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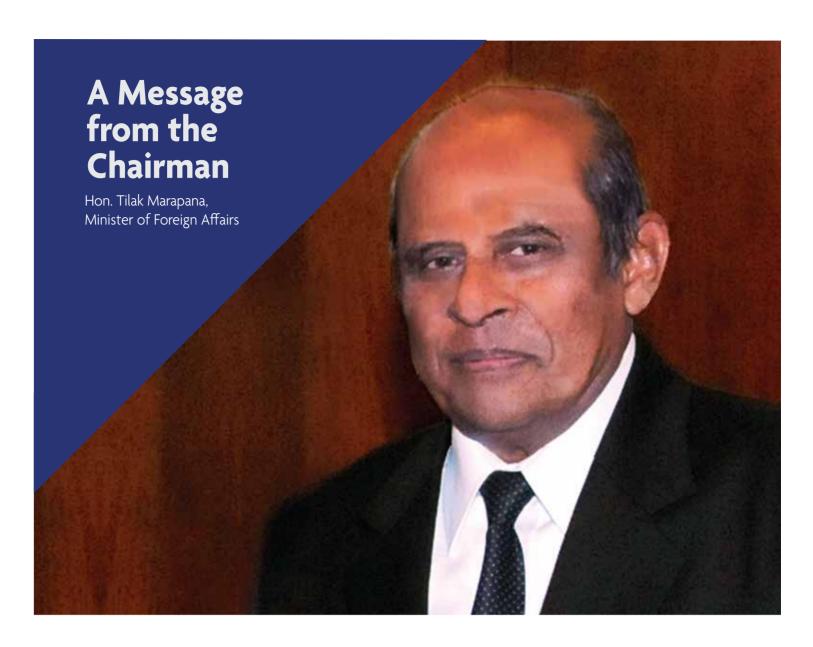
People expect ... all of us to put our heads together and hammer out a compromise ... we must seek to bring ourselves back on to the rails of decent conduct, of understanding, of sympathy and respect for each other.

Our Mission

To engage in independent research of Sri Lanka's international relations and strategic interests, and to provide insights and recommendations that advance justice, peace, prosperity, and sustainability.

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The year 2018 marked the successful culmination of the first stage of the redevelopment of the Lakshman Kadirgamar Institute of International Relations and Strategic Studies (LKI). Since adopting a three-year strategic plan in 2016, the progress towards its key objectives has been exponential and 2018 was no exception. The breadth and depth of the Institute's research has increased significantly, and it is increasingly recognised both locally and internationally as the focal point for knowledge of Sri Lanka's international relations.

LKI has also matured into a key actor in Sri Lanka's foreign policy. It played a crucial role in supporting the Government of Sri Lanka to convene a landmark Track 1.5 dialogue entitled 'The Indian Ocean: Defining Our Future' in October 2018, which brought together Indian Ocean littoral states, as well as major maritime users of the ocean, to seek a shared understanding on the common challenges they face. In addition, the Institute collaborated with the Ministry of Foreign Affairs and the Bandaranaike International Diplomatic Training Institute (BIDTI) to host a dialogue in 2018 that brought together mid-career diplomats from around the world to discuss Sri Lanka's foreign policy and its recent focus on economic diplomacy.

As we look towards building on the impressive progress of LKI since 2015, I am indebted to the Board of Management for its invaluable support in guiding the evolution of the Institute, as well as to the staff and researchers for their dedication to fulfilling its objectives. I also wish to express our gratitude to the many supporters of LKI, whose contributions make its work possible, and to the Institute's global network of partners for their continued collaboration. I look forward to seeing LKI continue to grow in its mission of promoting justice, peace, prosperity and sustainability, both in Sri Lanka and beyond.



The year 2018 was a year of growth and transition at LKI. The Institute saw changes in leadership and an upward trend in various quantitative and qualitative indicators.

I would like to thank Dr. Dinusha Panditaratne, the former Executive Director, and current Nonresident Fellow, for her steadfast leadership in building up LKI, collegiality and continued support to all of us. I am also most grateful to the Chairman and the Board of Management of LKI for their guidance since I took over LKI in August 2018.

As a leading foreign policy think tank in Sri Lanka, LKI is uniquely well-placed to respond to the evolving challenges in the global economy, global law, security, and diplomacy. Our team of highly-skilled global experts are working together across diverse disciplines to help chart a course for Sri Lanka's foreign policy in these increasingly turbulent times. They are supported by efficient administration and communication teams.

In 2018, LKI was featured for the third year running in University of Pennsylvania's Global Go To Think Tank Index, in the category of Top Foreign Policy and International Affairs Think Tanks in the world, cementing its position as a hub for knowledge and discussion of international relations in Sri Lanka. Being present in public debates is a cornerstone of our strategy, and we've accomplished this through our publications, policy dialogues, external speaking engagements, blog, social media, and press outreach.

One of the highlights of 2018 was that the Institute produced over 49 research publications—including a major study on the Indian Ocean economy—of different types aimed at conveying evidence-based research and innovative policy solutions to the public and to policymakers. Through LKI's policy dialogues, we convened several renowned speakers including policymakers, diplomats, academics, representatives of the Ministry of Foreign Affairs (MFA), local and international Parliamentarians, members of international and national organisations, the private sector, and the media.

Another highlight was a deepening of the partnership with the Government of Sri Lanka, particularly the MFA. LKI was fortunate to be a part of two landmark events this year; a two-day Track 1.5 dialogue titled 'The Indian Ocean: Defining Our Future' with the Government of Sri Lanka (including the Prime Minister's Office and the MFA

in collaboration with the United Nations Office on Drugs and Crime (UNODC) on 11-12 October 2018; and a two-week Sri Lanka Foreign Policy and Economic Diplomacy Dialogue 2018 co-hosted with the MFA, and Bandaranai-ke International Diplomatic Training Institute (BIDTI) on 15-27 October 2018.

Subsequently, we co-produced two key publications, Navigating Challenges and Prospects in the Indian Ocean: Towards a Shared Understanding 2019 and the Summary of the Economic Diplomacy Programme 2018. These are being widely disseminated through the LKI website and social media.

Furthermore, late 2018 saw the launch of a major academic study on Chinese outbound investment and the Belt and Road Initiative (BRI) at LKI, in partnership with the world-renowned think tank, Chatham House, UK.

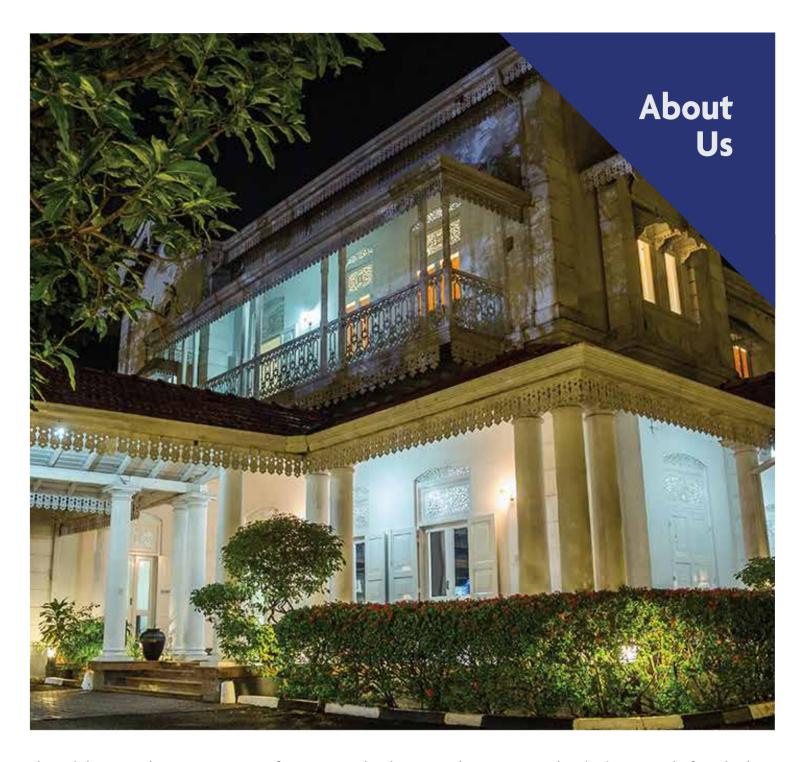
Our experts have also contributed to LKI's global outreach efforts by representing the Institute at events in Sri Lanka and abroad including, India, UK, Australia, Japan, China, Nepal, Singapore, Malaysia and Bangladesh.

With a renewed vision, an efficient administrative infrastructure, a skilled communications team, partnerships with the local and international research community, and the generous assistance of our supporters, LKI will work to further its mission of providing insights and recommendations that advance justice, peace, prosperity, and sustainability.

Our team of experts will continue to produce evidence-based, innovative policy recommendations that are informed by an in-depth analysis of the various technological, economic, security, and political drivers to address the challenges posed by the 21st century and beyond.

We will continue to invest in the next generation of thought leaders in international affairs through customised training for the new batch of recruits at the Ministry of Foreign Affairs, and the LKI Next programme which engages young Sri Lankans and Overseas Sri Lankans (OSL) to support their contribution to Sri Lanka's international relations landscape.

Dr. Ganeshan Wignaraja Executive Director, LKI



The Lakshman Kadirgamar Institute of International Relations and Strategic Studies (LKI) is named after the late Lakshman Kadirgamar, P.C., M.P., and three-time Sri Lankan Foreign Minister. The Institute is the realisation of a goal actively pursued by the late Minister, to fulfil the country's need for a think tank. The Institute also reflects Minister Kadirgamar's vision for Sri Lanka, by promoting the country's intellectual profile in the field of foreign policy research and engagement.

The predecessor to the Lakshman Kadirgamar Institute of International Relations and Strategic Studies is the Sri Lanka Institute of Strategic Studies, which was established under the Sri Lanka Institute of Strategic Studies Act, No. 45 of 2000. The Sri Lanka Institute of Strategic Studies was renamed in 2006 in memory of the late Hon. Lakshman Kadirgamar, pursuant to the Sri Lanka Institute of Strategic Studies (Amendment) Act, No. 32 of 2006.

Housed at 'The Lighthouse,' LKI occupies a building steeped in contemporary Sri Lankan history, having been built in the early 20th century by Mr. D. D. Peiris, a tea planter, in Cinnamon Gardens. It fuses Sri Lankan and Colonial architecture. He donated the premises to the British Board of Trade in 1933. The premises housed the Imperial Lighthouse Service of Ceylon and Minicoy until 1976, when the building came under the Sri Lankan Navy. It has been with the Ministry of Foreign Affairs since 1977. It was the official residence of Foreign Ministers General Ranjan Wijeratne (1989-1991) and the Hon. A. C. S. Hameed (1993-1994).

Board of Management

Chaired by the incumbent Foreign Minister of Sri Lanka, the Board of Management comprises distinguished persons from civil society, the media, law, and the private sector.



Mr. Azam Bakeer Markar, Assistant Vice President, Business Development and Head of Sustainability, Aitken Spence Plc February 2015 to May 2019



Mr. Nisthar Cassim Editor, Daily Financial Times March 2019 to Present



Dr. Radhika Coomaraswamy, Under-Secretary-General of the United Nations, Special Representative for Children and Armed Conflict February 2015 to February 2018 March 2019 to Present



Mrs. Suganthie Kadirgamar, Senior Partner, Valoremjuris Attorneys-At-Law *Life Member*



Prof. Nayani Melegoda, Dean, Faculty of Graduate Studies, University of Colombo July 2017 to Present



Major General (Retd) Milinda Peiris Chief Executive Officer, Saegis Campus, and former Chief of Staff of the Sri Lanka Army March 2019 to Present



Ms. Sandya Salgado, Senior External Affairs Officer, World Bank Sri Lanka July 2017 to March 2019



Dr. Paikiasothy Saravanamuttu, Founding Executive Director, Centre for Policy Alternatives February 2015 to February 2018 March 2019 to Present



Mrs. Chitranganee Wagiswara Former Foreign Secretary, Ministry of Foreign Affairs March 2019 to Present



Highlights of 2018



Produced 49 research publications (an increase from 38 in 2017) aimed at conveying evidence-based research and innovative policy solutions to the public and to policymakers.

Co-hosted a two-day Track 1.5 dialogue titled 'The Indian Ocean: Defining Our Future' with the Government of Sri Lanka, in collaboration with the Global Maritime Crimes Programme of the United Nations Office on Drugs and Crime (UNODC).





Co-organised the Sri Lanka Foreign Policy and Economic Diplomacy Dialogue 2018, with the Ministry of Foreign Affairs.

Signed a Memorandum of Understanding (MoU) with the University of Southampton to facilitate exchanges of experts and research.





Appointed LKI's first Research Director for the Global Governance Programme, and two Nonresident Fellows to work with LKI's Research team to provide insights on a range of foreign policy issues.

LKI researchers presented their research at international and local universities.





Hosted and developed relationships with global think tanks, including launching a major academic study on Chinese outbound investment and the Belt and Road Initiative (BRI), in partnership with Chatham House, UK.

Highlights of 2018



Boosted LKI's local and international media footprint with 100+ media mentions throughout the year, and received over 80,000 unique visitors to LKI's website.

Secured private sector funding amounting to over LKR 7.8 million, which was crucial in enabling cutting edge research on emerging international issues and helping cost recovery.





Featured for the third time on University of Pennsylvania's Global Go To Think Tank Index in the category of Top Foreign Policy and International Affairs Think Tanks.

Produced two key publications in partnership with the Ministry of Foreign Affairs - 'Summary of the Economic Diplomacy Programme 2018' and 'Navigating Challenges and Prospects in the Indian Ocean: Towards a Shared Understanding.'





Increased LKI's engagement with youth, including Overseas Sri Lankans (OSLs), to support and grow their contributions to Sri Lanka via our internship programme.

Convened policymakers, diplomats, academics, NGOs, UN agencies, parliamentarians, the private sector and media, at LKI's policy dialogues.





As part of LKI's global outreach efforts, our experts represented the Institute at various international forums including in India, the UK, Australia, Japan, China, Nepal, Singapore, Malaysia and Bangladesh.



Left to Right: Hon. Foreign Minister Tilak Marapana; Hon. Prime Minister Ranil Wickremesinghe; Ambassador PeterThompson; LKI's Executive Director, Dr. Ganeshan Wignaraja; and Hon. Karu Jayasuriya, Speaker of Parliament of Sri Lanka

'The Indian Ocean: Defining Our Future' conference hosted by the Government of Sri Lanka and the Lakshman Kadirgamar Institute of International Relations and Strategic Studies (LKI), in collaboration with the Global Maritime Crimes Programme of the United Nations Office on Drugs and Crime (UNODC), was held on 11-12 October 2018, in Colombo, Sri Lanka.

The two-day Track 1.5 dialogue convened over 300 senior government officials and think tank representatives from over 40 Indian Ocean littoral states and major maritime users, to discuss issues related to economic activity, environmental sustainability, safety and security, and strengthening the law of the sea.

H.E. President Maithripala Sirisena graced the occasion and Hon. Prime Minister Ranil Wickremesinghe delivered the keynote address. The welcome address was made by Hon. Tilak Marapana, the Minister of Foreign Affairs and Chairman of LKI. Ambassador Peter Thomson, the UN Secretary-General's Special Envoy for the Ocean, traveled to Colombo to participate in the conference and to address its opening plenary.

Hon. (Dr.) Harsha de Silva, State Minister of National Policies and Economic Affairs, shared his opening remarks as chair of the inaugural panel on 'Navigating Challenges and Prospects in the Indian Ocean: Towards a Shared Understanding.' Mr. Prasad Kariyawasam, Secretary of the Ministry of Foreign Affairs of Sri Lanka, contributed to the panel, highlighting the Indian Ocean's significance as a zone of trade. Senior officials from India, China, the United States, and various international institutions – including the Indian Ocean Rim Association (IORA), UNODC and Deakin University – also spoke at the opening sessions.

Dr. Ganeshan Wignaraja, Executive Director, LKI, made the introductory remarks. He also co-chaired the first round table session on 'The Indian Ocean Economy: The New Global Growth Pole.' Dr. Natalie Klein, Professor, Faculty of Law, University of New South Wales in Australia and Nonresident Fellow of LKI, co-chaired the fourth and final round table on 'Reinforcing International Law in the Indian Ocean: UNCLOS and Emerging Issues.'

The conference concluded with a summary of the round tables, delivered by Prof. Nayani Melegoda, Dean, Faculty of Graduate Studies, University of Colombo and Board Member of LKI, while Hon. (Dr.) Harsha de Silva spoke on the way forward. For more information about the conference and a copy of the proceedings, visit www.indianoceanfuture.lk.

The Indian Ocean: Defining Our Future











"Increasingly defined as the Ocean of the Future, the Indian Ocean is set to determine the destiny of the planet in the 21st century."

- Hon. Ranil Wickremesinghe, Prime Minister of the Democratic Socialist Republic of Sri Lanka













'As a maritime nation, the Government of Sri Lanka intends augmenting its efforts to promote Sri Lanka's ocean interests. The Blue Economy holds much potential for development and growth for Sri Lanka and would, therefore, be in the forefront of our efforts in the future."

- Hon. Tilak Marapana, Minister of Foreign Affairs of the Democratic Socialist Republic of Sri Lanka



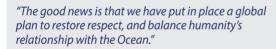






It's every Sri Lankan's purpose to work towards a shared understanding that benefits all. Ideally, this would address the critical interconnected issues of freedom of navigation and freedom of digital connectivity.

Hon. (Dr.) Harsha de Silva, M.P., State Minister of Economic Reforms and Public Distribution of the Democratic Socialist Republic of Sri Lanka



- Ambassador Peter Thompson, UN Secretary-General's Special Envoy for the Ocean

















"With half of the world's population and a quarter of its economic output and the fastest-growing economies, the Indo-Pacific is indeed the most dynamic region in the world. However, the Indian Ocean is also one of the least connected on this planet."

- Ambassador Alice G. Wells, Principal Deputy Assistant Secretary, Bureau of South and Central Asia Affairs, US Department of State





- Mr. Pankaj Saran, Deputy National Security Advisor, Government of India











Research Insights & Policy Dialogues

Research Programmes

LKI's governing legislation provides that it will be dedicated to the study of Sri Lanka's international relations and strategic interests in defence, national security, law, economics, cultural relations, agriculture and the environment. Two research programmes capture these themes: Global Governance and Global Economy.

a) Global Governance

The Global Governance programme for 2018 covered issues relating to Sri Lanka's international relations, international law, and security. These involved maritime issues, international dispute resolutions, transitional justice, international human rights norms, sustainable development, cybercrime, nationalism, nuclear issues, radicalisation, Sri Lanka's role in the United Nations, as well as Sri Lanka's cultural relations in sports, religion, and the arts.

b) Global Economy

The Global Economy programme for 2018 covered issues related to the Indian Ocean economy, the role of regional powers (such as India and China), the Belt and Road Initiative (BRI), Brexit, the digital economy, and the US-China trade war. The challenges and opportunities posed by these issues for Sri Lanka, in particular were duly explored.





Tracking Global Challenges, Presenting New Solutions

In 2018, LKI's Global Governance programme kept our stakeholders abreast of the evolving challenges in global law, security, and diplomacy, and helped chart a course for Sri Lanka's foreign policy in increasingly turbulent times.

Navigating the nuclear threat as a small state

There was a glimmer of hope that the threat of a nuclear

conflict was on the decline in 2018 following the landmark summit between the US President Trump and North Korea's leader, Kim Jong-Un. However, during an LKI Lecture in March 2018, Ramesh Thakur, Co-Convenor of the Asia-Pacific Leadership Network for Nuclear Non-Proliferation and Disarmament, highlighted that, while the global stock of nuclear weapons has decreased in recent decades, this has not reduced the risks associated with their use.



Tracking Global Challenges, Presenting New Solutions

Against this backdrop, LKI Research Associate, Malinda Meegoda, argued in an LKI Commentary that this presents an opportunity for Sri Lanka to regain its strong reputation as a global citizen on issues of peace and security. One option could be to revisit the Sri Lanka-led declaration in 1971 of the Indian Ocean as a 'Zone of Peace,' while working within the Non-Aligned Movement as an advocate for nuclear non-proliferation and disarmament. Indeed, as highlighted during an LKI Lecture delivered in March 2018 by Special Envoy from the UN HRH Prince Mired Bin Ra'ad Bin Zeid Al-Hussein of Jordan. Sri Lanka has already shown the potential for regaining such leadership by recently joining the Ottawa Convention on Anti-Personnel Landmines.

Sri Lanka's role in managing geopolitical tensions

Sri Lanka's potential role in mitigating growing geopolitical tensions in the Indian Ocean was also a focus throughout 2018. In an LKI Policy Brief and an accompanying commentary, Research Fellow Barana Waidyatilake argued that in the context of rising tension between an increasingly assertive China and other nations, including the US, Sri Lanka should engage with a multiplicity of actors to secure a regional rules-based order in its interests.

Such an approach was demonstrated by the landmark Track 1.5 dialogue held in October 2018 entitled 'The Indian Ocean: Defining Our Future' and hosted by the Government of Sri Lanka and LKI, in collaboration with the Global Maritime Crimes Programme of the UNODC. The conference brought together Indian Ocean littoral states as well as major maritime users of the ocean, to seek a shared understanding on the common challenges they face.

Opportunities for greater multilateral engagement

This initiative was supported by stronger engagement with the Indian Ocean Rim Association (IORA) and other regional organisations. Sri Lanka took up the position as Chair of IORA Working Group on Maritime Safety and Security, and as Chair of the Bay of Bengal Initiative for Multi-sectoral Technical and Economic Cooperation (BIMSTEC) in 2018. Both of these roles present Sri Lanka with the opportunity to significantly expand its leadership on common issues in the Indian Ocean. In an LKI Commentary, Researchers Divya Hundlani and Anishka De Zylva suggested that as Chair of BIMSTEC, Sri Lanka

could focus on addressing connectivity, trade and security challenges, as well as pursuing institutional reform. This would not only help improve the integration of member states but also underscore Sri Lanka's preparedness for a larger regional role in the Indian Ocean. Similarly, in an additional LKI Commentary, Anishka De Zylva highlighted the potential for Sri Lanka to use IORA as a forum for addressing youth radicalisation in the region.

Given the rapidly changing nature of security threats in the region, Sri Lanka would benefit from combining this greater multilateral engagement with the further development of its military capabilities. This is required to ensure that it is a nimble player in the arms build-up across Asia, as well as to address non-traditional threats like piracy and cybercrime. Malinda Meegoda highlighted in an LKI Policy Brief that, given its small size and limited fiscal resources, Sri Lanka must increase the efficiency of its defence apparatus to become a leaner and much more effective force to address these challenges.

Publications



Navigating Relations with China and India

Policy Brief - Dr. Kadira Pethiyagoda, Director of the Global Governance Programme, LKI



How Can Sri Lanka Navigate the Asian Arms Race Conundrum?

Policy Brief - Malinda Meegoda, Research Associate, LKI



A Smaller State's Quest for Indian Ocean Security: The Case of Sri Lanka

Policy Brief - Barana Waidyatilake, Research Fellow, LKI



Reconciliation, Accountability and International Human Rights in Sri Lanka

Policy Brief - Dr. Farzana Hania, Senior Lecturer, University of Colombo



Can Buddhist Values Overcome Nationalism in Sri Lanka?

Policy Brief - Barana Waidyatilake, Research Fellow, and Myra Sivaloganathan, Global Associate, LKI



Maritime Piracy

Explainer - Barana Waidyatilake, Research Fellow, and Nimaya Mallikahewa, Communications Assistant, LKI

Publications



The Treaty on the Prohibition of Nuclear Weapons

Explainer - Malinda Meegoda, Research Associate, LKI



Freedom of Navigation

Explainer - Myra Sivaloganathan, Global Associate, LKI



Convention on Cybercrimes

Explainer - Nilupul Gunawardena, Research Fellow, LKI



Mona Sutphen, former State Department and Obama Official, on Multilateralism in an Age of Political Populism and Multipolarity

Spotlight - Anishka De Zylva, Research Associate, LKI



The Indo-Pacific with Professor Rory Medcalf, Head of the National Security College, Australian National University

Spotlight - Dr. Dinusha Panditaratne, Nonresident Fellow and Barana Waidyatilake, Research Fellow, LKI

Policy Dialogues



The Evolution of India's Constitutional and Democratic Polity

Hon. Ravi Shankar Prasad, Minister for Law and Justice and Electronics and IT for the Government of India at the Lakshman Kadirgamar Memorial lecture.



Treaty to Ban Anti-Personnel Landmines in Asia and Sri Lanka's Leadership

UN Special Envoy HRH Prince Mired Bin Ra'ad Bin Zeid Al-Hussein of Jordan at an LKI lecture organised in partnership with the Ministry of Foreign Affairs. Sri Lanka

Takeaways prepared by Divya Hundlani, Research Fellow and Senal Hewage, Research and Programmes Assistant, LKI



Myanmar: The Rohingya Refugee Crisis, Roots of Conflict and Possibilities for the Future

Dr. Radhika Coomaraswamy, a member of the independent three-person United Nations (UN) Fact-Finding Mission on Myanmar, and LKI Board member, at an LKI lecture

Takeaways prepared by Anishka De Zylva, Research Associate and Upamali Dharmasena, Research and Programmes Assistant, LKI



Nuclear Policy and Prospects for Disarmament in the New World Order

Prof. Ramesh Thakur of the Australian National University and Co-Convenor of the Asia-Pacific Leadership Network for Nuclear Non-Proliferation and Disarmament (APLN) at an LKI-APLN joint dialogue Panellists: Ms. Sadia Tasleem, Quaid-i-Azam University; Dr. Li Bin, Tsinghua University; Mr. Rakesh Sood, India's former Ambassador to the Conference on Disarmament in Geneva, and Mr. H.M.G.S. Palihakkara, Sri Lanka's former Foreign Secretary and former Permanent Representative to the UN. Moderator: Mr. Jayantha Dhanapala, former UN Under-Secretary-General for Disarmament Affairs.

Takeaways prepared by Malinda Meegoda, Research Associate, LKI

Policy Dialogues



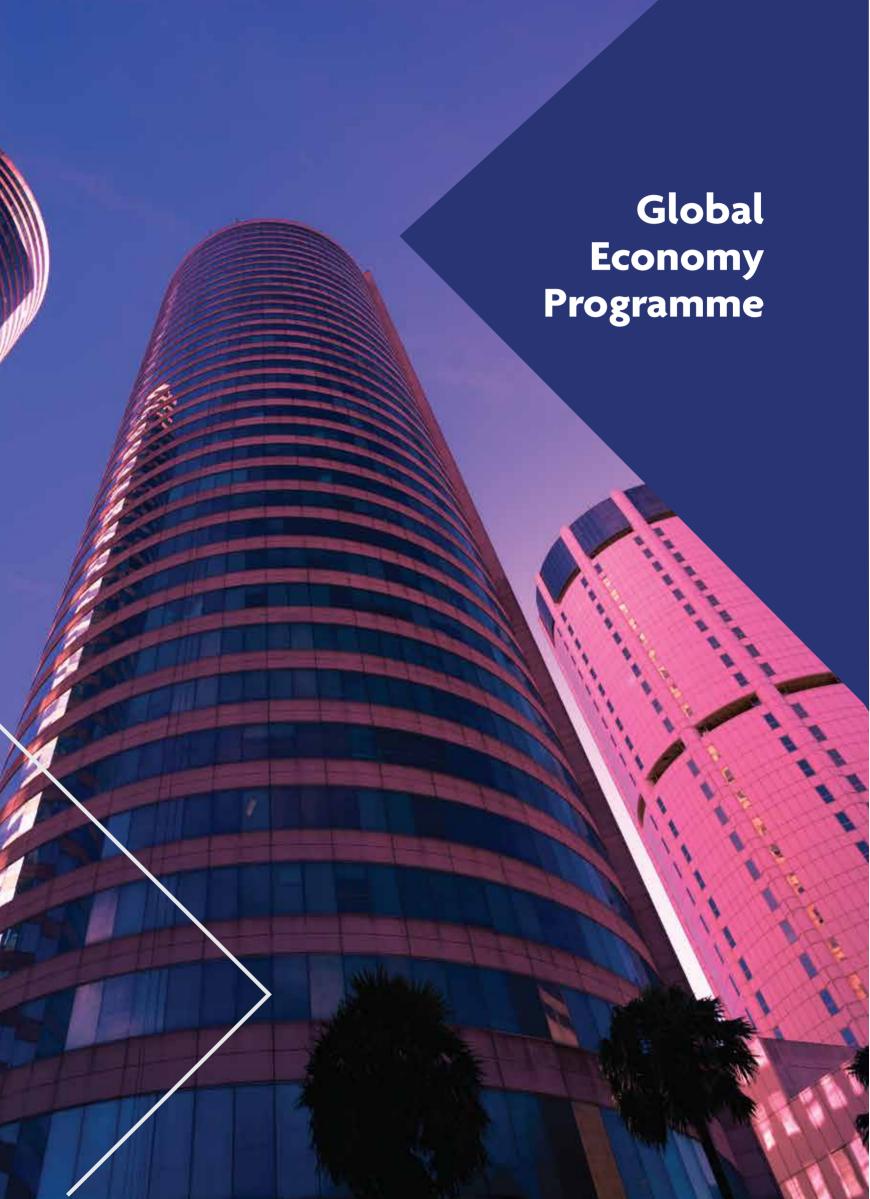
Sri Lanka's Quest for Security in the Indian Ocean Region and Sri Lanka's Economic Agenda in the Region

LKI Research Fellows, Barana Waidyatilake and Adam Collins at an LKI Foreign Policy Round Table.



The Economic Aspects of Sri Lanka's Foreign Policy and Sri Lanka's Regional Security Strategy

LKI Research Fellows, Barana Waidyatilake and Adam Collins at an LKI Foreign Policy Round Table.



Global Economy Programme:

Evaluating Global Economic Risks, Presenting Local Solutions

As the existential battle between the forces of multilateralism and isolationism continued in 2018, LKI's Global Economy Programme highlighted the risks facing Sri Lanka and the policy priorities required for the country to prosper.

Trade Wars, Brexit and the Future of Globalisation

Navigating the risks to the global economy became ever more perilous in 2018. The brewing trade war between the US and China heated up in 2018, as billions of dollars worth of goods were subjected to increased tariffs, and the UK's Brexit negotiations continued to hit a number of roadblocks. Amar Breckenridge, Senior Economist, Frontier Economics (Europe), addressed an LKI Foreign Policy Roundtable in January 2018, on the potential impact of Brexit on Sri Lanka and noted that, while the key issue is the potential loss of preferential trading access to the UK market, Sri Lanka must also focus on continuing to improve the competitiveness of its domestic economy. This will ensure that the economy can continue to prosper regardless of the details of future trading arrangements with the UK and Europe.

This sentiment was echoed in an LKI Commentary by Executive Director, Dr. Ganeshan Wignaraja and Research Fellow, Adam Collins, on the future of globalisation in Sri Lanka. They noted that continuing domestic reforms is necessary to ensure that all members of society experience the benefits of globalisation and avoid the backlash against economic openness that is being experienced by numerous countries around the world.

Sri Lanka's Future in the Indian Ocean Economy

To further guard against the growing uncertainty about the future of trade with a number of developed markets, Sri Lanka must continue to pursue greater economic integration within the Indian Ocean region. LKI released a groundbreaking LKI Working Paper on the Indian Ocean Economy in 2018, authored by Dr. Ganeshan Wignaraja, Adam Collins and Pabasara Kannangara. It represents the first comprehensive study of the Indian Ocean economy and the specific challenges to promoting peace and prosperity in the region. This informed the Sri Lankan government's explicit strategy to make Sri Lanka an economic hub in the Indian Ocean and formed the basis for future research.



A shorter version of this LKI Working Paper was a background paper for the track 1.5 conference on the Indian Ocean in October 2018. A forthcoming LKI Working Paper by Nonresident Fellow, Natalie Klein, will explore emerging issues under the UN Convention on the Law of the Sea (UNCLOS) for the Indian Ocean.

The landmark Sri Lanka-Singapore Free Trade Agreement (FTA) was signed in January 2018, and represented Sri Lanka's first free trade agreement in over a decade, as well as its most comprehensive. In an LKI Commentary, and accompanying LKI Explainer, Dr. Ganeshan Wignaraja and Research Fellow Divya Hundlani, argued that Sri Lanka must be active in ensuring that it obtains the maximum benefits from the new agreement, using it to deepen linkages with the Association of Southeast Asian Nations (ASEAN) and potentially, eventual membership in the Regional Comprehensive Economic Partnership (RCEP). Dr. Wignaraja together with Dr. Amitendu Palit, Institute of South Asian Studies, National University of Singapore, also produced an op-ed entitled Understanding the Sri Lanka-Singapore FTA.

Navigating the Belt and Road

Furthering its global reach, LKI launched a landmark research collaboration with the UK's leading think tank, Chatham House, on China's Belt and Road Initiative (BRI) in Sri Lanka in 2018. An initial series of round tables brought together leading international experts on Chinese outbound investment to Sri Lanka to outline the priorities for ongoing research on the BRI in Sri Lanka. This will form the basis for a major joint study by LKI and Chatham House covering all aspects of the BRI to be released in 2019. This study will use an evidence-based approach to look at the broad benefits and costs of the BRI to recipients in order to improve the implementation of future projects.

These landmark projects were complemented by research and events on a range of pressing economic issues, including how to effectively brand Sri Lanka internationally, and what the country's interests are in the future of the World Trade Organization (WTO). In addition, Dr. Ganeshan Wignaraja and LKI Research Associate Anishka de Zylva argued in an LKI Policy Brief that Sri Lanka needs to do more to integrate into Asia's booming digital economy, including attracting greater FDI in sectors related to the digital economy and improving the country's digital infrastructure.



Global Economy Programme:

Publications



Is the Indian Ocean Economy a New Global Growth Pole?

Working Paper - Dr. Ganeshan Wignaraja, Executive Director, Adam Collins, Research Fellow and Pabasara Kannangara, Research Associate, LKI



Is Sri Lanka sitting on the Bench of Asia's Booming Digital Economy?

Policy Brief - Anishka De Zylva, Research Associate and Dr. Ganeshan Wignaraja, Executive Director, LKI



Geoeconomic Dynamics in a Changing Regional Order: A Primer for Sri Lanka's Foreign Policymakers

Policy Brief - Prof. Kanishka Jayasuriya, Department of Politics and International Studies at Murdoch University



The Importance of the Indian Ocean: Trade, Security and Norms

Explainer - Pabasara Kannangara, Research Associate, Adam Collins, Research Fellow and Barana Waidyatilake, Research Fellow, LKI



Understanding the World Trade Organization

Explainer - Pabasara Kannangara, Research Associate and Danielle Kern, Research and Communications Assistant, LKI



Sri Lanka-Singapore Free Trade Agreement

Explainer - Divya Hundlani, Research Fellow, LKI

Global Economy Programme:

Publications



The International Monetary Fund and Sri Lanka

Explainer - Adam Collins, Research Fellow and Pabasara Kannangara, Research Associate, LKI



Building a Country Brand with Simon Bell, former Director on A.T. Kearney's Global Business Policy Council

Spotlight - Anishka De Zylva, Research Associate, LKI



Gender and Development with Caren Gowan, Senior Director, Gender, at the World Bank Group

Spotlight - Divya Hundlani, Research Fellow, LKI



Investor-State Dispute Settlement Mechanism with Professor Lutz-Christian Wolff, Wei Lun Professor of Law and Dean of the Graduate School, Chinese University of Hong Kong

Spotlight - Nilupul Gunawardena, Research Fellow, LKI



Global Trade and Economic Reforms: An Interview with Dr. Rajat Kathuria, Director/Chief Executive, Indian Council for Research on International Economic Relations

Spotlight - Pabasara Kannangara, Research Associate, LKI



Sri Lanka as a Frontier Market - An Investor Perspective with Alexander Benard, Managing Director of SGI Frontier Capital

Spotlight - Barana Waidyatilake, Research Fellow and Adam Collins, Research Fellow, LKI

Global Economy Programme: *Publications*



Globalisation and the Global South with Dr. Indra de Soysa, Director of the Globalization Research Program, Norwegian University of Science and Technology

Spotlight - Malinda Meegoda, Research Associate, LKI

Global Economy Programme:

Policy Dialogues



Chinese Outbound Investment and the Belt and Road Initiative (BRI)

An LKI-Chatham House joint event featuring local and international experts including from the Tsinghua University, Jawaharlal Nehru University, University of Dhaka, the Chinese University of Hong Kong, National University of Singapore, Kunming University of Science and Technology, and the University of Nottingham

Takeaways prepared by Thiyasha Seilman and Pabasara Kannangara, Research Associate, LKI



Chinese Investments in Europe and Greece: Lessons for South Asia

Plamen Tonchev, Institute of International Economic Relations (IIER), Greece, at an LKI Foreign Policy Round Table Takeaways prepared by Thiyasha Seilman, Communications and Programmes Assistant and Pabasara Kannangara, Research Associate, LKI



Managing Effective Trade - Sri Lanka and International Experiences

Prof. Sirimal Abeyratne, University of Colombo; Dr. Amitendu Palit, Institute of South Asian Studies, National University of Singapore (ISAS); and Ms. Elizabeth Ward, Department of Foreign Affairs and Trade Australia (DFAT), at an LKI Foreign Policy Round Table

Takeaways prepared by Divya Hundlani, Research Fellow and Dihanie Amerasinghe, Programmes Assistant, LKI



Key Foreign Policy Challenges in 2019: Preparing for a Post-American World Order

Dr. Razeen Sally, Visiting Associate Professor at the Lee Kuan Yew School of Public Policy at the National University of Singapore; Mr. Tissa Jayatilaka, Senior Fellow at the Bandaranaike Centre for International Studies (BCIS); and Mr. Simon Bell, previously a director on A. T. Kearney's Global Business Policy Council, and an international investor and consultant, at an LKI Foreign Policy Round Table Takeaways prepared by Malinda Meegoda, Research Associate and Madhulika Gunawardena, Communications Assistant, LKI

Global Economy Programme:

Policy Dialogues



Building a Country Brand: International Experiences and Implications for Sri Lanka

Simon Bell, former Director, A.T. Kearney's Global Business Policy Council, at an LKI Foreign Policy Round Table



Progress of Brexit: Implications for Sri Lanka and the Region

Amar Breckenridge, Frontier Economics (Europe) at an LKI Foreign Policy Round Table

Takeaways prepared by Malinda Meegoda, Research Associate, LKI



Economic Outlook for the Asia-Pacific and Mobilising Finance to Sustain Growth

Zhenqian Huang, Associate Economic Affairs Officer at the United Nations Economic and Social Commission for Asia and Pacific (UN ESCAP), at an LKI Foreign Policy Round Table

Takeaways prepared by Farah Ibrahim, Communications Assistant and Pabasara Kannangara, Research Associate, LKI

EXTERNAL PUBLICATIONS:

'The Prospector'

LKI's blog, 'The Prospector,' is a flexible platform for shorter publications and external contributors.



How can Sri Lanka shape the Commonwealth beyond 2018?
 Myra Sivaloganathan, Global Associate and Dr. Ganeshan
 Wignaraja, Executive Director, LKI



Sri Lanka-Singapore FTA: A New Dawn?
 Divya Hundlani, Research Fellow and Dr. Ganeshan Wignaraja,
 Executive Director, LKI



 Four Risks to the Global Economy for Sri Lanka to watch in 2018

Adam Collins, Research Fellow, LKI



 Navigating a Nuclearised Asia For Smaller States: Reviving Sri Lanka's Commitments to Disarmament

Malinda Meegoda, Research Associate, LKI



The Future of Globalisation of Sri Lanka

Dr. Ganeshan Wignaraja, Executive Director and Adam Collins, Research Fellow, LKI



• Indo-Pacific Connectivity: Lessons from the Belt and Road
Dr. Amitendu Palit, Senior Research Fellow and Research Lead,
Institute of South Asian Studies, National University of Singapore



• International Reactions to Anti-Muslim Riots in Sri Lanka
Senal Hewage, Research and Programmes Assistant, Cassendra
Pinto, Programmes and Communications Assistant, and Barana
Waidyatilake, Research Fellow, LKI



 Insights and Lessons from the 2018 Maldives Crisis: Three Perspectives

Nimaya Harris, Programmes and Communications Assistant and Anishka de Zylva, Research Associate, LKI



 The Rohingya Crisis and its Implications For Sri Lanka Divya Hundlani, Research Fellow, LKI



 LKI's Top 5 Podcasts: The Age of Trump, UN Peacekeeping, Hong Kong's Economic Diplomacy, and more

Nimaya Mallikahewa, Communications Assistant, LKI



 China's Rise May Change the International Rules by which Future Sri Lankan Governments Will Play

Dr. Kadira Pethiyagoda, Research Director, LKI



 Highlights from President Trump's Press Conference in Singapore

Farah Ibrahim, Communications Assistant and Malinda Meegoda, Research Associate, LKI



• Sri Lanka and the 'New TPP': Some Food for Thought Dr. Nihal Pitigala, Consultant, World Bank



 Tackling Violent Radicalisation in the Indian Ocean Region: A Strategy for Sri Lanka

Anishka De Zylva, Research Associate, LKI



• Fixing Sri Lanka's Labour Market: Comparative Lessons

Dr. Ganeshan Wignaraja, Executive Director, LKI



 Can International Litigation Solve the India-Sri Lanka Fishing Dispute?

Prof. Natalie Klein, Nonresident Fellow, LKI and Professor, Faculty of Law, University of New South Wales



Financing Sustainable Development in Asia and the Pacific Zhenqian Huang, Associate Economic Affairs Officer, Macroeconomic Policy and Financing for Development Division, UNESCAP



Understanding the Sri Lanka-Singapore Free Trade Agreement
 Dr. Ganeshan Wignaraja, Executive Director, LKI, and
 Dr. Amitendu Palit, Senior Research Fellow and Research Lead
 Institute of South Asian Studies, National University of Singapore



Sri Lanka's Strategy for Regional Security
 Barana Waidyatilake, Research Fellow, LKI



 Revisiting Nuclear Weapon Free Zones in South Asia: Evaluating Policy Options for Smaller States

Malinda Meegoda, Research Associate, LKI



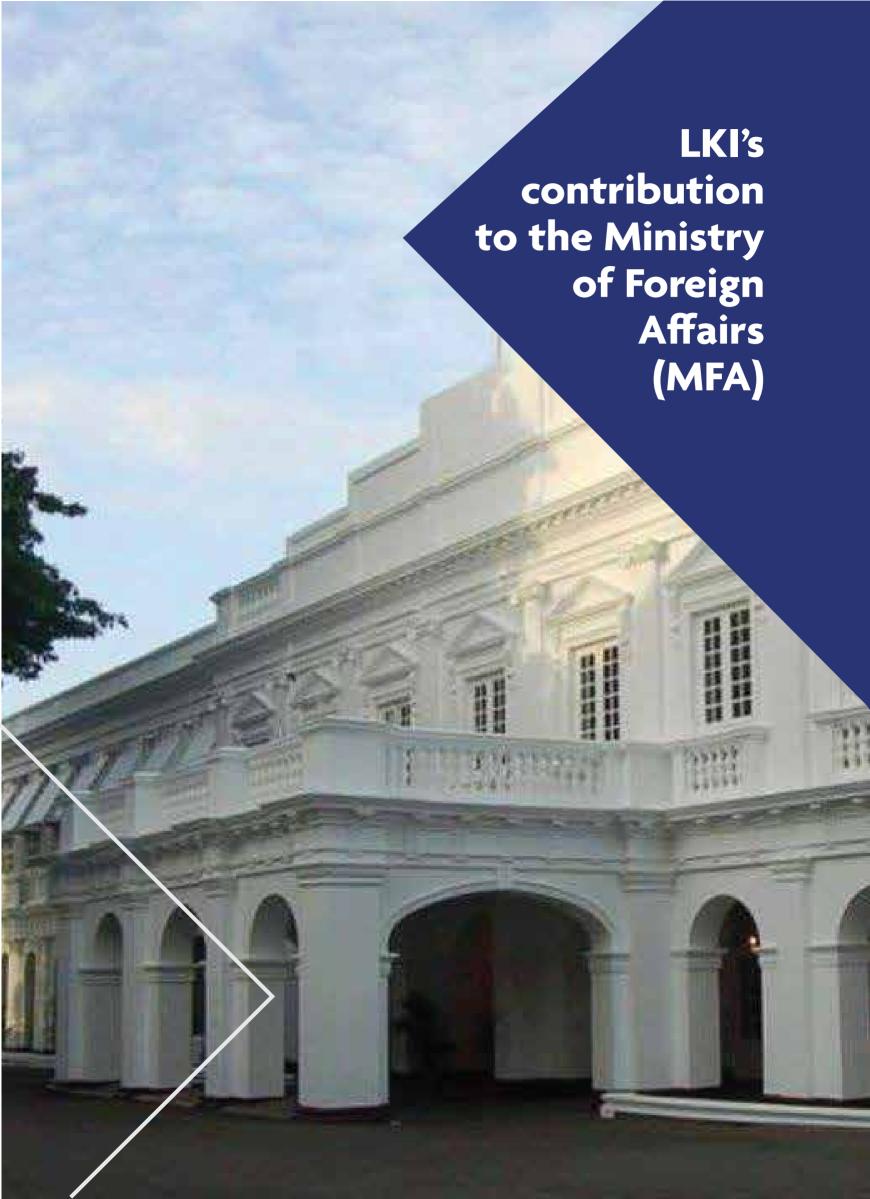
 Paradigm Shift in Investment Rules of China's Free Trade Agreements? The Present and Future

Prof. Heng Wang, Associate Professor, University of New South Wales



 Sri Lanka and the Bay of Bengal Initiative: Opportunities to Grow a Vital Region

Divya Hundlani, Research Fellow and Anishka De Zylva, Research Associate, LKI



LKI's Contribution to the Ministry of Foreign Affairs (MFA)

LKI responded to requests made by the Ministry of Foreign Affairs to share insights on topics relevant to the Ministry's work and collaborated with the Ministry in organising policy dialogues.

The Indian Ocean: Defining Our Future Conference

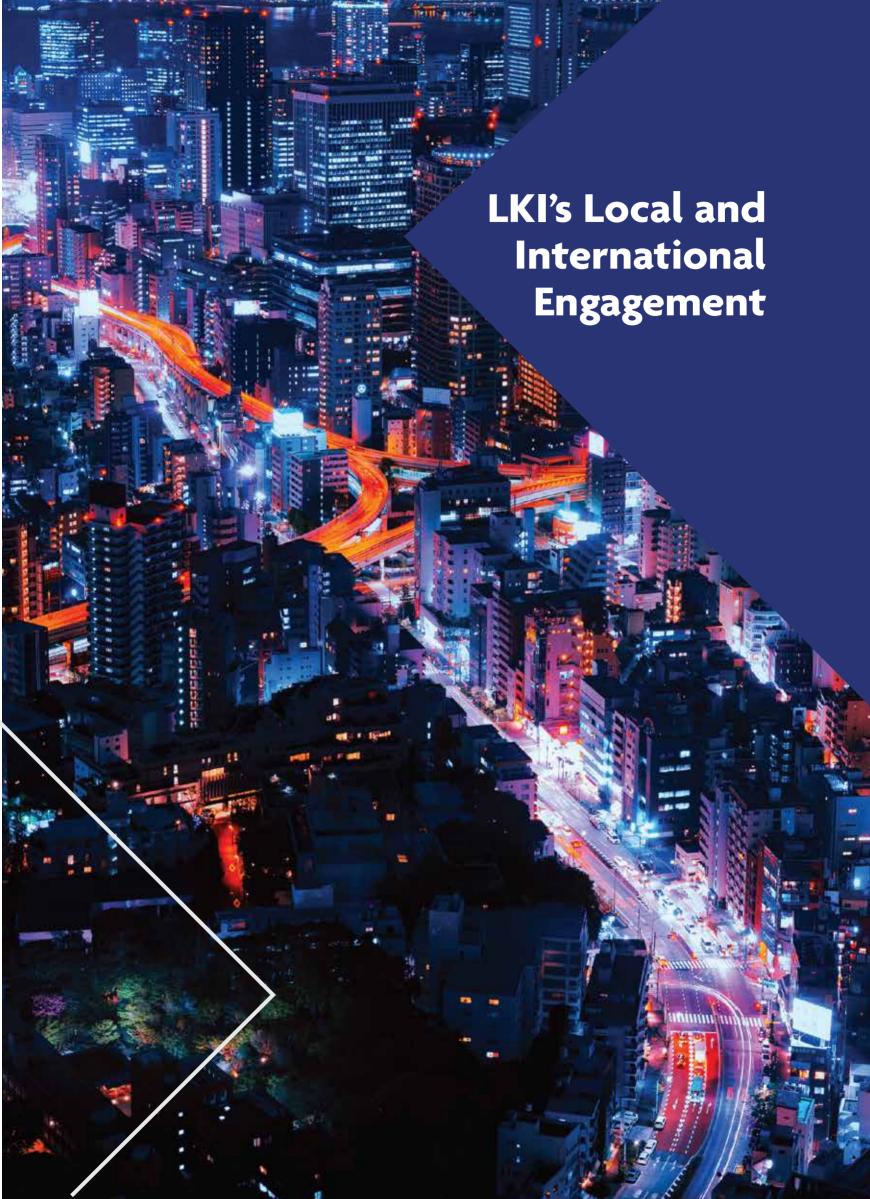
- Produced over 113 pages worth of speeches, op-eds, summaries, and several research publications to provide intellectual support to the conference, including, the LKI Working Paper entitled 'Is the Indian Ocean a New Global Growth Pole,' two LKI Explainers on the Indian Ocean and the Freedom of Navigation, and two Issues Papers on the Indian Ocean Economy and on UNCLOS;
- Produced summaries of the round table sessions (8-10 pages) and coordinated the production of the conference proceedings report (97 pages);
- Coordinated communications for the conference, including management of the conference website and social media, and undertook emceeing and rapporteuring work along with MFA colleagues for the conference; and
- LKI's Dr. Ganeshan Wignaraja delivered the introductory remarks, and co-chaired the panel on 'The Indian Ocean Economy: The New Global Growth Pole.'

Sri Lanka Foreign Policy and Economic Diplomacy Dialogue 2018

- Collaborated with the Ministry of Foreign Affairs and the Bandaranaike International Diplomatic Training Institute (BIDTI) to organise and host a forum titled 'Sri Lanka Foreign Policy and Economic Diplomacy Dialogue 2018' that brought together mid-career diplomats to discuss Sri Lanka's economy;
- LKI's experts including Dr. Ganeshan Wignaraja, Executive Director and Chair of the Global Economy Programme; Dr. Dinusha Panditaratne, Nonresident Fellow; and Adam Collins, Research Fellow, made presentations at the event.
- Conducted background analytical work to identify Sri Lanka's key partners for investment, trade, and tourism
 to support the work of the MFA; and produced a report to identify key takeaways and outcomes from the
 dialogue.
- Produced a major report to identify key takeaways and outcomes from the dialogue (113 pages).

Other Contributions to MFA

- Assisted in the compilation of a brief for His Excellency President Maithripala Sirisena for the Common wealth Heads of Government Meeting 2018, and wrote a newspaper editorial on Sri Lanka's role in the Commonwealth.
- The following publications were presented to the Ministry of Foreign Affairs:
 - ◆ LKI Explainer on The Paris Agreement on Climate Change and Sri Lanka
 - ◆ Proposal for ASEAN Dialogue Partnership
 - ◆ An LKI Explainer and two blogs analysing the cost and benefits of the Sri Lanka-Singapore FTA
 - ◆ LKI Explainer on Convention on Cybercrime
 - ◆ LKI Explainer on BIMSTEC and Sri Lanka: Potential Agenda for 2018 2021
- Prepared a briefing note for the Minister of Foreign Affairs on Sri Lanka's progress in meeting commitments under UNHRC Resolution 30/1.
- Moderated several sessions such as the lecture by HRH Prince Mired on the Ottawa Convention, held at the LKI auditorium at MFA's request.
- Conducted a training session on tips for writing policy papers and media relations for the new recruits at the Ministry of Foreign Affairs.



LKI's Local and International Engagement

LKI's research team increased its engagement with the local research community through presentations at a number of high-level events in 2018, including:

- Colombo Dialogue 2018: Emerging Dialogue in the Indian Ocean Regional Cooperation on Maritime Domain Awareness
- Ceylon Chamber of Commerce seminar on 'Economic and Sector Review and Outlook'
- Colombo Club Members' Day Luncheon Meeting
- Joint conference on 'Indian Ocean: Exploring Convergences' organised by the Pathfinder Foundation, Sri Lanka and the National Maritime Foundation of India
- 'New Thinkers' Symposium' organised by the Institute of Policy Studies of Sri Lanka
- 'ASEAN: Sri Lanka's Next Big Opportunity' forum organised by the Daily FT and the University of Colombo MBA Alumni Association, with the strategic partnership of HSBC
- Policy dialogue session on 'Making Active Ageing a Reality' organised by the United Nations Population Fund (UNFPA) Sri Lanka and the Ministry of Social Welfare and Primary Industries
- Colombo Air Symposium themed 'Air Strategy in Substantiating the Geostrategic Importance of Sri Lanka' Keynote Address at the Annual Research Conference, Faculty of Arts, University of Colombo

LKI signed a Memorandum of Understanding (MoU) with the University of Southampton, which will exchange experts and research via lectures, internships and programmes. The year 2018 was also marked by the establishment of new international links through participation in a number of forums and the hosting of foreign delegations, including:

International Forums

- Lecture at Research and Information System for Developing Countries (RIS), New Delhi
- Presentation at the 'South Asia Summit 2018' during the session titled 'Is China South Asia's Principal Ally?' at the South Asia Centre of the London School of Economics, London
- Presentation on 'China's Outlook and Changing Role in South Asia' at the Royal Institute of International Studies (Chatham House), London
- Presentation on 'Tackling Radicalisation in the Indian Ocean Region: Perspectives from Sri Lanka' at the Tokyo University of Foreign Studies, Tokyo
- Second Interdisciplinary Forum in Belt-Road Connectivity and Eurasian Integration: Meeting the Culture, in Zhuhai
- 'South Asia Amidst a New World Order' conference organised by the Consortium of South Asian Think Tanks (COSATT), Kathmandu
- Conference and workshop on 'Maritime Order in the Indian Ocean' Deakin University Law School's Center on the Legal Profession, Melbourne (on the request of the Ministry of the Foreign Affairs)
- 'The 32nd Annual Asia-Pacific Roundtable' hosted by the Institute of Strategic and International Studies (ISIS) Malaysia and the ASEAN Institutes of Strategic and International Studies (ASEAN-ISIS) in Kuala Lumpur
- Lecture on 'The Recovering World Economy and the Roles of India and China' at the University of Southampton, Southampton
- 'The Belt and Road Initiative (BRI): Prospects and Challenges' conference, Dhaka
- Conference entitled 'China's Belt and Road Initiative in South Asia and Nepal: Trade, Investment and Connectivity Dynamics' organised by the Nepal-China Friendship Forum, Kathmandu
- Public panel discussion entitled 'The Great Decoupling: China, America and the Risk of a New Asian Economic Cold War' at the Lee Kuan Yew School of Public Policy, Singapore

LKI's Local and International Engagement



Dr. Dinusha Panditaratne, Nonresident Fellow, and Dr. Pakiasothy Saravanamuttu, Board Member, LKI, with the Heritage Foundation, Washington, D.C, at LKI



Central Bank Governor Dr. Indrajit Coomaraswamy with Foreign Secretary Ravinatha Aryasinha speaking at LKI



National Defence College of Bangladesh



Center: Professor Atsuko Kaneara of Sophia University, Tokyo and Dr. Dinusha Panditaratne, LKI



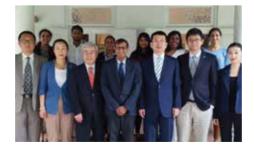
Heritage Foundation, Washington, D.C



Dr. Ganeshan Wignaraja, LKI with the Delegation from the Counsellor's Office of the State Council of China



Dr. Ganeshan Wignaraja signing the MOU with Dr. Andrew Serdy, the University of Southampton



Visiting Delegation of Chinese Academics and Officials on China's Role in the Global Economy and International Relations



Visiting Delegation from the Kalinga International Foundation, India, led by Ambassador Lalit Mansingh



The "LKI Next" programme aims to nurture the next generation of experts and professionals in Sri Lanka's international relations. The programme facilitates this in two ways.

First, the programme selects outstanding students and recent graduates to be affiliated with LKI as Global Scholars and Global Associates, and contribute research assistance on an honorary basis. Global Scholars are selected by invitation, based on the quality of their previous contributions to LKI research and programmes - as interns or through LKI's partnerships with external organisations.

- Myra Sivaloganathan, Global Associate
- Hasitha Jayatilake, Global Scholar

Second, the LKI Next programme provides internships to highly motivated young people with an interest in international affairs. LKI interns are selected on the basis of competitive application.

Internship Programme

LKI is proud of its engagement with both young Sri Lankans and Overseas Sri Lankans (OSLs) to support and expand its contribution to Sri Lanka. As part of the LKI Next initiative, our internships offer young Sri Lankans and OSLs the chance to learn about and experience Sri Lanka's international relations. The initiative supports the development of the next generation of foreign policy experts in Sri Lanka.

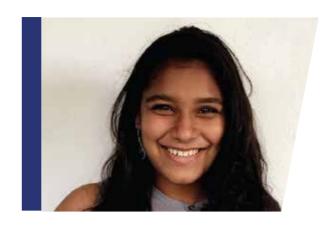
The internship programme provides practical experience to highly motivated individuals who wish to pursue a career in international affairs, public policy or the non-profit sector. Depending on their interests and backgrounds, interns may work in the following areas: Research, Communications, Programmes, and the Library. LKI hosted 27 interns in 2018.

In addition, LKI partners with The Asia Foundation in its LankaCorps Fellowship Program, which brings young OSLs to Sri Lanka.

LKI Youth Outreach

LKI proved to be the greatest stepping stone for me, as it introduced me to a career which, unlike others, gave me the opportunity to act independently and expand my networks. It is the best place for anyone who is looking for a highly active and intellectual working environment.

- Mindula Bulumulla, Law Student, University of Colombo





Growing up with the passion of pursuing a career in International Relations and Law, LKI turned out to be one of my strongest pillars, empowering my passion in this very field in countless ways.

- Shihan Maharoof, Trinity College, Kandy

As a student fresh out of secondary school, LKI gave me an opportunity to work closely with highly skilled individuals in the field of international relations which allowed me to gain fresh perspectives on issues of the current world.

- Meera Sivasubramaniam, University of Melbourne



LKI INTERNS IN 2018

Dihanie Amarasinghe Rochel Canagasabey John Conway Rishane Dassanayake Shevanka De Silva Upamali Dharmasena Amandi Fernando Dinusha Fernando Anish Fonseka Chamalka Fonseka
Madhulika Gunawardena
Tashyana Handy
Nimaya Harris
Senal Hewage
Farah Ibrahim
Hasitha Jayathilake
Amaan Kulatunga
Shihan Maharoof

Nimaya Mallikahewa Kaelan McCone Shimali Perera Shenali Pilapitiya Cassendra Pinto Rividi Ranasinghe Laura Ratcliffe Ishanie Senadeera Meera Sivasubramaniam

Our Team

LKI has a core team of internationally-credentialed researchers and highly experienced operations staff. The work of the Institute is facilitated by dedicated support staff and capable interns. The small but growing team works together to provide the highest quality research and insights on a range of foreign policy issues.



Dr. Dinusha Panditaratne,*
Executive Director

(11 August 2015 to 15 August 2018)



Dr. Ganeshan Wignaraja,**

Executive Director

(15 August 2018 to Present)

Experts



Dr. Kadira Pethiyagoda,*** Director of the Global Governance Programme



Prof. Natalie Klein, Nonresident Fellow



Barana Waidyatilake, Research Fellow



Adam Collins, Research Fellow



Nilupul Gunawardena, Research Fellow



Anishka De Zylva, Research Associate



Divya Hundlani, Research Associate



Malinda Meegoda, Research Associate



Pabasara Kannangara, Research Associate



Myra Sivaloganathan, Global Associate



Hasitha Jayatilake, Global Scholar

^{*}Nonresident Fellow - August 2018 - Present

^{**}Concurrently Chair of the Global Economy Programme

Operations



Radhika De Silva, Deputy Director



Nuzaifa Hussain, Communications Manager



Bhadra Jayasinghe, Librarian



Sanjaya Gunarathna, Finance, Procurement, and Human Resources Officer



Chamodi Hettiarachchi, Programmes and Events Officer



Lishanthi Anoshika, Library Assistant

Support



K.P.W.G. Sugath, Caretaker



M.H. Dahanayake, Office Driver



K.S Priyankara, Caretaker



H.G Dayananda, Office Driver



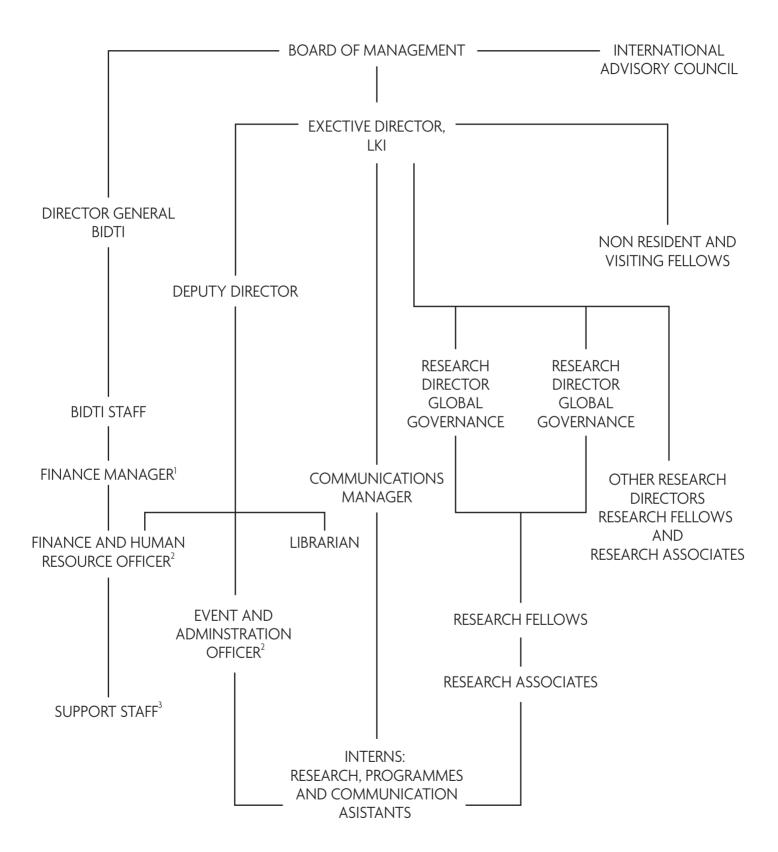
K. G. P. C. Aththudawa, Office Assistant



W. M. K. G. Gayan, Office Assistant And Driver

Organisational Structure

The Board of Management approved the following organisational structure in 2017.



- 1. Based at the Ministry of Foreign Affairs
- 2. Provided by the Ministry of Foreign Affairs
- 3. Support staff includes a caretaker, office assistants, and driver

Evaluation of 2016-2018 Strategic Plan

Background

In August 2015, the Board of Management initiated the redevelopment of LKI, beginning with the recruitment of a new Executive Director and continued following a change of leadership in August 2018. Prior to this, LKI had been dormant for some months. There had been an acting head and one administrative officer, but limited research outputs or events. The wholesale redevelopment of LKI from a start-up phase included a restatement of LKI's mission, and was followed by the formulation of a three-year strategic plan for 2016-2018, which was published in May 2016. In devising the strategic plan, LKI sought the views of key local stakeholders, and examined the best practices of leading regional and global think tanks.

The strategic plan outlined the aims and expected course of LKI's redevelopment. Considering its mission and statutory functions, the main objectives of the Institute were stated as follows:

- 1. To deliver compelling, independent analysis of Sri Lanka's strategic interests, which provide nationally and globally influential insights that advance justice, peace, prosperity and sustainability;
- 2. To be recognised as a focal point in Sri Lanka for knowledge and discussion of international relations, via its resident and nonresident research teams, events, library, online collections, and a network of local and foreign partners; and
- 3. To facilitate training and expertise in Sri Lanka in international relations, via programmes at the BIDTI for the public and diplomats, and through in-house opportunities for research and programmes staff.

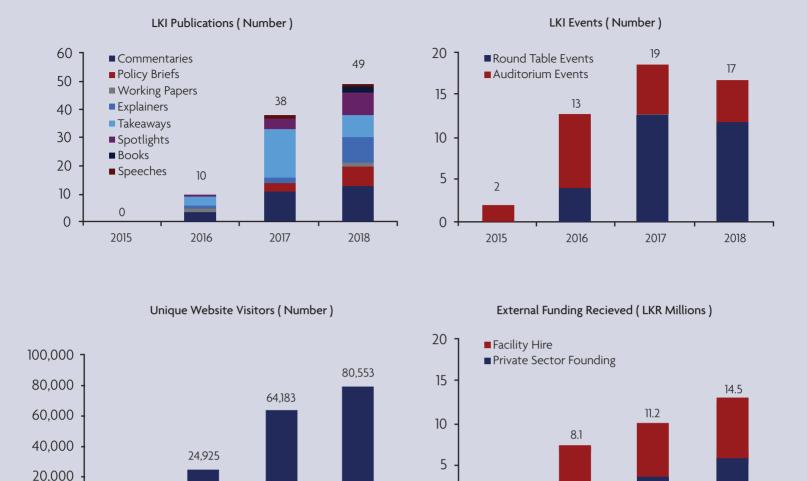
Implementation of the Strategic Plan

The Strategic Plan 2016-2018 included a list of ten priorities, for LKI to work towards in realising the above objectives (See Table A1). Five points of this plan were completed (including all formalities), three were substantially completed, and one partially completed. Only one point was not completed. Completed points include the establishment of new research programmes, these being the Global Governance and Global Economy programmes, and the development of product offerings via a range of publications and events. LKI recruited key resident staff, supported by new funding. In particular, a Chair and a Research Fellow were appointed to the Global Economy Programme with new funding, and a Deputy Director was also employed to oversee operations. This was an important achievement as recruitment efforts faced persistent challenges in finding and retaining high quality staff due to the uncompetitive salaries that LKI is able to offer relative to other leading think tanks and private sector research houses. The Institute also established clear processes on receiving external funding and developed valuable external partnerships, including with leading private sector companies and international institutions. In addition, the internal formulation of a media and communications plan was completed. Implementation began with a complete rebranding of LKI to reflect modern standards, and was complemented by a new website and a focus on social media outreach.

Substantially completed points include LKI's engagement of external experts; two nonresident fellows were appointed in 2018, and provision has been made for a visiting fellow from Qatar through an MoU between the Ministries of Foreign Affairs of Sri Lanka and Qatar. However, LKI continues to lack the necessary office space and financial resources for such visiting arrangements A number of candidates were discussed at board meetings for appointment to an International Relations Advisory Council - consisting of thought leaders in various fields - but no conclusion has been reached. A user-friendly staff handbook has been drafted and approved by LKI's Board of Management, and is being externally reviewed. Formal adoption will follow. Finally, research facilities were enhanced, by purchasing access to online databases with funding from a leading private sector company, and cataloguing of LKI's library for the first time to allow for its reliable use by staff. The next step is to make the library accessible to external users, including staff from the Ministry of Foreign Affairs and BIDTI, through the development of a membership programme and providing public access (see below).

The renovation and purchase of income-generating infrastructure and equipment, as well as the drafting of plans for the later renovation of the main building and a new building on site, were partially completed. This was complemented by efforts to make LKI a green think tank in line with the Government of Sri Lanka's objective to pursue Blue-Green development. As a preliminary step, paper recycling bins were placed around LKI in 2018 and efforts were made to reduce overall paper usage. This was complemented by the increased use of fans in place of air conditioners to reduce electricity usage. In addition, funds were allocated from the Ministry of Foreign Affairs in 2018 to install solar panels on the roof of the Institute. This will reduce the environmental impact and operational costs of LKI. However, funding constraints have meant that not all planned improvements (e.g. the replacement of audio and projection equipment in the Board Room and the Auditorium) were made and all facilities will require significant investment in 2019-2020 to ensure they are fit for use.

Figure 1: Selected Performance Indicators (2015-2018)



The only point of the plan that was not completed is the establishment of an income-generating membership programme for institutions and a plan to extend this to individuals. An experienced and qualified librarian was identified and recruited in early 2017 and completed the substantial task of cataloguing LKI's library in 2018. This is a foundational step to a membership programme, which can be implemented in the next three-year strategic planning cycle for LKI. However, preliminary efforts suggest that private sector interest in such a membership programme is limited in the current slow growth, low profit economic scenario facing Sri Lanka. The library also currently lacks adequate collections in LKI's key focus areas, including international relations, law and economics. Additional funding will be required to ensure that the library resources are sufficiently comprehensive.

2018

0

N/A

2016

2017

2018

2015

Evaluation of LKI's Performance

N/A

2015

2016

2017

0

Given LKI's main objectives as stated above, performance during the 2016-2018 cycle can be partially assessed on the basis of annual quantitative performance indicators. Figure 1 summarises the trends in four indicators: publications, events, unique website visitors, and external funding received. Information is also provided on training provided by LKI to the youth and other stakeholders.

1. Publications are a key medium through which LKI delivers analysis of Sri Lanka's strategic interests, the first of its main objective. The number of LKI publications rose from zero in 2015 to 49 in 2018. In addition, the number of written pieces that have appeared in external outlets, both locally and internationally, has increased from 1 in 2016 to 11 in 2018. Publication growth was driven by a significant increase in the number of shorter publications types, such as Commentaries, Takeaways and Spotlights. There was also a steady increase in longer publication types. In 2018, 7 Policy Briefs (3000 words each) were published, up from 3 in 2017 and none in either 2015 or 2016. Meanwhile, one Working Paper (7-10,000 words) was published in 2016 and another in 2018. This reflects the resources and much more extensive research needed to produce longer publications, as well as the developmental priorities of the Institute during this period.

2. The number of events that LKI hosted also increased significantly from two in 2015, to 13 in 2016, and peaked at 19 in 2017, before stabilising at 17 in 2018. The primary driver was an increase in round table events in LKI's boardroom, which can accommodate a maximum of 40 participants. These round tables include those with visiting foreign military delegations and events held as part of the LKI Foreign Policy Round Table series, which was launched in 2017. These events covered a range of topics and significantly increased LKI's engagement with the different stakeholders identified in the Strategic Plan 2016-2018. This was complemented by the more limited use of the LKI auditorium, which can accommodate around 120 people, for larger and high-profile events. These events were held less frequently due to the costs involved but were particularly well-received. For example, one senior journalist who covered such an event in 2017 wrote that.

"LKI is filling a gaping void in the dissemination, locally, of a knowledge of International Relations in its most vital dimensions. Hopefully, LKI would continue with its good work."

LKI's first foreign policy conference entitled 'Sri Lanka's Foreign Policy: Choices in a Changing World' held on 28-29 June 2017 was a highlight. This landmark dialogue aimed to review Sri Lanka's foreign policy and to formulate policy suggestions. The event was attended by over 300 attendees, including representatives from the Ministry of Foreign Affairs, diplomatic community, think tanks and academia, civil society, and the private sector. It significantly increased LKI's public profile as a focal point for discussions regarding Sri Lanka's foreign policy. The proceedings of this major conference were published in a user-friendly book, titled Shaping the Future of Sri Lanka's Foreign Policy, released in 2018.

A majority of LKI events were recorded and uploaded as podcasts on LKI's SoundCloud page or live streamed on YouTube to increase their reach and impact. Similarly, information and insights relating to events were shared on LKI's social media pages, particularly on Facebook and Twitter.

LKI's increased recognition as an important centre for dialogue on Sri Lanka's foreign policy was further indicated in the number of events held with reputed external partners. These included agencies of the United Nations, Chatham House, and the Max Planck Foundation for International Peace and the Rule of Law. LKI also partnered with the Government of Sri Lanka in organising a major Track 1.5 dialogue in October 2018 titled 'The Indian Ocean: Defining Our Future', which was one of Sri Lanka's most important foreign policy initiatives in recent years. Similarly, LKI was invited to participate in several high-profile foreign policy events international, including China's Belt and Road Forum in 2017 and India's Raisina Dialogue in 2018. LKI has both spoken and moderated at sessions of the Sri Lanka Economic Summit in 2017 and 2018, organised by the Ceylon Chamber of Commerce.

- 3. LKI's increased recognition is also indicated by greater engagement with its website and social media. The number of unique website visitors grew more than three-fold from under 25,000 in 2016, to over 80,000 in 2018, while LKI's Facebook and Twitter profiles had more than 5,000 and 2,000 followers, respectively, at the end of 2018. These developments were complemented by the establishment of YouTube, LinkenIn, and SoundCloud profiles during 2016 and 2017.
- 4. External funding increased significantly as a by-product of engagement with external partners from Rs.1.8 million in 2016 to Rs.6.5 million in 2018. This represented 15% of LKI's income in 2018, with an additional 20% coming from venue hire and the remaining 65% from the Ministry of Foreign Affairs. These sources of funding are subject to various risks. For instance, auditorium rental is seasonal and linked to tepid demand for venue hire. And private sector funding is increasingly hard to come by and could be subject to a trade off between donor interests and LKI's research independence. It should also be noted that the upward trajectory of funding may have been limited by political and administrative developments in 2017 and 2018, which included changes within LKI's main funder, the Ministry of Foreign Affairs.
- 5. With regard to training in international relations, BIDTI operations are headed by a different executive staff and were not included as part of the Strategic Plan 2016-1018. Therefore, its performance is only briefly mentioned. Nevertheless, LKI has provided on-the-job training for an increasing number of young people through its internship programme. The number of interns hosted increased from just 7 in 2015 in to 29 in 2018. In addition, internal skills classes known as 'LKI Conversations' were initiated in 2017 to enable LKI staff to share their insights on LKI's research, programs and resources, on topics as diverse as data analysis and public speaking. In terms of external training, LKI supported, moderated and spoke at sessions of the Sri Lanka Foreign Policy and Economic Diplomacy Dialogue 2018 co-organised by the Ministry of Foreign Affairs, LKI and BIDTI. Furthermore, LKI staff have given several external presentations including at the Ministry of Foreign Affairs, Colombo University, Sri Jayawardenapura University, the Central Bank of Sri Lanka, IPS, BIDTI and United Nations agencies.

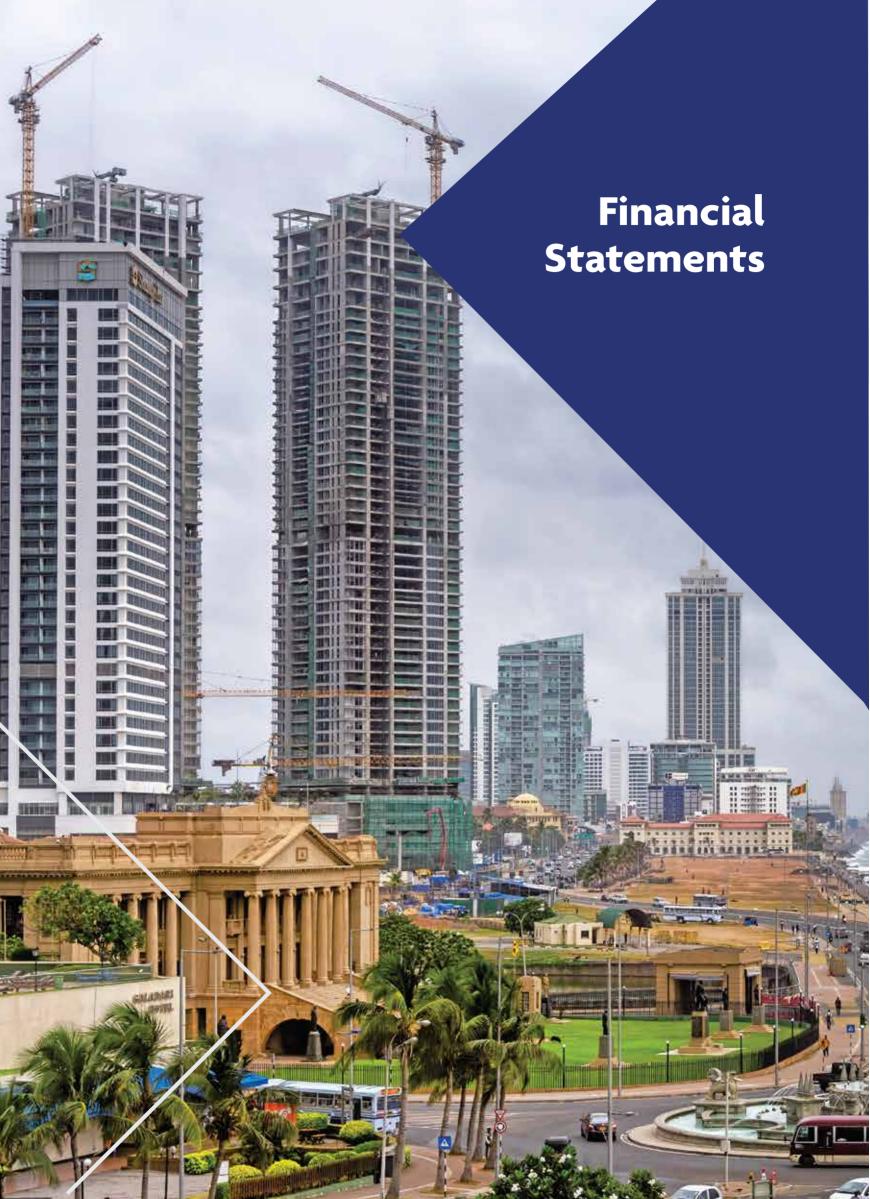
Overall Assessment

This brief self-evaluation of LKI's Strategic Plan 2016-2018, suggests that strong growth was recorded from a start-up phase during this period. Comparing LKI's 2017 performance with 2018 suggests that LKI's growth trajectory continued in spite of the change of Executive Director in August 2018. The majority of the ten points stated in the plan were either completed or substantially completed, which given the Institute's limited resources and institutional constraints, could be interpreted as a positive result. In addition, there was notable progress towards achieving LKI's key objectives of delivering analysis of Sri Lanka's strategic interests and being recognised as a focal point for knowledge and discussion of international relations in Sri Lanka.

The challenge for the next stage of LKI's redevelopment will be to build on these achievements, to further increase financial resources, retain and attract high-quality staff, and boost the overall impact of the Institute. A conducive political environment that enables high quality independent research, the continued support of LKI's main partner(s), and the availability of high quality research and administrative staff will be critical in addressing this challenge.

Table A1: Summary of Implementation of the LKI Strategic Plan 2016-2018

Objectives		Status as of 31 December 2018	Details of Implementation
High	Impact Programmes		
1	Establish immediate research programmes in two broad areas of priority, and plan for the establishment of future programmes.	Completed	The Global Governance and Global Economy Programmes were established in 2016. Research output from these programmes has increased year on year. Executive staff have discussed, both internally and externally, the future establishment of a programme on the global environment or sustainability.
2	Develop diverse and deliverable product offerings, both within and across programmes.	Completed	Six distinct publication types were established in 2016, ranging from short Commentaries to extended Working Papers A blog was launched in 2017. The number of publications and events grew significantly; they were disseminated in written, audio and video formats, as well as in traditional and social media, so that expert insights reached a wider audience.
3	Formulate and apply a media and communications plan, to maximize the impact of products, recruit talented staff, and raise visibility among potential supporters.	Completed	The media and communications plan was completed in 2017 and has largely been implemented through formal board approval remains needed for all aspects. A new LKI brand and website was launched and unique website visits have since risen significantly. Facebook and Twitter profiles have grown in the number of followers and a presence on several other social media platforms has been established.
Talen	ted People		
4	Engage external experts, by appointing the International Relations Advisory Council, and developing programmes for nonresident and visiting fellows.	Substantially Completed	Two nonresident fellow are in post as of the end of 2018. No visiting fellows have yet been hosted although provision has been made for a visiting fellow via an MoU with an overseas partner. Candidates have been discussed but not appointed to the International Relations Advisory Council.
5	Recruit resident staff, including a Deputy Director, and researchers and programme staff supported by external funding.	Completed	A Deputy Director and Librarian were recruited in 2017. A Chair and one Research Fellow for the Global Economy Programme were also recruited in 2017, each with the new support of a reputed external funder. A nonresident Research Director of the Global Governance Programme was in position during the period January to December 2018.
6	Adopt a staff handbook that clarifies procedures for promotion, opportunities for training, and other personnel matters.	Substantially Completed	The text of a detailed staff handbook was finalised and presented to the Board in early 2018. It is under external review for compliance with the relevant statutory instruments before formal adoption.
Value	d Partnerships		
7	Establish clear processes to receive external funding, and develop partnerships that will generate human resources, content, new audiences, and a higher profile.	Completed	Processes for the receipt of different kinds of external funding were established and implemented. Supportive partnerships were formed with the MJF Group (Dilmah), Expolanka, The Overseas Development Institute and The Asia Foundation.
8	Establish an income-generating membership programme for institutions, and plan for the later introduction of a membership programme for individuals.	Not Completed	A membership programme has not been established, due to delays in preparing the library for use by external members. The task of cataloguing LKI's library was undertaken for the first time in 2017 and was completed in 2018. A membership programme could be introduced in the next planning cycle.
Vital	Infrastructure		
9	Enhance the research facilities of the Institute, including accessible online databases, and a functional library for staff and members	Substantially Completed	External funding has enabled the purchase of journal access through EBSCOhost and subscriptions to key international news sources for the research team since 2017. The cataloguing of the library has prepared it for internal use by LKI staff. However, digitisation of the collection is required to facilitate its efficient use by staff, and to enable its use by external members.
10	Renovate and purchase income-generating infrastructure and equipment, and plan for the later renovation of the main building and a new building on site.	Partially Completed	New equipment and air conditioners for the auditorium were purchased in 2017, which have helped to retain and attract venue hire customers. The roof of the main building was also renovated in 2017. Plans for further renovations to the main building and the construction of a new building have been drawn up, though further funding is required to carry out these plans.



Financial Statements

FOR THE YEAR ENDED 31ST DECEMBER 2018

1. Corporate Information

1.1 General

The Lakshman Kadirgamar Institute for International Relations and Strategic Studies and the principal place of operations is situated at "The Light House" 24 Horton Place, Colombo 7. The Bandaranaike International Diplomatic Training Institute (BIDTI) which is vested under the LKI is located at Suite 3907, BMICH Complex, Colombo 7. Final Accounts of LKI and BIDTI are amalgamated and submitted in this report.

1.2 Principal Activities and Nature of Operations

The LKI provides a forum for exchange of knowledge and opinions, discussion, analysis and evaluation of research in strategic studies and international relations conducts joint seminars, lectures and workshops, promote and assist's research in strategic studies and international Relations foster's relationships with like-minded institution's both local and foriegn, and acts as a focal point for research and discussions on global and regional issues that assist the government in policy planning and formulation of policy alternatives.

- 1.3 The BIDTI is the training institute of the Ministry of Foreign Affairs and is responsible for staff training.
- 1.4 The Notes of the Financial Statements are attached hereto from an integral part of the financial statements.

2. Summary of Significant Accounting Policies

2.1 Basis of Preparation

These Financial Statements are prepared in accordance with Sri Lanka Public Sector Accounting Standard (SLIPSAS) introduced in 2009 and 2012. The Statement of Financial Position, Statement of Financial Performance, Cash Flow Statement and Statement of Charges in Net Assets/Equity have been prepared together with Accounting Policies and Notes to the Financial Statements of the institutes as at 31 December 2018.

2.2 Property, Plant and Equipment

A) Cost

Properties, Plant and Equipment are initially recorded at cost. The cost of Property, Plant and Equipment is the cost of acquisition or construction together with any expenses incurred in bringing the assets to its working condition for the intended use.

(B) Depreciation

The provision for the depreciation is calculated by using straight line basis on the cost of Fixed Assets in order to write off such amounts over the estimated useful lifetime. The principal annual rates used are:

	LKI	BIDTI
Steel furniture	10%	
Electric equipment	10%	
Office Equipment	10%	10%
Computer Equipment	25%	
Library books	5%	5%
Lecture Hall equipment		10%
Furniture and Fittings		5%
Building & Structures	5%	
Machinery	10%	
Name Board & Logo		10%
Sundry Items	10%	

Depreciation of assets purchased during the year is charged to the Statement of Financial Performance irrespective of the date of purchase.

Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2018

2.3 Liabilities

All known liabilities have been accounted for in preparing the Financial Statements.

- 2.4 Defined Contribution Plans Employees' Provident Fund and Employees' Trust Fund Employees are eligible for Employees' Provident Fund Contribution and Employees' Trust Fund contribution in line with respective statutory requirement and other related regulation.
- 2.5 Statement of Financial Performance
- 2.5.1 Revenue/Expenditure Recognition

Fixed Deposit interests, interest for Treasury Bills and Course Fees of BIDIT are accounted for on Cash basis and all other transactions are accounted for on accrual basis.

Declaration

The Financial Statements give a true and fair view of the institute's state of affair as at 31 December 2018. For and on belhalf of the Board of Directors;

Mr. Azam Bakeer Markar Member, Board of Management, LKI

Member, Board of Management, LKI

Ms. Radhika De Silva Deputy Director, LKI Executive Director (Actg), LKI

Statement of Financial Performance

FOR THE YEAR ENDED 31 DECEMBER 2018

							LKR
	NOTES	LKI 2018	BIDTI 2018	TOTAL	LKI 2017	BIDTI 2017	TOTAL
REVENUE							
Income	1	18,374,672.48	20,431,533.52	38,806,206.00	15,170,797.31	15,612,086.40	30,782,883.71
Other Income	2	20,449,300.60		20,449,300.60	19,055,026.85		19,055,026.85
Total Revenue		38,823,973.08	20,431,533.52	59,255,506.60	34,225,824.16	15,612,086.40	49,837,910.56
EXPENSES							
Staff Expenses	3	16,093,071.72	8,192,721.34	24,285,793.06	13,099,951.03	6,290,943.03	19,390,894.06
Supplies & Consumables	4	15,385,866.41	7,872,118.62	23,257,985.03	20,291,135.41	5,833,123.77	26,124,259.18
Depreciations	5	1,477,349.21	447,297.17	1,924,646.38	1,944,911.45	418,313.67	2,363,225.12
Other Expenses	6	984,550.34	122,968.04	1,107,518.38	2,157,736.78	197,640.11	2,355,376.89
Finance Cost	7	112,992.69	8,330.00	121,322.69	43,470.00	6,975.00	50,445.00
Total Expenses		34,053,830.37	16,643,435.17	50,697,265.54	37,537,204.67	12,746,995.58	50,284,200.25
Surplus/(Deficit) for the Period		4,770,142.71	3,788,098.35	8,558,241.06	(3,311,380.51)	2,865,090.82	(446,289.69)

Statement of Financial Position

AS AT 31 DECEMBER 2018

							LKR
	NOTES	LKI 2018	BIDTI 2018	TOTAL 2018	LKI 2017	BIDTI 2017	TOTAL 2017
ASSETS							
Current Assets							
Cash & Cash Equivalents	8	15,505,658.94	521,153.16	16,026,812.10	1,123,129.32	865,988.93	1,989,118.25
Festival Advance & Loan Due	9	320,827.50	2,000.00	322,827.50	343,301.50	2,000.00	345,301.50
Fuel Advance, Other Advances							
& Other Receivables		50,000.00		50,000.00	113,539.16		113,539.16
Non Current Assets							
Investments	10	89,500,000.00	20,512,461.29	110,012,461.29	89,500,000.00	16,111,782.74	105,611,782.74
Property Plant & Equipment	11	7,664,007.46	2,179,183.67	9,843,191.13	9,020,279.07	2,288,025.84	11,308,304.91
Total Assets		113,040,493.90	23,214,798.12	136,255,292.02	100,100,249.05	19,267,797.51	119,368,046.56
Liabilities							
Current Liabilities							
Accrued Expenses	12	9,587,131.44	209,390.50	9,796,521.94	8,557,029.30	50,488.24	8,607,517.54
Refundable Deposit	13	390,000.00		390,000.00			
Non Current Liabilities							
Retirement Benefit Obligations	14	184,750.00	621,400.00	806,150.00	184,750.00	621,400.00	806,150.00
Deferred Revenue	15	6,750,000.00		6,750,000.00			
Total Liabilities		16,911,881.44	830,790.50	17,742,671.94	8,741,779.30	671,888.24	9,413,667.54
Net Assets		96,128,612.46	22,384,007.62	118,512,620.08	91,358,469.75	18,595,909.27	109,954,379.02
Capital Contributed By							
Capital Reserves		75,000,000.00		75,000,000.00	75,000,000.00		75,000,000.00
Accumulated Surplus		21,128,612.46	22,384,007.62	43,512,620.08	16,358,469.75	18,595,909.27	34,954,379.02
Equity & Liabilities		113,040,493.90	23,214,798.12	136,255,292.02	100,100,249.05	19,267,797.51	119,368,046.56

The Accounting Policies on page 40 to 45 and Notes on the page 46 to 52 form an integral part of these Financial Statements. The Board of Directors is responsible for the preparation and presentation of these Financial Statements. The Financial Statements were approved by the Board of Directors and signed on their behalf.

Mr. Azam Bakeer Markar Member, Board of Management, LKI Ms. Sandya Salgado Member, Board of Management, LKI Dr. Ganeshan Wignaraja Executive Director (Actg), LKI

, soud of management, plu

Ms. Pamela J Deen Director General, BIDTI

Ms. Radhika De Silva Deputy Director, LKI

Ralla V de Silva

Cash Flow Statement FOR THE YEAR ENDED 31 DECEMBER 2018

						LKR
CASH FLOWS FROM OPERATING	LKI 2018	BIDTI 2018	TOTAL 2018	LKI 2017	BIDTI 2017	TOTAL 2017
ACTIVITIES						
Surplus for the period	4,770,142.71	3,788,098.35	8,558,241.06	(3,311,380.51)	2,865,090.82	(446,289.69)
Non-Cash movements	1,7 7 0,1 12.7 1	3,700,070.33	0,550,211.00	(3,311,300.31)	2,003,070.02	(110,207.07)
Depreciations	1,477,349.21	447,297.17	1,924,646.38	1,944,911.45	418,313.67	2,363,225.12
Increase / decrease in the investment						
value of Treasury Bills		9,926.41	9,926.41		(3,824.95)	(3,824.95)
FD Interest added to the investment		(1,410,604.96)	(1,410,604.96)		(889,737.68)	(889,737.68)
Increase/Decrease in Receivables	86,013.16		86,013.16		3,000.00	3,000.00
Increase/Decrease in Payables	1,420,102.14	158,902.26	1,579,004.40	(103,358.04)	(71,137.14)	(174,495.18)
Net Adjustment made to the				150170 22		150170 22
Accumulated Surplus				159,178.32		159,178.32
Gratuity Provisions for the year Deferred Revenue	4 750 000 00		4 750 000 00			
Deferred Revenue	6,750,000.00		6,750,000.00			-
NET CASH FLOW FROM OPERATING						
ACTIVITIES	14,503,607.22	2,993,619.23	17,497,226.45	(1,310,648.78)	2,321,704.72	1,011,055.94
CASH FLOWS FROM INVESTING						
ACTIVITIES						
ם (הי ו	(121.077.40)	(220, 455, 00)	(450 522 40)	(100707400)	/1/2 /72 50	(2.1/1.44/ 50)
Purchase of Fixed Assets	(121,077.60)	(338,455.00)	(459,532.60)	(1,997,974.08)	(163,472.50)	(2,161,446.58)
Investments in Fixed deposits Net Cash Flows From Investing		(3,000,000.00)	(3,000,000.00)	(4,000,000.00)	(2,500,000.00)	(6,500,000.00)
Activities	(121,077.60)	(3,338,455.00)	(3,459,532.60)	(5,997,974.08)	(2,663,472.50)	(8,661,446.58)
CACH FLOWE FROM FINIANCING						
CASH FLOWS FROM FINANCING ACTIVITIES						
ACTIVITIES						
Net increase in Cash and Cash						
equivalents	14,382,529.62	(344,835.77)	14,037,693.85	(7,308,622.86)	(341,767.78)	(7,650,390.64)
Cash and cash equivalents at the		,		•		,
beginning of the year	1,123,129.32	865,988.93	1,989,118.25	8,431,752.18	1,207,756.71	9,639,508.89
Cash and Cash Equivalents at the						
end of the year	15,505,658.94	521,153.16	16,026,812.10	1,123,129.32	865,988.93	1,989,118.25

Statement Of Changes In Equity/Net Assets FOR THE YEAR ENDED 31 DECEMBER 2018

LKI LKR

ATTRIBUTABLE TO OWNERS OF THE CONTROLLING ENTITY							
Contributed Capital Accumulated Surplus To							
Balance as at 01.01.2018	75,000,000.00	16,358,469.75	91,358,469.75				
Surplus/Deficit for the period		4,770,142.71	4,770,142.71				
Balance as at 31.12.2018	75,000,000.00	21,128,612.46	96,128,612.46				

BIDTI LKR

ATTRIBUTABLE TO OWNERS OF THE CONTROLLING ENTITY								
	Contributed Capital Accumulated Surplus T							
Balance as at 01.01.2018		18,595,909.27	18,595,909.27					
Surplus/Deficit for the period	0	3,788,098.35	3,788,098.35					
Balance as at 31.12.2018	0	22,384,007.62	22,384,007.62					

01. INCOME LKR

	LKI 2018	BIDTI-2018	Total 2018	LKI 2017	BIDTI-2017	Total 2017
Interest	8,824,128.28	1,410,604.96	10,234,733.24	8,173,046.81	1,148,951.46	9,321,998.27
Hire Charges	9,550,544.20		9,550,544.20	6,997,750.50		6,997,750.50
Course Fees		19,030,854.97	19,030,854.97		14,459,610.00	14,459,610.00
Increase in the investment						
value of Treasury Bills		(9,926.41)	(9,926.41)		3,824.95	3,824.95
Total	18,374,672.48	20,431,533.52	38,806,206.00	15,170,797.31	15,612,386.41	30,783,183.72

02. OTHER INCOME LKR

	LKI 2018	BIDTI-2018	Total 2018	LKI 2017	BIDTI-2017	Total 2017
Other Income	7,620,609.75		7,620,609.75	4,161,996.25		4,161,996.25
Grant from MFA-Recurrent	12,500,000.00		12,500,000.00	14,879,076.19		14,879,076.19
Grant from MFA-Capital	321,462.60		321,462.60			
Loan interest received	7,228.25		7,228.25	13,954.41		13,954.41
Total	20,449,300.60		20,449,300.60	19,055,026.85		19,055,026.85

3. STAFF EXPENSES LKR

	LKI 2018	BIDTI-2018	Total 2018	LKI 2017	BIDTI-2017	Total 2017
Salaries	12,844,346.36	4,245,482.53	17,089,828.89	10,356,608.80	3,714,246.00	14,070,854.80
Employees' Provident Fund	1,514,849.10	317,269.62	1,832,118.72	1,203,142.65	262,829.52	1,465,972.17
Employees' Trust Fund	377,995.22	80,171.35	458,166.57	300,785.65	66,467.80	367,253.45
Allowances and OT	1,355,881.04	869,525.84	2,225,406.88	1,239,413.93	581,371.71	1,820,785.64
Honorarium for Lecturers		2,060,175.00	2,060,175.00		1,206,375.00	1,206,375.00
Papermarking, Supervising &						
Examination Expenses		295,750.00	295,750.00		284,000.00	284,000.00
Travelling		72,247.00	72,247.00		72,803.00	72,803.00
Gift for Lecturers		252,100.00	252,100.00		102,850.00	102,850.00
Total	16,093,071.72	8,192,721.34	24,285,793.06	13,099,951.03	6,290,943.03	19,390,894.06

04. SUPPLY & CONSUMABLES EXPENSES	LKR
04. SUPPLY & CONSUMABLES EXPENSES	LKR

	LKI 2018	BIDTI-2018	Total 2018	LKI 2017	BIDTI-2017	Total 2017
Photography expenses		13,200.00	13,200.00	-		-
Vehicle Hire			-	-		-
Fuel / Travelling	397,885.77	365,250.00	763,135.77	1,946,274.19	320,300.00	2,266,574.19
Water	229,681.50	44,482.97	274,164.47	298,452.74	40,048.57	338,501.31
Electricity	1,949,930.98		1,949,930.98	2,034,021.60		2,034,021.60
Postal & Telecommunication	2,691,295.60	283,314.55	2,974,610.15	2,549,204.13	278,353.74	2,827,557.87
Maintenance (Garden/Building)	822,673.70	48,100.00	870,773.70	1,994,479.00	87,750.00	2,082,229.00
Stationery/Printing charges	2,716,470.28	349,882.50	3,066,352.78	3,090,029.21	441,924.32	3,531,953.53
Goods & services	2,301,024.18	374,026.00	2,675,050.18	2,142,278.40	118,910.00	2,261,188.40
Refreshments	734,796.80	356,523.60	1,091,320.40	2,336,528.50	248,188.00	2,584,716.50
Security	1,726,953.94		1,726,953.94	1,812,526.63		1,812,526.63
Janitorial Services	1,442,784.00		1,442,784.00	1,507,094.00		1,507,094.00
Maintenance (Plant/Machinery/						
Equipments/Vehicle)	372,369.66	55,204.16	427,573.82	580,247.01	113,023.19	693,270.20
Examinations		110,800.00	110,800.00		235,042.84	235,042.84
Office Rent		3,889,050.24	3,889,050.24		3,141,849.61	3,141,849.61
Course inauguration,						
Convocation & Awards		404,544.60	404,544.60		39,205.00	39,205.00
Newspaper & Periodicals		97,335.00	97,335.00		122,700.00	
Website		72,950.00	72,950.00			
Course Expenses		1,407,455.00	1,407,455.00		645,828.50	645,828.50
Total	15,385,866.41	7,872,118.62	23,257,985.03	20,291,135.41	5,833,123.77	26,124,259.18

05. DEPRECIATIONS LKR

	LKI 2018	BIDTI-2018	Total	LKI 2017	BIDTI-2017	Total
Depreciations	1,477,349.21	447,297.17	1,924,646.38	1,944,911.45	418,313.67	2,363,225.12
Total	1,477,349.21	447,297.17	1,924,646.38	1,944,911.45	418,313.67	2,363,225.12

06. OTHER EXPENSES LKR

	LKI 2018	BIDTI-2018	Total	LKI 2017	BIDTI-2017	Total
Miscellaneous expenses	750,180.32	69,461.54	819,641.86	2,141,972.68	136,358.11	2,278,330.79
Petty cash expenses	234,370.02	53,506.50	287,876.52	2,040.00	61,282.00	63,322.00
Others			-	13,724.10		13,724.10
Total	984,550.34	122,968.04	1,107,518.38	2,157,736.78	197,640.11	2,355,376.89

07. FINANCE COST						LKR
	LKI 2018	BIDTI-2018	Total	LKI 2017	BIDTI-2017	Total
Bank Charges/ With Holding Taxes	7,422.69	8,330.00	15,752.69		6,975.00	6,975.00
Audit Fees	105,570.00	2,522	105,570.00	43,470.00	2,000	43,470.00
Total	112,992.69	8,330.00	121,322.69	43,470.00	6,975.00	50,445.00
08. CASH & CASH EQUIVALENTS						
	LKI 2018	BIDTI-2018	Total	LKI 2017	BIDTI-2017	Total
Bank of Ceylon	15,505,658.94	521,153.16	16,026,812.10	1,123,129.32	865,988.83	1,989,118.15
Total	15,505,658.94	521,153.16	16,026,812.10	1,123,129.32	865,988.83	1,989,118.15
09. FESTIVAL ADVANCE & LOAN DUE						
	LKI 2018	BIDTI-2018	Total	LKI 2017	BIDTI-2017	Total
Loan	319,577.50		319,577.50	343,301.50		343,301.50
Festival Advance	1,250.00	2,000.00	3,250.00		2,000.00	2,000.00
Total	320,827.50	2,000.00	322,827.50	343,301.50	2,000.00	345,301.50
OTHER ADVANCES						
	LKI 2018	LKI 2017				
Fuel Advance	50,000.00	50,000.00				
Receivable		1,000.00				
EPF/ETF Receivable		62,539.16				
Total	50,000.00	113,539.16				
10. INVESTMENTS						
	LKI 2018	BIDTI-2018	Total	LKI 2017	BIDTI-2017	Total
Fixed deposits	89,500,000.00		107,094,634.23			102,684,329.28
Treasury Bills	07,300,000.00	2,917,827.06	2,917,827.06	07,300,000.00	2,927,753.47	2,927,753.47
Total	89,500,000.00		110,012,461.29	89 500 000 <u>00</u>		05,612,082.75
Total	69,300,000.00	20,312,401.29	110,012,401.29	03,300,000.00	10,112,002.75 1	03,012,002.73

FIXED DEPOSITS - LKI

Institution	Date of investment	Date of Maturity	Amount
BOC	29.05.2017	29.05.2018	5,000,000.00
BOC	05.06.2017	05.06.2018	25,000,000.00
BOC	09.06.2017	09.06.2018	1,500,000.00
BOC	21.07.2017	21.07.2018	9,000,000.00
BOC	19.09.2017	19.09.2018	15,000,000.00
BOC	17.12.2017	17.12.2018	25,000,000.00
BOC	23.11.2017	23.11.2018	5,000,000.00
BOC	24.04.2017	25.04.2018	2,000,000.00
BOC	24.04.2017	25.04.2018	2,000,000.00
Total			89,500,000.00

LKR

FIXED DEPOSITS - BIDTI LKR

Institution	Date of Deposit	Date of Maturity	Balance
BOC	10.02.2018	12.02.2018	1,256,506.08
BOC	24.08.2015	24.08.2018	1,278,437.21
BOC	03.11.2015	06.11.2018	1,947,905.06
BOC	19.11.2015	23.11.2018	656,505.95
BOC	19.11.2015	23.11.2018	651,761.05
BOC	11.03.2016	12.03.2018	2,380,292.36
BOC	20.05.2016	21.05.2018	2,392,525.21
BOC	07.10.2016	09.10.2018	1,221,951.31
BOC	30.05.2017	30.05.2018	2,808,750.00
BOC	05.03.2018		1,500,000.00
BOC	04.06.2018		1,500,000.00
Total			17,594,634.23

Treasury Bills LKR

Institution	Date of Purchase	Date of Maturity	Investment Value	Face Value
BOC	19.10.2018	19.04.2019	477,441.00	500,000.00
BOC	19.10.2018	19.04.2019	477,441.00	500,000.00
BOC	09.11.2018	08.02.2019	488,579.50	500,000.00
BOC	09.11.2018	08.02.2019	997,948.06	1,021,275.00
BOC	23.11.2018	24.05.2019	476,417.50	500,000.00
Total			2,917,827.06	3,021,275.00

11. PROPERTY, PLANT AND EQUIPMENT - LKI

LKR

Description	Cost as at 01.01.2018	Additions & (Disposals)	Cost as at 31.12.2018	Accumulated Depreciation as at 01.01.2018	Depreciation for the year	Accumulated Depreciation as at 31.12.2018	Net Book Value
Electric Equipment	5,262,942.14	14,348.60	5,277,290.74	1,833,773.91	527,729.07	2,361,502.988	2,915,787.75
Computer Equipment	3,486,780.01		3,486,780.01	2,920,132.51	392,025.00	3,312,157.513	174,622.50
Office Furniture	2,191,090.98	106,729.00	2,297,819.98	1,075,200.23	229,782.00	1,304,982.226	992,837.75
Steel Furniture	290,259.44		290,259.44	172,471.39	29,025.94	201,497.338	88,762.10
Machinery	892,377.06		892,377.06	200,379.14	89,237.71	289,616.842	602,760.22
Sundry Items	234,084.38		234,084.38	75,204.81	23,408.44	98,613.246	135,471.13
Building & Structures	3,189,193.00		3,189,193.00	733,198.25	159,459.65	892,657.900	2,296,535.10
Library Books	533,628.02		533,628.02	49,715.72	26,681.40	76,397.122	457,230.90
Total	16,080,355.03	121,077.60	16,201,432.63	7,060,075.96	1,477,349.21	8,537,425.175	7,664,007.46

DEPRECIATION OF COMPUTERS CALCULATE AS AT FOLLOWS

Calculate cost of Occupied Computers

LKR

Date of Purchase	Voucher no	Cost	Depreciation for the Year
01/2017	0.02	148,490.00	37,122.50
02/2017	0.67	234,000.00	58,500.00
05/2017	5 5	435,000.00	108,750.00
	0.12	329,600.00	82,400.00
11/2017	0.52	156,000.00	39,000.00
		265,010.00	66,252.50
Total		1,568,100.00	392,025.00

PROPERTY, PLANT AND EQUIPMENT BIDTI

LKR

Description	Cost as at 01.01.2018	Additions & (Disposals)	31.12.2018	Accumulated I Depreciations s at 01.01.2018	for the year	Accumulated Depreciations as at 31.12.2018	Net Book Value
Office Equipment	1,973,200.24	128,065.00	2,101,265.24	1,494,727.40	210,126.52	1,704,853.92	396,411.32
Lecture Hall Equipment	820,647.50	106,150.00	926,797.50	654,564.75	92,679.75	747,244.50	179,553.00
Furniture & Fittings	1,783,431.92	28,000.00	1,811,431.92	487,926.56	90,571.60	578,498.16	1,232,933.76
Library Books	176,361.00	69,240.00	245,601.00	114,970.87	12,280.05	127,250.92	118,350.08
Name Board & Logo	409,392.51	7,000.00	416,392.51	122,817.75	41,639.25	164,457.00	251,935.51
Total	5,163,033.17	338,455.00	5,501,488.17	2,875,007.33	447,297.17	3,322,304.50	2,179,183.67

12.ACCRUED EXPENSES - LKI

Description	Amount	Total
BMICH-2017	7,501,646.93	
Payee Tax-2017	30,663.48	7,532,310.41
Supply and Consumable-2018		
Refreshment Charges for round table	45,500.00	
Repair Charges	3,910.00	
Energy Audit	70,000.00	
Newspaper	3,040.00	
Telephone	8,980.00	
Design	66,666.67	
Maintenance of Grounds	63,000.00	
Janitorial Services	120,232.00	
Electricity Board	155,685.60	
Photography	15,000.00	
Google App	80,630.00	
Water Bill	11,329.03	
Telecom	44,290.27	
Repair Chages	19,090.00	
Water Bill	4,750.65	
Stationery	56,236.20	
Security Charges	148,619.10	
Printing-Anim8	34,822.73	
Fuel	11,760.00	963,542.25
Staff Expenses-2018		
Salary-Kadira Petiyagoda	551,850.00	
Gayan OT	12,828.80	
Salary-Divya	50,421.67	
EPF & ETF Payble ACC	417,441.71	
Tax Payable	10,105.00	
Lashanthi Salary	9,100.00	
Ot Sanjaya-DEC	10,054.80	
Sanjeewa Salary-December	29,476.80	1,091,278.78
		9,587,131.44

EPF & ETF PAYABLELKREPF & ETF Payable amount479,980.87Less Over Paid EPF & ETF 201762,539.16

417,441.71

ACCRUED EXPENSES-BIDTI	LKR
Description	Amount
Hospitality/Refreshments	25,200.00
Course Expenses	67,870.00
Postal & Communication Expenses	19,308.37
Advertising	59,455.00
Overtime	23,397.13
Newspapers	14,160.00
Total	209,390.50

13. **REFUNDABLE DEPOSIT** 390,000.00

14.RETIREMENT BENEFIT OBLIGATION

Retirement Benefit Obligation	LKI 2018	BIDTI-2018	Total	LKI 2017	BIDTI-2017	Total
Balance as at 01.01.2018	184,750.00	621,400.00	806,150.00	184,750.00	621,400.00	806,150.00
Provision for the Year						
Payments						
Balance as at 31.12.2018	184,750.00	621,400.00	806,150.00	184,750.00	621,400.00	806,150.00

15. DEFERRED EXPENSES - LKI 6,750,000.00

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