



## India- Srilanka Bilateral Meeting

**For Prelims:** Unitary Digital Identity framework, Aadhaar, Sri Lanka's economic crisis, East Coast Terminal project., Currency Swap, Line of Credit, Neighbourhood First policy.

**For Mains:** Effect of Policies & Politics of Countries on India's Interests, India and its Neighbourhood, India-Sri Lanka Relations and Way Forward.

### Why in News?

Recently, in a bilateral meeting **India has agreed to provide a grant to Sri Lanka to implement a 'Unitary Digital Identity framework'**, apparently **modelled on the [Aadhaar card](#)**.

- Both sides also discussed the fishermen's issue and India provided financial assistance of **2.4 billion USD to Sri Lanka**.
- Earlier, India and Sri Lanka agreed to a **[four-pronged approach](#)** to discuss initiatives on food and energy security to help mitigate **[Sri Lanka's economic crisis](#)**.



### What is the Unitary Digital Identity framework?

- **About:**
  - It is **similar to India's own Aadhaar** and under the proposed Unitary Digital Identity framework, Sri Lanka is **expected to introduce a:**
    - Personal identity **verification device based on biometric data**

- **Digital tool** that can represent the identities of individuals in cyberspace and
- **Identification of individual identities** that can be accurately verified in digital and physical environments by combining the two devices

- **Previous Attempts:**

- This is not the first time that Sri Lanka is attempting to digitise its citizens' identities. Just a few years ago from 2015 to 2019, the Sri Lankan government mooted a similar **Electronic-National Identity Card — or E-NIC** —that privacy advocates opposed on grounds that the state would have full access to citizens' personal data in a central database.
- Government also **tried initiating the project as early as 2011**. Neither project was implemented.

## What is the Recent Economic Support that India is Providing to Sri Lanka?

- Beginning January 2022, **India has been providing crucial economic support** to the island nation in the grip of a **severe dollar crisis** that, many fear, might lead to a sovereign default, and a severe shortage of essentials in the **import-reliant country**.
- The relief extended by India from the beginning of this year totals over USD 1.4 billion —a USD 400 **currency swap**, a USD 500 loan deferment and a USD 500 **Line of Credit** for fuel imports.
- Sri Lanka is **further negotiating a USD 1 billion assistance from India to help** the country as it faces an unprecedented economic crisis.

## What was India's Stand on Bilateral Relations?

- Expediently **take forward mutually beneficial projects**", which include:
  - Proposals to enhance air and sea connectivity between India and Sri Lanka
  - Economic and investment initiative
  - Steps to enhance Sri Lanka's energy security
  - Keeping the neighbours' **"shared maritime domain safe from various contemporary threats"**, and cooperation in combating **Covid-19 pandemic**.

## What are Some Major Issues in India-Sri Lanka Relations?

- **Killing of Fisherman:**
  - Killing of Indian fishermen by the Sri Lankan Navy is a lingering issue between these two nations.
  - In 2019 and 2020, a total of 284 **Indian fishermen were arrested** and a total of 53 Indian boats were confiscated by the Sri Lankan authorities.
    - In the current meeting both the countries **discussed the Palk Bay fisheries conflict and reiterated the longstanding consensus** to handle fishermen issues through **"humanitarian approach and refrain from the use of violence"**.
- **East Coast Terminal project:**
  - This year (2021) Sri Lanka cancelled an MoU signed with India and Japan for the **East Coast Terminal project**.
  - India protested the cancellation though it later agreed to the West Coast Terminal being developed by the Adani group.
- **Influence of China:**
  - China's rapidly growing economic footprint (and political clout as a corollary) in Sri Lanka is straining India-Sri Lanka relations.
  - China is already the largest investor in Sri Lanka, accounting for 23.6% of the total **Foreign Direct Investment (FDI)** during 2010-2019 as against 10.4% from India.
  - China is also one of the largest export destinations for Sri Lankan goods and holds over 10% of its external debt.
- **13<sup>th</sup> Amendment of the Sri Lankan Constitution:**
  - It envisages devolution of necessary powers to the provincial councils to address the just demand of the Tamil people for equality, justice, peace, and respect within a united Sri Lanka.

## What should be the Way Forward for India?

- A subterranean trust deficit exists between India and Sri Lanka yet **neither Sri Lanka nor India can afford to have strained ties.**
- However, as a much larger country, **the onus is on India to carry Sri Lanka along.** India needs to be extremely patient and avoid reacting to any pinpricks and engage Sri Lanka even more regularly and closely, especially at the highest levels.
- There is a **need to step up our people-centric developmental activities** while scrupulously staying clear of any interference in Colombo's domestic affairs.
- Nurturing the **Neighbourhood First policy** with Sri Lanka is important for India to preserve its strategic interests in the Indian Ocean region.

**Source: TH**

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