

Role of the Colombo Port City in the Development of the Sustainable Blue Economy Concept in Sri Lanka: Lessons from the European Union

M.J.M. Udara Priyanjana Jayawardana

Legal Draftsman's Department of Sri Lanka. udarapriyanjana@gmail.com

1. Introduction

The ports and shipping lanes have long provided the platform for political and trading empires, where the collaboration between political and economic forces has been governed by the political leadership at the time. As a result, majority of port cities are metropolises. World-class port cities oversee a vast network, serve as cultural hubs, and pioneer new cultural, political, economic, and social practices. Therefore, port city concepts around the world are currently following a new and narrow path. Port cities continue to produce innovative architecture and urban planning while also manifesting the spatial impact of globalisation. Consequently, new projects in port cities are often complex.

On September 17, 2014, the Colombo Port City Project made its debut. This development project has contributed remarkably to the GDP by generating a number of employment opportunities and attracting foreign direct investments to the country. However, it has faced scrutiny for its procedural aspects and it remains to be seen whether the Port City Project can achieve sustainable development and positively impact the Sri Lankan economy within the framework of the sustainable blue economy. It can be noted that there is uncertainty about the project's ability to achieve sustainable growth and contribute to the Sri Lankan economy within the Sustainable Blue Economy. The Sustainable Blue Economy Concept has been well developed in the European region, and smart green ports are popular and have been successful in some member states. Sri Lanka, a developing island nation along the historic silk route, should prioritize the adoption of the sustainable blue economy concept through the PCP for sustainable growth.

This paper aims to analyse the growth of the Coastal and Marine Conservation and Protection (CPCP) program by addressing the current deficiencies in the context of the Sustainable Blue Economy Concept. It also investigates whether the program effectively contributes to Sri Lanka's sustainable development objectives. Furthermore, this research aims to analyze the future obstacles faced by the Colombo PCP and propose strategies to overcome these issues through the implementation of the Sustainable Blue Economy concept and advanced technology.

2. Methodology

The qualitative research method, which is based on primarily legal sources such as the Constitution of The Democratic Socialist Republic of Sri Lanka, national legislations particularly the Colombo Port City Economic Commission Act, No. 11 of 2021, The Sri Lanka Sustainable Development Act, No. 19 of 2017, The Marine Pollution Prevention Act, No 35 of 2008, The Sri Lanka Ports Authority Act, No. 51 of 1979, Superior Courts Judgments including the determination of the Supreme Court on the Colombo Port City Economic Commission Bill, international legal instruments such as the EU strategy for cooperation in the Indo-Pacific (Hereafter referred to as "EU strategy") and commission reports published by the EU Parliament and secondary legal sources such as scholarly books, journal articles, newspaper

articles, technical reports published by the Central Bank of Sri Lanka and other relevant government institutions and non-government institutions, and academic webinars available in social media has been used in this research.

3. Results and Discussion

The Sri Lankan government is looking at the Hambantota Port and Colombo Port City projects, which are believed to be the two primary ones. The government plans to foster foreign direct investment and support growth, which will also benefit from various reforms. It can be pointed out that due to the Covid-19 disease situation that Global and Sri Lanka are facing, Sri Lanka has lost the opportunity to get a proper approach when it lost its other incomes.

This season marked Sri Lanka's recovery from the aftermath of the Easter attack. The government decided to pay off the debt while focusing less on the country's foreign reserves. The government decided not to restructure the country's debt at the first opportunity. This decision clearly failed to prevent the country from falling into a debt trap. These projects were unable to achieve the expected economic revival in Sri Lanka due to the epidemic situation. The government aimed to achieve rapid international direct investment by giving the Colombo Port City Project a new face and constitutionally bringing it under a different framework. One of the primary challenges in the Colombo Port City Project is the ineffectiveness of the environmental impact assessment and the absence of any social impact assessment. One of the main pillars of the Sustainable Blue Economy is creating employment opportunities and contributing to economic development while minimizing its impact on the environment. However, the Colombo Port City Project has made a huge impact on the marine environment and marine ecosystems in coastal waters in Sri Lanka. The reclamation process caused erosion in the southern coastal areas of the country, which are popular tourist destinations. Despite generating thousands of job opportunities and significantly boosting Sri Lanka's economy, the environmental impact of the Port City project has negatively impacted the traditional and small-scale fisheries communities in the southern part of the island. Archaeological impact assessment that has been done for the Colombo Port City Project and approved by the competent authorities, the failure of such a project is shown by the recovery of the Dutch-era cannon at the reclamation time period. Considering the aforementioned environmental and archaeological impacts, it is a well-established fact that the Colombo Port City Project has not met the requirements set by the Sustainable Blue Economy concept.

The challenges posed by regional ports like Chittagong in Bangladesh, Visakhapatnam and Mumbai in India, and Singapore port should also be taken into account. Sri Lanka is situated in the heart of the ancient Silk Road, and the Colombo Port has played a significant role since ancient times. China's One Belt, One Road Program has immensely influenced not only the Colombo Port City Project but also the Indian Ocean Maritime Trade Governance. Hence, it can be identified that there may be future Chinese dominance in the Indian Ocean through this port city project. According to Sindaerpal Sing, Chinese governance in the Indian Ocean could pose a threat to the Sustainable Blue Economy concept's goals, as well as to the security and regional coordination among the countries in the Indian Ocean region. Since China has acquired the Colombo Port City Project, it has created a number of geopolitical issues in the South Asian region.

Implementation of the recommendations and commitments in the priority areas prescribed by the European Union's strategy on Cooperation in the Indo-Pacific is crucial not only for the achievement of goals in the Sustainable Blue Economy but also for the clear vision for the Colombo Port City in future economic activities in South Asia. According to Frederick Kliem, *"the EU strategy provides an alternative way to conceive of regional relations, seeing it neither as inherently anti- nor pro-China."* Most of the goals set by this strategy focus on sustainable green transactions and ocean governance. Thus, the Port City area must introduce a green transaction system and develop an investor-friendly legal mechanism.

Despite its origins in Hamburg in 2012, the Smart Port City Concept later underwent moderation in accordance with the Sustainable Development Principles. Expansion of international trade by sea and environmental and sociological challenges led to the innovation of this smart port city concept. It can be identified that the Smart Green Port Concept is more popular in Norway. Private companies and municipal councils own the majority of these Smart Green Ports. The most important factor is that these Norwegian municipalities and ports collect levies and charges according to the environmental performances. The Norwegian Harbour Act 2020 establishes the legal framework for this significant action, which aligns with the sustainable blue economy concept. This levying system has significantly influenced the environmentally friendly and sustainable Port City activities in the Norwegian territory, as the sea handles 90% of total imports and exports. In 2019, the Norwegian government, taking into account the development of modern technology, environmentally friendly maritime activities, and supply chain management, made significant strides in implementing the Smart Green Port concept, which stands as the most successful example in the modern maritime trade world. This concept can be highlighted as the practical implementation of the Sustainable Blue Economy Concept.

4. Conclusion

The Colombo Port City Project is the largest Chinese owned investment project in Sri Lanka. The ancient and modern silk routes intersect at Colombo Port City. At the outset, having considered the geo-economic advantages of the Port City, Sri Lanka shall take necessary actions to attract investors based on the Sustainable Blue Economy Concepts developed by the European Union. Specifically, it is hereby recommended to develop the Colombo Port City Project in line with the directions given in the EU Strategy on Cooperation in the Indo-Pacific and the EU Sustainable Blue Economy Concept. Secondly, getting the advantages of artificial intelligence and modern technological development and implementing the developments in the Green Smart Port City concept in Norway, the Colombo Port City Project structure must be moderated to meet the demands of the modern maritime and sea trade world. Thirdly, it must be recommended that the rule of law and neutral alternative dispute resolution system be mandatory for the attraction of the investors into Colombo Port City and the achievement of the sustainable development goals through this massive investment project. Implementation of principles of SDG 14 under the Sri Lanka Sustainable Development Act, No. 19 of 2017, which provides for the development and implementation of a national policy and strategy on sustainable development in Sri Lanka. Additionally, implementation and further amending the Marine Pollution Prevention Act, No. 35 of 2008, and bringing the necessary amendments to the Sri Lanka Ports Authority Act, No. 51 of 1979, are highly recommended in order to launch the smart green port city concept in line with the sustainable blue economy concept in Sri Lanka. Finally, the Colombo Port City Project can be converted into a treasure for the

rehabilitation of the Sri Lankan economy when the Sri Lankan government prepares a policy based on the EU Sustainable Development Plan and how China develops Shenzhen City located nearby Hong Kong.

5. Key words

Colombo Port City, Sustainable Blue Economy Concept, Sustainable Development Goals (SDG), Legal and Policy Analysis

6. References

- Carvalhais, I. (2022), Toward a sustainable blue economy in the EU: the role of the fisheries and aquaculture sectors. European Parliament. Scholar, F. (2020), *The Blue Economy*, EPRS, European Parliamentary Research Service (p. I).
- Clark, P. (2013), *The Oxford Handbook of Cities in World History*. Oxford University Press, USA.
- Frederick, K. (2022), *The EU Strategy on Cooperation in the Indo-Pacific: A Meaningful Regional Complement*, Christian Echele, Jan Kliem (Eds) *European Strategic Approaches to the Indo-Pacific*, Konrad-Adenauer-Stiftung, Singapore.
- Johnson, K., Dalton, G., & Masters, I. (2018), *Building Industries at Sea: 'Blue Growth' and the New Maritime Economy*. River Publishers Series in Renewable Energy. River Publishers.
- López-Bermúdez, B., Freire-Seoane, M. J., Pais-Montes, C., & Lesta-Casal, E. (2020), *Port-City Development: The Spanish Case*. *Transactions on Maritime Science*, 82–89.
- Margaras, V., (2020), *The Blue Economy: Overview and EU policy framework*, European Union.
- Ranasinghe, D., (2017). *Strategic Importance of Blue Economy to Sri Lanka and Challenges*. General Sir John Kotelawala Defence University International Conference, Sri Lanka.