Perception of foreign interference (e.g. US and UK's perception of Huawei 5G—spy technology from China, previous allegations of cybergroup APT 10 acting on behalf of the Chinese state targeting commercial firms in Europe, Asia and</p>

	cybersecurity and intellectual property rights	and Sri Lanka e.g. Xiaomi, Huawei, Virtusa, 99X Technology, EY, Clearswift	the US). China can however provide assistance in less controversial areas, for example providing training on the use of ICT and the UK can share knowledge on legislation Needs to be complemented with infrastructure provisions
Education: training, formal schooling, youth participation, health	A productive citizenry and vibrant human resource: infrastructure and technology to be provided to needy rural schools, reformation of curriculum, skill alignment with job markets, increase university capacities, reduce stress, eradicate ragging	China's BRI project for infrastructure investments, British Council, UK FCO (Chevening Scholarships), Sri Lanka-China Business Council Research institutions on pedagogy and on global market needs in all three countries Businesses in Sri Lanka, China and the UK (corporate social responsibility programs) e.g.	The UK and China can support the Sri Lankan government, but implementation will depend largely on Sri Lanka's institutional capacities. The need to prioritise (due to funding, capacities, etc) may lead to a less holistic transformative approach, focusing on some areas and neglecting others

		Huawei's Seeds for the Future	
Health: education, service delivery, improving patient care, building public fitness facilities	A productive citizenry and vibrant human resource: shifting to preventative care, upgrading hospital infrastructure, reducing waiting lists, modernising indigenous health systems, sporting events for youth, upholding the UN Convention on the Rights of the Child (UNCRC) and address child undernutrition, training personnel	China's BRI project for infrastructure investments, Fleming Fund Experience sharing from the UK on health systems; expertise on nutrition programmes in other countries; support for endorsement of the UNCRC	Sri Lanka's fiscal management strategy need to be sound or the country may risk falling into a debt trap Lack of availability of health system provision for indigenous and rural groups may deepen existing social inequalities
Reconciliation and social inequality: women, differently abled, right to practise religion without fear, social protection for the poor	A productive citizenry and vibrant human resource: increasing productivity of workforce by including disadvantaged groups, provisions for the less able and	Funding and bureaucratic coordination: Conflict, Stability and Security Fund, FCO, Chinese Ministry of Civil Affairs, Chinese National Health Commission	There is a need to respect knowledges and ensure that the Sri Lankan perspective is not invalidated. Questions also remain regarding the transferability of knowledge to

	<p>elderly to live with dignity through welfare programmes</p> <p>Disciplined, law abiding and values based society: Buddhism first and foremost but in coexistence with other religion, rule of law, freedom of speech and publication, conservation of historical heritage, social protection and welfare to address social inequality</p> <p>A new constitution that fulfils the wishes of the people: establishment of an Inter-Religious Advisory Council to resolve minor tensions between religious and ethnic groups before they grow, bridging the communication gap by making students learn Sinhalese and Tamil</p>	<p>Knowledge sharing: NHS, UK National Trust, research institutions</p> <p>China and the UK to share experiences of conflict mediation: experiences in Syria, Israel-Palestine, Bangladesh-Myanmar, etc. UK to also share own experience on peace process in Northern Ireland</p>	<p>different national contexts</p> <p>Reconciliation efforts may be quite superficial as the Sri Lankan government has conflated the cause with social inequality. Historical tensions may not be resolved and may persist or evolve when appearance does not match reality</p>
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<p>Governance: Democratic governance, corruption and bureaucratic efficiency</p>	<p>A new constitution that fulfils the wishes of the people: appointment on the basis of meritocracy, removal of bureaucratic <i>red tape</i>, restructuring to meet the SDGs, curbing election related expenditure</p> <p>A productive citizenry and vibrant human resource: youth participation in politics to be encouraged, education to be unified under one ministry</p> <p>Disciplined, law abiding and values based society: government to protect and not challenge the rule of law</p>	<p>UNDP, FCO, China State Commission Office</p> <p>Non-governmental Organisations (NGOs) such as UK Youth and British Youth Council, Ministry of Education</p> <p>China on centralising education</p>	<p>Bureaucratic inefficiency and corruption may manifest themselves differently or even serve different functions in the varying contexts</p> <p>It is difficult for China and the UK to interfere in Sri Lankan's national politics and to hold the Sri Lankan government accountable for their promises</p>
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6 Conclusion

This report focused on how the UK and China can help Sri Lanka attain its national development priorities. While all three countries have committed to the 2030 Sustainable Development Goals, national interests take precedence over the political commitment to mitigate against the effects of climate change and other key global issues. Rather, what is common for the three states is a converging perspective of development as economic growth driven through infrastructure and capacity building. The report first laid out the developmental challenges faced by Sri Lanka and its national aspirations for development. Then, we mapped out political and economic relations between Sri Lanka and the two countries; China and the UK. We suggested areas in which cooperation can be deepened by examining current engagement patterns. Finally, we proposed ways of engaging in trilateral cooperation, of which Sri Lanka is a relatively new participant of.

Sri Lanka is uniquely poised for economic development. Its strategic position and strong human development indicators despite years of conflict place it in a good position for economic growth. However, while China and the UK can play important roles in the national development of Sri Lanka, what remains the most crucial factor is political stability and the Sri Lankan government's willingness to move towards inclusive growth. Although China and the UK take a shared interest in increasing trade, investment and prioritising inclusive economic growth, the UK will not promote those priorities at the expense of human rights. That the UK's moral force contrasts with Chinese pragmatism and a hands-off approach that prioritises non-interference in sovereign affairs may mean tensions in certain aspects of China-UK cooperation in Sri Lanka.

While trilateral cooperation is expected to expand with the rise of Southern actors such as China and the growing convergence of interests around trade and infrastructure development, it is still a rather new initiative. We will need further research and evaluation as more countries participate, and perhaps pioneer different variations of trilateral cooperation.

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