



DELHI POLICY GROUP

Advancing India's Rise as a Leading Power



DPG Conference Report, Vol. 3, Issue 1 Regional Conference on 'Advancing BIMSTEC Cooperation'

India Habitat Centre | New Delhi | India | April 26-27, 2018



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**DPG Regional Conference on Advancing
BIMSTEC Cooperation, New Delhi, April 26-
27, 2018**

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Abstract of Proceedings

The Delhi Policy Group (DPG) in collaboration with the Asia Foundation organized a “Regional Conference on Advancing BIMSTEC Cooperation”, in Delhi, India on April 26-27, 2018. The conference was the first in the series organized by the DPG. The conference hosted participants from six BIMSTEC Countries, namely, India, Bangladesh, Bhutan, Myanmar, Nepal and Sri Lanka. The discussions were thematically divided into 4 sessions dealing with Trade & Economic Integration, Transit & Multi-modal Connectivity, Energy, Water, Climate Change, Environment & other Issues, and People to People Connectivity through multi-sectoral engagement.

The Ambassador of Bhutan to India, H.E. Major General Vetsop Namgyel; the Ambassador of the Kingdom of Thailand to India, H.E. Mr. Chutintorn Gongsakdi; the Deputy High Commissioner of Bangladesh to India, Mr. Rokebul Haque; the Charge d’Affaires of Nepal to India, Mr. Bharat Kumar Regmi and the Joint Secretary of BIMSTEC-SAARC in the Ministry of External Affairs, Mr. Piyush Srivastava delivered special addresses during the inaugural session of the conference on the morning of April. 26. 2018. The Deputy High Commissioner of Singapore Ng Boon Yian and the Indonesian ambassador Sidharto Reza Suryodipuro also graced the occasion.

The first day of the conference focused on the challenges and opportunities in the four thematic areas of BIMSTEC regional cooperation, which were addressed in the presentations of all the participants. The second day of the conference was dedicated to the breakout sessions in which participants identified three priority areas in each of the four thematic areas, the implementation processes and the likely challenges. The participants formulated a comprehensive two-year action plan for each thematic area based on the outcome of these discussions. Further during the day, a few participants from each session broke out to identify challenges and opportunities in a special session on addressing gender issues in the BIMSTEC region. They further discussed and formulated a comprehensive two-year plan.

The proceedings on Day One began with a brief welcome address by Ambassador H.K Singh, Senior Fellow, Delhi Policy Group. He welcomed the distinguished Heads of Mission and all the participants who included academics, members of the think tank community and government officials. Amb. Singh said that India’s BIMSTEC approach is driven by a couple of overarching visions of regional connectivity and community building in the region. Since geopolitical factors have limited the progress of SAARC, BIMSTEC offers a natural platform to India to act on its key foreign policies like the ‘Neighbourhood First’ and the ‘Act East’ policy. At the same time, BIMSTEC is also significant for the economic prosperity of India’s north-eastern states. In light of these issues, Amb. Singh stressed on the need to move beyond the existing BIMSTEC agreements for more meaningful BIMSTEC cooperation.

This was followed by a Special Address by the Joint-Secretary, BIMSTEC & SAARC, Shri Piyush Srivastava. He said that the BIMSTEC possesses a unique position as an organization as it connects the ecologies of the Himalayas and the Bay of Bengal. He emphasized upon the scope for peace and development that these BIMSTEC nations have due to their shared histories, values, and way of life. He also identified peace and security as crucial for the stability and development of the region, declaring the commitment of the BIMSTEC countries to initiatives in the areas of counter terrorism, maritime security, human trafficking, and cyber security. He also spoke about the series of meetings that were organized in India for bettering

the people to people contacts in the region and for more visibility concerning the BIMSTEC cooperative initiatives.

Deputy High Commissioner of the Bangladesh High Commission in New Delhi, H.E. Mr. Rokebul Haque in his special address conveyed the role and involvement of Bangladesh in the BIMSTEC region. He recommended enhancing the capacity of the BIMSTEC Secretariat and identifying the Secretary General as a key figure in coordination, facilitation and promotion of regional cooperation through the implementation of the agenda of the organization. He further said that pushing all 14 areas of cooperation simultaneously will prove to be a difficult endeavour and thereby, advocated prioritizing connectivity, energy, trade and investment, counter-terrorism, and people-to-people contact. He called for the establishment of a 'BIMSTEC Forum' to tackle the trade and economic challenges faced by the developing countries.

The Charge d'Affaires of the Embassy of Nepal in India, H.E. Mr. Bharat Kumar Regmi in his special address appreciated the consolidation of trust among member nations of BIMSTEC through various commitments from all countries towards intra-regional connectivity, thereby assisting the smooth exchange of people, ideas, technology, goods, and services. He identified the region's natural, human, and cultural resources, along with its huge markets, youth population, enabling political environment, and strategically important geographical and maritime locations as opportunities for growth and development in the foreseeable future. Further, he called for a clear-cut, long term vision, concrete steps at the ground level, and policy coordination among member states to chart out the agenda for next decade in each sector with clarity on the role and responsibility of each member state.

H.E. Major General Vetsop Namgyel, the Ambassador of Bhutan to India in his special address spoke of the India-Bhutan relations as one of mutually beneficial cooperation, born out of genuine friendship and trust of each-other. He underlined the interdependence of the region by pointing out the common seacoast shared directly by India, Bangladesh, Thailand, Sri Lanka, and Myanmar and indirectly by Nepal and Bhutan through India and Bangladesh. He insisted on the regional political support as an essential component for ensuring results not only in connectivity betterment but also to ensure cooperation in areas like environment, energy, counter terrorism, and security-related matters. Ambassador Namgyel identified one challenge to BIMSTEC advancement, exclusively from the Bhutanese viewpoint, i.e. asymmetry in size of member countries. He said, that there will be limitations in capacity of different countries to implement various programs but that should not inhibit the successful implementation of important proposals.

The Ambassador of the Kingdom of Thailand to the Republic of India, H.E. Mr. Chutintorn Gongsakdi in his special address mentioned that the future of the BIMSTEC organization is secure because the countries that make up BIMSTEC are in sync with each other and are dependent on each other for further progress. Bringing in the Thai perspective, he said that Thailand is good at initiating things, but they lack the intellectual or the financial power to drive all these initiatives. Ambassador Gongsakdi drew attention to the resource shortfall in the region and hence, spoke of the need to prioritize our immediate problems. He also suggested involving non-member countries in BIMSTEC, who are interested in investing in the infrastructure projects in the region and hoped for a successful conclusion of the conference.

The first session of the conference was chaired by Dr. A. Didar Singh and it focused on the trade and economic integration in the BIMSTEC region. The session dealt with non-tariff

barriers/ measures, customs, border trade and border infrastructure and the BIMSTEC MVA among other pertinent issues. The focus of the session was on the BIMSTEC FTA agreement. However, the speakers had conflicting opinions regarding the same. While Dr. Weerakoon suggested the commencement of negotiations from scratch, Dr. Raihan suggested that the completion of the FTA is a must for boosting the regional confidence. There were talks about the convergence of developmental policies of the member states. Regional interests can only be achieved when the domestic policies are conducive to some commonalities. Dr. Batra brought in the gender perspective and suggested that 'Gender' should be a priority area in BIMSTEC to address the weak integration of women in trade in the region.

Session two dealt with transit and multimodal connectivity (roadways, waterways, railways, ports, coastal shipping, container transportation and aviation). Ambassador Sanjay Singh chaired the session, which focused on the development of hard and soft infrastructure. Suggestions for the completion of the BIMSTEC Master Plan for Regional Connectivity with ADB's help, mutual assistance on custom matters, a focus on digital connectivity, the issue of observers and the concept of 'open regionalism' were raised. Dr. Banerjee made a pitch for establishing more bonded zones at the borders rather than creating more border ports. Amb. Singh recommended that when DPG sends the report of the conference to the higher officials it include the suggestion that the government should provide a subsidy for starting shipping services in the region and become a resource-oriented country.

The third session of the conference focused on energy, water, climate change, environment and other related issues. The session was chaired by Dr. Sagar Prasai, the country representative, India of the Asia Foundation. The session dealt with grid inter-connections, non-conventional energy sources, the issue of water-sharing and environmental degradation and natural disaster management. A suggestion to build institutional capacities in the BIMSTEC member states to further energy initiatives was raised. There were discussions of the negative effects of climate change on farmers and it was agreed that a comprehensive plan of action be devised to address the issue. The conservation of river-water was highlighted as a major issue and it was recommended that the key to establishing a framework is through the harmonization of domestic laws, the overarching water and environment laws.

The last session of the conference was chaired by Mr. Sayasachi Dutta, Director of the Asian Confluence. The session focused on the people-to-people connectivity through multi-sectoral engagement within the BIMSTEC region. The subjects discussed during the session included tourism, higher education, health, cultural heritage, media, film, performing arts, music and visual arts. Mr. Dutta mentioned that while action-plans and frameworks are being designed by the governments according to the imperatives of geo-politics and geo-economics, they had to be nurtured by the bonds of heart and mind. In such an integrated economy as BIMSTEC, it was essential that people trusted each other, which could only happen when they interacted with each other often. Thus, there were recommendations to boost connectivity and tourism in the region. Also, it was recommended that the BIMSTEC Community needs to build from a bottom-up approach. People rather than governments need to own the community for better people-to-people contacts.

The Secretary General of BIMSTEC Secretariat, H.E. M. Shahidul Islam graced the valedictory session at the end of day one. He said that it was encouraging to see that the renewed commitment of the Indian political leadership to the BIMSTEC process is being enthusiastically supported by the business leaders, think-tanks and civil society of India as evident from the participation in the event of DPG. He said that we should build on the solid

bases of cooperation, structure and legacy of BIMSTEC which has been established in the last twenty years. He highlighted a few areas in which immediate steps need to be taken to advance BIMSTEC cooperation further. Firstly, the political commitment that was expressed at the Goa Retreat should be sustained. The political statement of commitment needs to be translated in the allocation of more resources to support BIMSTEC activities. Secondly, there is a need to hold regular meetings of political leaders and officials of the BIMSTEC member states. Thirdly, we need to bring the focus back on the work of BIMSTEC by identifying a small number of priority areas of cooperation. Trade, investment, tourism and cultural exchange will automatically thrive with an enhanced connectivity in the Bay of Bengal region.

The second day of the conference was structured into breakout sessions where participants were encouraged to brainstorm ideas to formulate a cogent plan of action focussing on three priority areas under each thematic grouping. Each group came with a concrete Two-year Plan of Action, its implementation process and the likely challenges. Further, a few participants from each session broke into a special session on addressing Gender Issues in the BIMSTEC region, wherein they discussed the problems faced by women entrepreneurs in the region and in cross-border trade development. They came up with an implementation process and the likely implementation challenges to be faced.

Overall, the conference concluded on a note of optimism and progressed in identifying key issues and recognizing practical solutions to address the same. The core group members were encouraged to stay connected, to strengthen the discussions and mould them into executable recommendations.



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DPG Regional Conference on Advancing BIMSTEC Cooperation

Venue: India Habitat Centre, New Delhi

26th-27th April, 2018

Programme

Day 0: Wednesday, 25th April 2018

Venue: Delhi 'O' Delhi

7.30 PM Onwards Welcome Dinner

Day I: Thursday, 26th April 2018

Venue: Maple Hall

09.00 – 09.30 **Registration**

09.30 – 10.30 **Inaugural Session**

09.30 – 09.40 Welcome Address by Ambassador H. K. Singh, Director General, Delhi Policy Group
[10 minutes]

09.40 – 09.50 Special Address by Shri Piyush Srivastava, Joint Secretary, BIMSTEC & SAARC
[10 minutes]

09.50 – 10.00 Special Address by His Excellency Mr. Rokebul Haque, Deputy High Commissioner, Embassy of Bangladesh in India
[10 minutes]

10.00 – 10.10 Special Address by His Excellency Mr. Bharat Kumar Regmi, Chargé d'Affaires, Embassy of Nepal in India
[10 minutes]

10.10 – 10.20 Special Address by His Excellency Major General Vetsop Namgyel, Ambassador of Bhutan to India
[10 minutes]

10.20 – 10.30 Special Address by His Excellency Mr. Chutintorn Gongsakdi, Ambassador of the Kingdom of Thailand to the Republic of India
[10 minutes]

10.30 – 10.50 *Coffee/ Tea Break*



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10.50 – 11.50

Session I: Trade and Economic Integration

[The session will deal with Non-Tariff Barriers/ Measures, Customs and Electronic Data Interchange, Banking, Border Trade and Border Infrastructure, BIMSTEC Free Trade Agreement, Potential impact of trade facilitation and the impact of the BIMSTEC Free Trade Agreement on female livelihood issues, Encouraging women entrepreneurship etc.]

Chair: Dr. A. Didar Singh, Senior Fellow, DPG and Former Secretary General, FICCI [10 minutes]

Speakers: [10 minutes each]

1. *Dr. Amita Batra, Professor, Centre for South Asian Studies, School of International Studies, JNU*
2. *Mr. Purushottam Ojha, Former Commerce Secretary, Government of Nepal*
3. *Dr. Dushni Weerakoon, Executive Director, IPS, Colombo, Sri Lanka*
4. *Dr. Selim Raihan, Professor, University of Dhaka and Executive Director, SANEM*
5. *Mr. Achyut Bhandari, Consultant and former Director- General of Trade, Bhutan*

11.50 – 12.20

Comments by Discussants followed by Q & A [30 minutes]

12.20 – 13.20

Session II: Transit and Multimodal Connectivity (Roadways, Waterways, Railways and Aviation)

[The session will deal with Ports and Shipping, Aviation, Waterways, Roads, Railways, Coastal Shipping, Container Transportation, impact of improved transportation network in the livelihood of women in rural/urban communities etc.]

Chair: Ambassador Sanjay Singh, Former Secretary, Ministry of External Affairs [10 minutes]

Speakers: [10 minutes each]

1. *Prof. Prabir De, Research and Information System for Developing Countries*
2. *Ambassador Rajeet Mitter, Former High Commissioner to Bangladesh*
3. *Dr. Pritam Banerjee, Senior Director – South Asia, Corporate Public Policy, Deutsche Post DHL Group*
4. *Mr. Prithviraj Nath, Associate Director, CUTS International, Kolkata*
5. *Dr. Joyeeta Bhattacharjee, Senior Fellow, ORF*

13.20 – 14.00.

Lunch Break

14.00 – 14.30

Comments by Discussants followed by Q & A [30 minutes]

1. *Dr. Nisha Taneja, Professor, ICRIER [10 minutes]*



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14.30 – 15.35

Session III: Energy, Water, Environment, Climate Change and other issues

[The session will deal with Energy, Agriculture, Fisheries, Environment and Natural Disaster Management, Climate Change, integration of gender into climate change policies and programmes in order to ensure sustainable development etc.]

Chair: Dr. Sagar Prasai, Country Representative, The Asia Foundation, India [9 minutes]

Speakers: [8 minutes each]

- 1. Dr. Lydia Powell, Senior Fellow, ORF*
- 2. Dr. Chandan Mahanta, Professor, IIT Guwahati*
- 3. Mr. Arvind Kumar, Advisor, TERI*
- 4. Mr. Thuta Aung, CEO, HamsaHub Consulting*
- 5. Ms. Aayushi Awasthy, Associate Fellow, TERI*
- 6. Dr. Smruti S. Pattanaik, Research Fellow, IDSA*
- 7. Dr. Mahendra P. Lama, School of International Studies, JNU*

15.35 – 16.00

Comments by Discussants followed by Q & A [25 minutes]

16.00 – 16.10

Coffee/ Tea Break

16.10 – 17.10

Session IV: People to People Connectivity through multi-sectoral Engagement

[The session will deal with people to people contact, cultural cooperation, poverty alleviation, tourism and public health, cross border human trafficking issues etc.]

Chair: Mr. Sabyasachi Dutta, Director, Asian Confluence [10 minutes]

Speakers: [10 minutes each]

- 1. Dr. K. Yhome, Senior Fellow, Observer Research Foundation (ORF)*
- 2. Ms. Sampa Kundu, Research Assistant, IDSA*
- 3. Prof. Rajesh Kharat, Chairman, Centre for South Asian Studies, SIS, JNU*
- 4. Mr. Thuta Aung, CEO, HamsaHub Consulting*
- 5. Dr. Dipanjan Roy Chaudhury, Senior Assistant Editor (Foreign Affairs), The Economic Times*

17.10 – 17.40

Comments by Discussants followed by Q & A [30 minutes]

17.40 – 18.00

Valedictory Session

17.40 – 17.50

Valedictory Address by His Excellency M. Shahidul Islam, Secretary General, BIMSTEC Secretariat

[10 minutes]

17.50 – 18.00

Closing Remarks by Ambassador H.K. Singh, Director General, Delhi Policy Group [10 minutes]



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Day II: Friday, 27th April 2018

Venue: Marigold Hall

09.00 – 09.30	Registration
09.30 – 09.40	Opening Remarks and Briefing by Amb. Biren Nanda, Senior Fellow, Delhi Policy Group [10 minutes]
09.40 – 10.40	Breakout Session I: Participants will discuss the identified thematic issues and frame policy recommendations to address each issue
10.40 – 11.30	Breakout Session II: Consensus arrived from each policy recommendation will be discussed and put forth in a concrete plan of action
11.30 – 12.30	<i>Deliberations within Core Groups on the Action Plans in each of the Four Thematic areas.</i>
12.30 – 13.00	<i>Deliberations within Gender Sub-Group on the Action Plans in each of the Four Thematic areas.</i>
13.00 – 14.00	<i>Lunch Break</i>
14.00 – 16.30	Presentation by Core Group Mentors [30 minutes each]
	GROUP MENTORS
	1. Group Mentor: Trade and Economic Integration <i>Professor Amita Batra</i>
	2. Group Mentor: Transit and Multimodal Connectivity <i>Professor Prabir De</i>
	3. Group Mentor: Energy, Water, Environment, Climate Change and Other Issues <i>Dr. Sagar Prasai</i>
	4. Group Mentor: People to People Connectivity through Multi-Sectoral Engagement <i>Ambassador Rajeet Mitter</i>
	5. Group Mentor: Advancing Gender Issues in BIMSTEC Regional Cooperation <i>Dr. Selim Raihan</i>
16.30 – 17.00	Discussions/ Q&A [30 minutes]
17.00 – 17.15	<i>Coffee/ Tea Break</i>
17.15 – 17.30	Closing Session

**DPG Regional Conference
on Advancing BIMSTEC
Cooperation, New Delhi,
April 26-27, 2018**

**Summary Note of Recommendations
from Break Out Sessions**

Day II: Friday, 27th April 2018

Breakout Session: Trade and Economic Integration

Recognized 3 priority issues –

- I) The Free Trade Agreement (FTA).
- II) Value Chain Integration.
- III) Technology in Trade.

1st Issue Plan of Action for 2 years (FTA)

- 1) Certain FTA elements should be negotiated over in the next 6 months, example: Trade and Investment facilitation and management, NTBC.
- 2) Ensure utilization of these FTA elements through existing mechanisms, over the following year.
- 3) Rework remaining parts of the FTA, i.e. Tariff liberalization and other services in light of the changed regional and global scenario.

Implementation Process

- a) It was recommended that the active role and involvement of BIMSTEC Secretariat is necessary for way forward.

Challenges to Implementation

- The BIMSTEC member states must be flexible in their approach towards the FTA to ensure success.
- Capacity of Trade negotiations between the BIMSTEC Countries is constrained.
- As the resource capacity of the BIMSTEC Secretariat is limited, there can be problems in the movement of some aspects of the FTA negotiations.

2nd Issue Plan of Action for 2 years (Value Chain Integration)

- 1) It was suggested that the Commissioner's study should be completed, and the report should be submitted in the next 6-9 months.
- 2) It was decided to give due focus to gender sensitive issues in the BIMSTEC region.

Implementation Process

- a) It was suggested to establish an expert working group to ensure implementation of the action plan in the following year.

- b) It was recommended that the implementation of the action plan can be done by ensuring the participation and representation of the private sector.
- c) To further the process, BIMSTEC nations need to request ADB for financial technical assistance.
- d) It was suggested that Thailand could take the lead in creating value chain integration.

Challenges to Implementation

- Member countries need to endorse this process.
- The private sector may not put in the kind of investment, that is needed for the growth of value chain integration.

3rd Issue Plan of Action for 2 years (Technology in Trade)

- 1) Commission a study by ADB, SCAP/ Neutral Body for use of technology in trade facilitation and integration: E-commerce, EDI and AI.

Implementation Process

- a) It was suggested that India should take the lead for the Implementation of this action plan.

Challenges to Implementation

- The BIMSTEC member nations do not have the necessary Digital Infrastructure needed for implementation.
- Ensuring cyber security still remains a challenge in the region.
- There are technical and regulatory issues.

Day II: Friday, 27th April 2018

Breakout Session: Transit and Multi-modal Connectivity

Recognized 4 priority issues –

- I) Completion of the Connectivity Master Plan.
- II) Building upon the BBIN MVA and Completion of the BIMSTEC MVA – Passenger and Cargo.
- III) Promotion of Coastal Shipping in the Bay of Bengal.
- IV) Connectivity Facilitation relating to trade and people.

1st Priority Issue (Completion of the Connectivity Master Plan)

Implementation Process

- a) The stakeholders need to be consulted before implementation.
- b) Building synergy between BIMSTEC Master Plan and National Connectivity Master Plan/Infrastructure Strategy is necessary.
- c) Synergising with the infrastructure developments plans of multilateral agencies like ADB, World Bank and national funding agencies is recommended.
- d) We need to set up an intergovernmental group to finalise the master plan.
- e) For implementation all member states need to approve the scheme.

Challenges to Implementation

- There is a difference among member states in prioritisation of areas in implementation of the Master Plan.
- Identifying the right resources to implement the master plan is challenging.
- The project might see problems in political ownership of the initiative.
- Balancing out ecological concerns of member nations might prove difficult.
- Convincing the stakeholders of future potential may prove challenging.

2nd Priority Issue (Building on the BBIN MVA and Completion of the BIMSTEC MVA – Passenger and Cargo.)

Implementation Process

- a) Immediate completion of the negotiations and finalising the protocols for passenger and cargo.
- b) Incorporating flexibility for countries to participate in different protocols:
 - : Cargo
 - : Scheduled passenger
 - : unscheduled passenger
- c) Conducting trial runs in the BIMSTEC corridors to ensure their proper functioning.
- d) Synergising National legislation to dove-tail with international connectivity legislation.
- e) Strengthening the customs and border agencies in the BIMSTEC region.
- f) Adopt the ‘Best Operational Practices’ practiced across the world in the region.
- g) Ensuring ‘capacity building’ for facilitating connectivity in the region.

Challenges to Implementation

- The ratification process of the MVA is time-consuming.
- It is difficult to interlink the customs and immigration electronic systems of the BIMSTEC member states.
- There is a lack of capacity in BIMSTEC border areas pertaining to road-transport and police personnel.
- Language barrier and different signage systems in the member countries may make implementation of the MVA difficult.
- Differences in the driving systems (left and right) in the BIMSTEC countries will make implementation of the MVA complicated.

3rd Priority Issue (Promotion of Coastal Shipping in the Bay of Bengal)

Implementation Process

- a) Develop coastal shipping arrangements in the Bay of Bengal region.
- b) Starting regular shipping services in the region is necessary. (Viability gap funding)
- c) Designing a few rules and regulations to facilitate the shipping services is recommended. (Member states could use the India-Bangladesh bilateral agreement as a possible template).

- d) It was suggested that to further this goal, BIMSTEC nations can reach out to Malaysia, Indonesia and Singapore, the other nations surrounding the Bay of Bengal.
- e) Outreach to the logistics community to help develop shipping related services is a lucrative option.
- f) Synergising the waterway, roads and rail transportation can also help the agenda.
- g) Concluding the negotiations of the BIMSTEC Coastal Shipping Agreement at the earliest was recommended.

Challenges to Implementation

- There is a lack of funding for starting and sustaining the service in the short term.
- Concluding the negotiations at the earliest seems a cumbersome task.
- Ratification of the agreement might prove difficult.
- Finding effective solutions for issues such as insurance will be complicated.

4th Priority Issue (Connectivity Facilitation relating to trade and people)

Implementation Process

- a) Interconnection of customs systems of members states is necessary.
- b) Interconnection of immigration systems of members states is necessary.
- c) Signing and ratification of the TIR is important and it was suggested that India should take the lead in initiating the same.
- d) Strengthening the customs and border agencies of BIMSTEC nations was recommended.

Challenges to Implementation

- Funding and deploying resources to implement this process might be cumbersome.
- Cultural and language issues might hinder the implementation.

Day II: Friday, 27th April 2018

Breakout Session: Energy, Water, Climate Change, Environment and other Issues

Recognized 3 priority issues –

- I) Integrating Coastal Zones to River Systems (IRCZM).
- II) Leverage diversity of BIMSTEC Energy sources.
- III) Inducting Water Transport System in Connectivity Master Plan.

1st Issue Action Plan for 2 years (Integrating Coastal Zones to River Systems (IRCZM))

- 1) Produce a compendium IRCZM knowledge and practice.
- 2) Integrate all hydro-disaster institutions in the region.
- 3) Develop a hydro prosperity framework for BIMSTEC (Initiative Baseline Study).

Implementation Process

- a) Develop a long-term investment plan with the assistance of multi-lateral agencies and other donors.
- b) Convene a BIMSTEC Consortium of knowledge institutions.
- c) Conduct capacity assessment of disaster agencies in the BIMSTEC region. Example: War Games.

Challenges to Implementation

- There exist no regional institutions that can lead the implementation process.

2nd Issue Action Plan for 2 years (Leverage diversity of BIMSTEC Energy sources)

- 1) Initiate a multi-level BIMSTEC-wide Dialogue on energy charter.
- 2) Develop a BIMSTEC GRID Integration Plan.
- 3) Update the BIMSTEC regional Energy Outlook.

Implementation Process

- a) To implement the action plan, it was recommended that the 'Energy Charter' agenda is included in the agenda for the BIMSTEC Kathmandu Summit, 2018.
- b) It was suggested to integrate the Climate Commitments with energy mix generation in the region.

Challenges to Implementation

- Harmonizing similar standards in all member countries is a problem.
- There exists a large financial gap in theory and execution of this agenda.

3rd Issue Action Plan for 2 years (Inducting Water Transport System in Connectivity Master Plan)

- 1) Layer on the BIMSTEC Connectivity Master Plan.
- 2) There is a need to classify the waterways in BIMSTEC according to their structure, size and capacity.
- 3) Develop the necessary protocols and standards for inducting the water transport system in the connectivity master plan.

Implementation Process

- a) Convene the BIMSTEC Waterways meeting to chart out the course of action.
- b) Integrate the National Investment Plans of the BIMSTEC member states in a manner suitable for the implementation of the agenda.

Challenges to Implementation

- Asymmetric Institutional capacities in BIMSTEC Countries.

Day II: Friday, 27th April 2018

Breakout Session: People to People Connectivity through multi-sectoral engagement

Recognized 3 priority issues –

- I) Cooperation in the Education Sector
- II) Promotion of Tourism
- III) Cultural Cooperation and Exchange

1st issue action plan for 2 years (Cooperation in the Education Sector)

- 1) Signing of framework agreement on education in the region.
- 2) Identification and signing of MOU's between nodal implementing agencies.

Implementation Process

- a) Begin programs dedicated to student exchanges, inter-country internships, working holidays, youth festivals etc.
- b) Establish distance learning programs and short-term training programs in different universities of the region.
- c) Promote intra-regional sports and cultural events at school, college and university level.

Challenges to Implementation

- The Secretariat has limited capacity to fund the programs.
- There are differences in national education programs.
- Identification of stakeholders and beneficiaries will prove challenging.

2nd Issue action plan for 2 years (Promotion of Tourism)

- 1) Signing of framework agreement for tourism cooperation.
- 2) Strengthening the existing cooperative mechanisms.
- 3) Identification of special tourism packages and programs.

Implementation Process

- a) Launch of special programs, such as Buddhist Circuits, eco- tourism, river cruises, war tourism, scuba diving, adventure tourism etc.
- b) The concept of 'Twinning of Cities' was also suggested.

Challenges to Implementation

- It might prove difficult to involve the private sector.
- Improving connectivity for passenger travel is a problem.
- Liberalization of visas and border passes might be an issue.
- Illegal migration and trafficking of women and children in the region creates an atmosphere of distrust.
- Different perceptions in the region can create issues.
- Lack of infrastructure in tourist destinations is problematic.

3rd Issue action plan for 2 years (Cultural Cooperation and Exchange)

- 1) Signing of the framework agreement.
- 2) Identification and signing of MOU's between nodal implementing agencies.

Implementation Process

- a) We need to establish BIMSTEC Cultural Festivals and participate in each other's major festivals.
- b) Special New Year Festival of the BIMSTEC region should be celebrated in April every year.
- c) Launch studies on identifying common cultural roots for launching cooperation initiatives.
- d) Promotion of Yoga in the BIMSTEC region.
- e) CSO's Interactions in the region.
- f) Promotion of traditional gifts within the region.

Challenges to Implementation

- Financial funding for the process will be a major challenge.
- Identification of stakeholders and beneficiaries will be challenging.

Day II: Friday, 27th April 2018

Breakout Session: Addressing Gender issues in the BIMSTEC region

Recognized 3 priority issues –

- 1) BIMSTEC member countries should develop a formal gender framework along the lines of the APEC gender framework.
- 2) Building capacity of experts and institutions working on gender and cross cutting issues – regional / trade / connectivity.
- 3) Promote women-led enterprises in the BIMSTEC countries to engage in cross-border trade.

1st Priority Issue (BIMSTEC member countries should develop a formal gender framework along the lines of the APEC gender framework.)

Implementation Process

- a) Develop a profile of socioeconomic indicators pertaining to gender for BIMSTEC countries.
- b) Culling out gender disaggregated data in the region.
- c) Conduct studies on existing frameworks elsewhere in the world that can be used as possible templates in the future.

Challenges to Implementation

- It might prove difficult to convince stakeholders that a gender framework is necessary.
- Gender disaggregated data for the region might not be available.
- Obtaining funding and resources might be challenging.

2nd Priority issue (Building capacity of experts and institutions working on gender and cross cutting issues – regional / trade / connectivity).

Implementation Process

- a) Introduce courses on gender studies in universities across the BIMSTEC region.
- b) Develop gender-sensitivity training programs in the BIMSTEC countries.
- c) Introduce BIMSTEC led symposia, roundtables, workshops, etc. around the theme of trade / trade facilitation, and gender.

- d) Encourage media and experts to write regularly about cross-cutting issues and host conferences / workshops / field work on the same.

Challenges to Implementation

- Appropriate funding and disposal of resources might be unavailable.
- Universities and schools might be rigid and inelastic in altering curriculums.
- There might be resistance to include the gender-dimension to the BIMSTEC agenda.

3rd Priority Issue (Promote women-led enterprises in the BIMSTEC countries to engage in cross-border trade.)

Implementation Process

- a) Border areas need to be made more women-friendly in terms of adequate sanitation, lighting, safe transport, healthcare facilities, etc.
- b) Increase the visibility of women in border agencies in areas such as customs / immigration / BSF / SSB.
- c) Mapping of sectors.
- d) Human resource capacity building to build awareness on gender sensitivity is necessary.
- e) Training women led enterprises on trade procedures and financial literacy in the BIMSTEC region was recommended.

Challenges to Implementation

- Overcome cultural barriers and lack of awareness and sensitivity towards gender issues.
- Lack of market information on regional trade (BBIN / BIMSTEC).
- Need to convince the stakeholders / enterprises of benefits of trading in BIMSTEC region.

Inaugural Session

**DPG Regional Conference
on Advancing BIMSTEC
Cooperation, New Delhi,
April 26-27, 2018**

**Welcome Address by Ambassador
H.K. Singh, Director General, Delhi
Policy Group**

Ambassador H K Singh
Director General, Delhi Policy Group

Ambassador Singh in his Opening Address welcomed the distinguished ambassadors of Bhutan and Thailand, the Deputy High Commissioner of Bangladesh, Charge d'Affaires of Nepal, the Joint Secretary (BIMSTEC-SAARC) from the Ministry of External Affairs, India, the Deputy High Commissioner of Singapore and international and local participants in the Regional Conference on Advancing BIMSTEC Cooperation. He thanked the group Chairs and mentors who were to guide the sessions for the two-day conference. He extended a special thanks to Dr. Sagar Prasai, Country Representative, Asia Foundation and Senior Program Officer, Ms. Diya Nag of the Asia Foundation for their consistent support for DPG's BBIN and BIMSTEC projects.

Ambassador Singh said that the India's approach to BIMSTEC was driven by the overarching visions of regional connectivity and community building in the region. He also stressed the significance of BIMSTEC for the economic prosperity of India's north-eastern states. He explained the conference structure and the distribution of the 14 BIMSTEC priority areas across four sessions, namely trade and economic integration, transit and multi-modal connectivity, energy and climate change and people to people connectivity. He then proceeded to set down the aims of the conference to realistically assess achievements and identify challenges in each sector with the added subtext of an emphasis on gender issues across sectors.

Ambassador Singh concluded by stressing upon the need to move beyond the existing BIMSTEC agreements for a more meaningful BIMSTEC cooperation. He expressed the hope and expectation this series of conferences would come up with a comprehensive action plan that could assist government policymakers in enhancing cooperation between BIMSTEC countries.

**DPG Regional Conference
on Advancing BIMSTEC
Cooperation, New Delhi,
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**Special Address by Shri Piyush
Srivastava, Joint Secretary,
BIMSTEC & SAARC**

Shri Piyush Srivastava

Joint Secretary: BIMSTEC-SAARC

Joint Secretary Srivastava began by greeting the august gathering and expressing his appreciation of the conference agenda and its content. He stressed BIMSTEC's importance as a regional organization, linking South and South-East Asia and connecting the ecologies of the Himalayas and the Bay of Bengal. He emphasized upon the scope for peace and development that these deeply interdependent BIMSTEC nations have, due to their shared histories, values, and way of life. He further emphasized the potential the region's \$3 trillion economy for economic growth and development.

Coming to BIMSTEC's importance for India, He mentioned BIMSTEC as India's 'natural choice' for key foreign policy priorities like the 'Neighborhood First' and 'Act East'. He reiterated Ambassador Singh's point and underlined the organization's importance for the development of India's north-eastern states. Joint Secretary Srivastava spoke about the multiple successful initiatives across various sectors that BIMSTEC has successfully undertaken in recent times. He mentioned the Leaders Retreat hosted by India with the agenda of making BIMSTEC more effective and result oriented with a focus on greater connectivity, trade, people-to-people contact, and sustainable use of resources. Emphasizing upon the leaders' commitment to sustaining momentum, he went on to speak about the multiple follow-up meetings among high level officials such as foreign ministers and national security chiefs in Kathmandu, Delhi and Dhaka. Speaking about the achievements of these meetings across sectors, Joint Secretary Srivastava alluded to the multiple MoUs and agreements that had been finalized concerning energy, connectivity, and trade facilitation and ongoing efforts for the Master Plan on Transport Connectivity.

Coming to trade he talked about the progress of the Free Trade Agreement, the Motor Vehicular Agreement and the Mutual Assistance in Custom Matters. He went on to stress the importance of trade in energy and mentioned the MoU on grid interconnectivity and its positive implications for cross-border trade in the transmission of electricity. Further , he identified peace and security as crucial for the stability and development of the region, declaring the commitment of the BIMSTEC countries to initiatives in the areas of counter terrorism, maritime security, human trafficking, and cyber security. He named important conventions negotiated within BIMSTEC such as the BIMSTEC Convention on Combating international terrorism, Transnational organized crime and Drug trafficking and Mutual Legal Assistance in Criminal matters.

Joint Secretary Srivastava recognized the region as particularly vulnerable to natural disasters and spoke about important BIMSTEC initiatives in the field like the BIMSTEC Disaster Management exercise hosted by India to develop quicker, coordinated and comprehensive response for the timely and effective rehabilitation of the affected. He also mentioned the Himalayan Science Council established by the BIMSTEC countries to study the health of the Himalayan ecosystem and its implications for the unique mountain ecology of the region. Joint Secretary Srivastava identified tourism as a sector with rich potential owing to the ancient

civilizations, historical monuments, and natural splendor dotting the region. He mentioned the existing cooperative initiatives such as BIMSTEC Network of Tour Operators, Intra-BIMSTEC Tourist circuits, theme-based tourism (the Buddhist circuit for example) and efforts of such joint marketing strategies and capacity building for the development of the 'BIMSTEC Brand'. He drew attention to ongoing efforts in activating the BIMSTEC tourism fund and Tourism Information Centre.

Joint Secretary Srivastava also spoke about the series of meetings that were organized in India for bettering the people to people contacts in the region and for more visibility concerning the BIMSTEC cooperative initiatives. Among these were the BIMSTEC Business Conference conducted by the Indian Chamber of Commerce in Agartala, The Textile India 2017 in Gandhinagar, the launch of the BIMSTEC Telemedicine Network in Puducherry, the BIMSTEC Trade and Tourism Expo in Kolkata, the International Tourism Mart in Guwahati, and the conference on integrating BIMSTEC in Sikkim.

Speaking about the upcoming summit in Kathmandu this year, Joint Secretary Srivastava acknowledged the support extended by the political leadership of the region and their commitment to forging a peaceful, prosperous, and integrated region through BIMSTEC cooperation. He recognized the role played by inter-governmental initiatives and the sustained dialogue among academia, think tanks, business community etc. in the development of BIMSTEC policy, and concluded by expressing faith that the conference would provide valuable insights and recommendations for the agenda of regional cooperation under BIMSTEC.

**DPG Regional Conference
on Advancing BIMSTEC
Cooperation, New Delhi,
April 26-27, 2018**

**Special Address by His Excellency
Mr. Rokebul Haque, Deputy High
Commissioner, Embassy of
Bangladesh in India**

H.E. Mr. Rokebul Haque

Deputy High Commissioner, Bangladesh High Commission in New Delhi, India

Ambassador Haque began by talking about the growth of the BIMSTEC region in the 20 years since its inception, which today stands with a 1.5 billion strong population and \$3 trillion in GDP. He reiterated the twin goals of BIMSTEC: first, achieve BIMSTEC sub-regional integration and second, to connect South and South-East Asia. He reasserted Bangladesh's commitment to regional cooperation and the larger BIMSTEC agenda. Talking about Bangladesh's role and involvement in BIMSTEC, he talked about the establishment the BIMSTEC Secretariat in Dhaka, Bangladesh Prime Minister Sheikh Hasina's involvement in laying the foundation of BIMSTEC and Bangladesh's position as the lead country in 2 out of the 14 priority sectors, namely, Trade and Investment, and Climate Change.

Ambassador Haque identified a handful of priority areas to improve the functionality of BIMSTEC. He suggested holding regular summit meetings to ensure regularity of decision-making. Further he recommended extending the capacity of the BIMSTEC Secretariat and identifying the Secretary General as a key figure in coordination, facilitation and promotion of regional cooperation through the implementation of the agenda of the organization. He also proposed strengthening the capacity of the Secretariat in decision-making and provision of logistical support in order to make BIMSTEC a Secretariat-driven, result-oriented and mutually-beneficial organization.

He said that pushing all 14 areas of cooperation simultaneously will prove to be a difficult endeavor and thereby, advocated prioritizing connectivity, energy, trade and investment, counter-terrorism, and people-to-people contact. Drawing attention to the low levels of trade in the region and the potential for an increase in trade from the current 7% to 21%, he stressed upon the importance of promoting trade and commerce. He also touched upon Bangladesh's commitment to counter-terrorism and its policy of 'zero tolerance' towards terrorism. Another crucial suggestion was the setting up of the 'BIMSTEC Developmental Goals' which could complement the individual Sustainable Development Goals of the member countries.

Finally, he called for the establishment of a 'BIMSTEC Forum' to tackle the trade and economic challenges in sustaining the requirements of the Developing Countries. Ambassador Haque urged the participants and experts to provide realistic and fruitful suggestions that can be translated into policy-making. He concluded by reiterating Bangladesh's commitment to the BIMSTEC cause and pledging any support necessary for the benefit of regional integration.

**DPG Regional Conference
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**Special Address by His Excellency
Mr. Bharat Kumar Regmi, Chargé d'
Affaires, Embassy of Nepal in India**

H.E. Mr. Bharat Kumar Regmi
Charge d’Affaires, Embassy of Nepal in India

Mr. Regmi greeted the dignitaries present and expressed his pleasure at presenting Nepal’s view at the conference. He began by talking about the mixed experience of the BIMSTEC initiative over the past two decades through the years of liberalization, privatization, and globalization. He mentioned that it is satisfying to see that the organization now has a functional secretariat in Dhaka and specific areas of cooperation have been charted out for further progress. He appreciated the consolidation of trust among member nations through various commitments from all countries towards intra-regional connectivity aiding smooth exchange of people, ideas, technology, goods, and services.

He went on to point out the shortcomings of the organization in the last twenty years, saying that the skill, scope, and speed of cooperation hasn't been as per expectation and that many primary objectives were still far from realization. He also spoke of other areas of concern like how people-to-people contacts in many areas were non-existent, intra-regional investment is low and member states were not as connected as desired. Moving ahead, he identified the region’s natural, human, and cultural resources, along with its huge markets, youth population, enabling political environment, and strategically important geographical and maritime locations as opportunities for growth and development in the foreseeable future.

He acknowledged the previous speakers Joint Secretary Srivastava’s and Ambassador Haque’s vision for deciding the future agenda of the organization and the time-bound realization of the BIMSTEC objectives. He stressed upon the importance of connectivity over land, the sea and the sky, for the effective exchange of ideas, people, and cultures. Further, he laid emphasis upon the completion of the negotiations of the BIMSTEC Free Trade Agreement within the shortest possible time-frame. He proposed that the agenda for a common investment regime could be pursued to aid economic cooperation. Finally, he called for a clear-cut, long term vision, concrete steps at the ground level, and policy coordination among member states to chart out the agenda for the next decade in each sector with clarity on the role and responsibility of each member state. He underlined the importance of a sense of inclusiveness and belonging that should be extended to all member states, for ensuring that the smaller and more vulnerable economies felt protected.

He declared BIMSTEC’s centrality to Nepal’s foreign policy and reiterated Nepal’s commitment to BIMSTEC cooperation. Speaking about the importance Nepal attaches to the BIMSTEC, he spoke about the 17th and 18th Senior Officials Meeting and the 15th BIMSTEC Ministerial meeting hosted by Nepal. Further he also mentioned the upcoming BIMSTEC Summit to be held in Nepal in 2018. He reasserted the importance of the BIMSTEC FTA and rail, road, air, and energy connectivity among BIMSTEC countries in boosting the region’s economy. He concluded by wishing and hoping for a successful conclusion of the conference.

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**Special Address by His Excellency
Major General Vetsop Namgyel,
Ambassador of Bhutan to India**

H.E. Major General Vetsop Namgyel
Ambassador of Bhutan to India

Focusing specifically on Bhutan's perspective, Ambassador Namgyel began by underlining Bhutan's geography in the region and estimating the importance of its relations with India due to its dependence on India for access to neighboring countries and the outside world. Thus, he said that India is Bhutan's most important neighbor and friend. He spoke of the India-Bhutan relations as one of mutually beneficial cooperation, born out of genuine friendship and trust of each-other. He acknowledged India's assistance for the socio-economic development of Bhutan and crucial joint initiatives like hydropower projects and the India-Bhutan FTA. He termed India's size and economic strength as an asset to Bhutan, terming India's rise as a significant world power beneficial for Bhutan's growth. He termed this fruitful relationship of Bhutan with India and the backdrop and source of Bhutan's commitment to cooperation in the region as the factors which led to Bhutan's contribution in the foundation of SAARC in 1985 and later joining BIMSTEC in 2004. While acknowledging the slow pace of progress in SAARC and BIMSTEC, he identified the potential for improvement in BIMSTEC citing the excellent relations among member countries as an asset.

Ambassador Namgyel called BIMSTEC a good combination of SAARC and ASEAN countries. He underlined the interdependence of the region by pointing out the common seacoast shared directly by India, Bangladesh, Thailand, Sri Lanka, and Myanmar and indirectly by Nepal and Bhutan through India and Bangladesh. Ambassador Namgyel stressed upon India being central to the advancement of BIMSTEC owing to it being the largest economy of the region and an emerging political power in the world. Speaking about other members, he called Thailand a major player as it has the highest per-capita GDP among member countries and a large population of 70 million. Coming to Bangladesh, he acknowledged the progress the country has made in becoming a lower-middle income country. He recognized the huge potential in Myanmar for economic growth citing its good human capital and rich natural resources. Further he credited Sri Lanka's educated population, fast-growing economy and the second highest per-capita GDP as being crucial for the region's development. Coming to Nepal, he named the country's great natural beauty, big hydropower potential, and industrious people under the aegis of a newly constituted government as promising prospects for improved growth. Finally, the peaceful and stable environment of Bhutan founded on a development model based on Gross National Happiness, made it an important player in ensuring the quality of life for its people.

Ambassador Namgyel identified economic prosperity in a peaceful environment as the main objectives of regional cooperation. He stressed upon effective connectivity as the key to the same. He mentioned that improving connectivity in land, sea, and air would be reflected in improved cooperation in sectors like trade and tourism. He insisted on political support as an essential component for ensuring results not only in connectivity betterment but also to ensure cooperation in areas like environment, energy, counter terrorism, and security-related matters. He suggested aligning the interests of member countries while identifying areas of cooperation as the best way to generate political support. While acknowledging that not all members can

benefit equally from all activities, he called for a system wherein all nations involved would be guaranteed some amount of benefit. Along the same lines, he urged that none of the BIMSTEC cooperative initiatives should be in conflict with the national interests of any member country.

As an example of convergence of interests, Ambassador Namgyel mentioned India's 'Act East Policy' and Thailand's 'Act West Policy' as important opportunities to link the interests of South Asia and Southeast Asia. From a Bhutanese perspective, he expected the Act East policy to benefit India's northeastern states and through them Nepal and Bhutan. As Bangladesh, Myanmar and Thailand were complicit in the implementation of this policy it would benefit all three countries and through them the larger BIMSTEC community, including Sri Lanka.

Ambassador Namgyel identified one challenge to BIMSTEC advancement, exclusively from the Bhutanese viewpoint, i.e. asymmetry in the size of member countries. He said, that there would be limitations in capacity of different countries to implement various programs but that should not inhibit the successful implementation of important proposals. He concluded by reiterating Bhutan's belief that successful regional cooperation can bring in supplementary benefits, strengthen bilateral agreements and bring about an overall enhancement of relations. He underlined this as Bhutan's motivation for joining the BIMSTEC initiative and extended the nation's commitment and support for the cause. He also mentioned that conditions for cooperation have never been better than they are today., thus prompting us to take the necessary actions for the progress in BIMSTEC.

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**Special Address by His Excellency
Mr. Chutintorn Gongsakdi,
Ambassador of Thailand to India**

H.E. Mr. Chutintorn Gongsakdi
Ambassador of the Kingdom of Thailand to the Republic of India

Ambassador Gongsakdi began by acknowledging the previous speaker from Bhutan, adding that Bhutan's contributions have always been crucial and fueled by wisdom, in both BIMSTEC and BRICS. He mentioned an earlier incident wherein the PM of Bhutan spoke at a BRICS-BIMSTEC Summit and imparted wisdom to everyone. Amb. Chutintorn said that what the PM spoke was bigger and better than anything, anyone else said in the room. This is because it came from the experience and wisdom of Bhutan and wisdom does not come from the size of the country. He said that keeping aside the size of the country, if the BIMSTEC member states listen to each other and truly cooperate, then we could go forward.

He mentioned that BIMSTEC had come a long way and a long time has passed since its inception. Considering the current political environment, BIMSTEC is not at risk of being abolished. He further mentioned that ASEAN is into its 51st year and it is only now that it has finally agreed that it will build a community together and share the sea resources. Thus, as seen by the ASEAN experience these things take time so every small BIMSTEC achievement must be celebrated rather than belittled.

He said that the future was secure because the future of the countries that made up BIMSTEC were in sync with each other and are dependent on each other for further progress. If we say that Bhutan cannot stand on its own because it is landlocked, then even Thailand cannot stand on its own because every time there is talk about Thai development, there has to be talk of ASEAN. Thus, we stand united in our efforts of a better future. He expressed the hope that the gathering would provide useful inputs for the Track 1 dialogue.

He further mentioned that the current efforts from Thailand towards BIMSTEC are not enough anymore. Thailand is often considered as the number two lead country in BIMSTEC, which puts a lot of burden on them as there is a big distance between number 1 (India) and number two. He said that he is trying to wake up the people in Bangkok and get them to realize the importance of BIMSTEC. BIMSTEC is moving forward in a different speed than it has in the past and thus, more people need to be allocated to promote the cause of the organization. Thailand needs to get politically motivated, and it is high time for the relevant stakeholders in Thailand to wake up and realize how these regional sub-groupings are now re-connecting.

He said that if Bhutan brings wisdom to BIMSTEC, then Thailand brings in two other things – the 'broader perspective' and that 'they can talk to anyone'. He said that Thailand is good at initiating things, but they lack the intellectual or the financial power to drive all these initiatives. He said that according to him BIMSTEC is a part of the building block for the "Indo-Pacific Regional Architecture". For some, the Indo-Pacific extends from Australia to Africa. BIMSTEC was certainly in that geographical space and if the ASEAN says that it wants to be part of the Indo-Pacific centrality, then the same goes for BIMSTEC too. We need to think as to how BIMSTEC fits in this perspective. All the other regional groupings should also be a part of this big picture. We need to build a BIMSTEC community and what we are trying to do is to populate its agenda. He spoke of the need to build an outreach and spread awareness to better involve the relevant stakeholders.

Ambassador Gongsakdi drew attention to the resource shortfall in the region and hence, spoke of the need to prioritize immediate problems. Connectivity was the first area he addressed. He spoke of the 'BIMSTEC Master Plan on Connectivity' that was currently being pursued in

association with the Asian Development Bank. Missing links, border checkpoints, human resource development, inclusiveness in opportunity, development of economic corridors were some areas that he identified in the sector that needed to be worked upon. He suggested involving non-member countries for connectivity development who were interested in investing in the infrastructure of the BIMSTEC countries. He pointed out the various obstacles that popped up in reaching a consensus on trade agreements and underlined the importance of tackling this issue by communicating with the stakeholders and clarifying that protectionist approaches like economic nationalism, promoting domestic jobs, import-substitutions etc. that were not economically feasible for anyone. Ambassador Gongsakdi also mentioned how ASEAN had a formal relationship with SAARC but BIMSTEC didn't have one. He concluded by taking a Thai perspective that, what member nations cannot accomplish in SAARC should be pitched in BIMSTEC and stressed upon the importance of new ideas, expressing the belief that it can turn out to be important.

Session 1:
Trade and Economic
Integration

**DPG Regional Conference
on Advancing BIMSTEC
Cooperation, New Delhi,
April 26-27, 2018**

**Presentation of Chair's Remarks Dr.
A. Didar Singh, Senior Fellow, Delhi
Policy Group and Former Secretary
General, FICCI.**

BISMSTEC

Trade and Economic Integration

Dr A Didar Singh, Sr Fellow DPG

BAY OF BENGAL





Eastern Indian Ocean regional trade networks, c. 1300-1500

Adopted from © Ports-of-Trade, Maritime Diasporas, and Networks of Trade and Cultural Integration in the Bay of Bengal Region of the Indian Ocean: c. 1300-1500. Kenneth R. Hall. *Journal of the Economic and Social History of the Orient* 53 (2010) 109-145



Landscape of Select Regional and Sub-Regional Formations

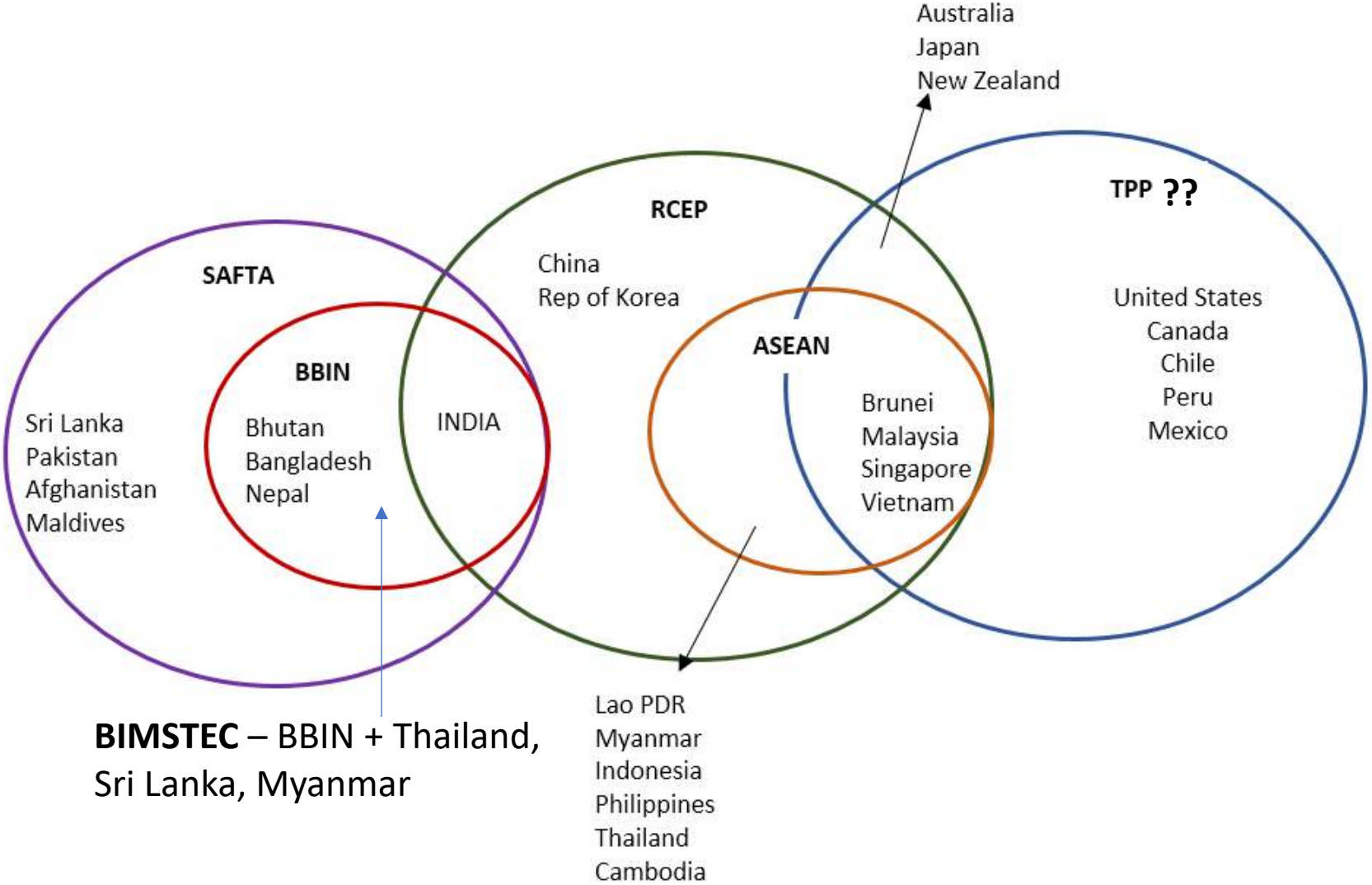


Table 2. Development and GDP Indicators for BIMSTEC Members

	GDP Per Capita (PPP in 2016)	Average Annual GDP Growth (2012–2016)	2016 UNDP Human Development Index Rank (out of 188)	2017 World Bank Ease of Doing Business Rank (out of 190)	Trade as a Percent of GDP (2016)	2016 World Bank Logistics Performance Index Rank (out of 160)
Bangladesh	\$3,587	6.5%	139	177	38.0%	87
Bhutan	\$8,918	5.5%	132	75	82.8%	135
India	\$6,583	6.9%	131	100	39.8%	35
Myanmar	\$5,732	7.3%	145	171	45.5%	113
Nepal	\$2,483	3.7%	144	105	48.9%	124
Sri Lanka	\$12,337	5.3%	73	111	50.5%	N/A
Thailand	\$16,946	3.4%	87	26	123.1%	45

Sources: UN Development Program, World Bank

BIMSTEC realities

- In terms of economics, connectivity, mobility, and geostrategy, countries adjacent to the Bay of Bengal are less integrated today than they were fifty years ago.
- The highly populated Bay of Bengal carries a lot of economic promise.
- Combined gross domestic product (GDP) close to \$2.7 trillion
- all seven countries were able to sustain average annual rates of economic growth between 3.4 and 7.5 percent from 2012 to 2016
- BIMSTEC should aim to develop an internal dialogue on the role of democracy in promoting economic development, security, and stability among its member states.

Recommendations

- Harmonisation of procedures or mutual recognition of custom controls at border crossing,
- create the required infrastructure, transit facilitation, education of drivers and transport operators regarding traffic regulations, put in place the system of dual driver operation system to facilitate smooth cargo movement among countries in the BIMSTEC region.
- Promoting off-border as opposed to on-border customs clearance. This will need creation of Integrated Container Depots (ICDs) near markets/ trade hubs, where bulk of the procedures could be undertaken rather than at the borders.
- Developing robust customs guarantee mechanism. Countries in the region could accede to international conventions like TIR.
- On the flip side, it is important to consider the economics of acceding to International Conventions since it will require huge investments which might be difficult to get

Recommendations

- Automation
 - Electronic Data Interchange/ECommerce
 - Employing a GPS tracking system for monitoring cargo movement and containerisation of cargo.
- Issuing multiple entry and exit visas to the drivers and allow movement of courier by trucks across borders.
- Training custom officials on the various aspects of the MVA so that the whole process can be made smoother.
- Align domestic standards with international norms and also build capacity of institutions to be able to face global competition.
- BIMSTEC Chamber of Commerce and Industry should be revived
- BIMSTEC members should seek to create an intergovernmental Bay of Bengal investment fund to support seed money for innovative regional entrepreneurship projects

BIMSTEC

Needs also to be

Bims tech

(Summits are wonderful – technology is the future...)

Session I: Trade and Economic Integration

- Non-Tariff Barriers/ Measures, Customs and Electronic Data Interchange
- Banking, Border Trade and Border Infrastructure
- BIMSTEC Free Trade Agreement
- Potential impact of trade facilitation and the impact of the BIMSTEC Free Trade Agreement on female livelihood issues,
- Encouraging women entrepreneurship

**DPG Regional Conference
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April 26-27, 2018**

**Presentation by Dr. Amita Batra,
Professor, Centre for South Asian
Studies, School of International
Studies, JNU**

BIMSTEC

Trade & Economic Integration



Amita Batra
April 26, 2018

Overview

- BIMSTEC
 - Seven members inter sub regional formulation
 - Bangladesh, Bhutan, India, Myanmar, Nepal, Sri Lanka & Thailand
 - Bridge between South Asia-Southeast Asia
 - SA
 - SEA
 - EI and Trade patterns
 - Economic integration through an FTA
- Gender dimension

Economic Integration and Trade in SA

- Intra regional trade
 - Low and stagnant
 - Economic integration
 - Least integrated
 - SAFTA
 - Progress
- but
- persistent India-Pakistan conflict (plus....)
 - Prevents attainment of full potential trade

Economic Integration and Trade in SEA

- Intra regional trade
- Successful economic integration
 - Market-led
 - Production networks and value chain integration
 - Flying geese: FDI led: Japan and China

Integrating South & SEA

- South and SEA
 - Apparent mismatch?
- Growth dynamism
- Trade patterns
 - Comparative advantage
- Potential for RVC integration

Trade Patterns

- Trade Patterns: 2004, 2010, 2015/16 (ADB, ARIC Database)
- Export Growth
 - Bangladesh -Sri Lanka, India
 - Bhutan to India
 - Myanmar with Sri Lanka
 - Sri Lanka with Nepal
- Export share
 - Myanmar-India and Sri Lanka
- Import Growth
 - Bangladesh from Bhutan
 - Myanmar with Sri Lanka, India
 - Sri Lanka with India, Bangladesh
- Import Share
 - India in Bangladesh, Nepal, Bhutan
 - Sri Lanka in India's Ms

Trade Patterns

- Trade Growth
 - Bhutan with India and Bangladesh
 - Bangladesh with Bhutan
 - Myanmar with Sri Lanka
 - Nepal with Sri Lanka
 - Sri Lanka with India
- Trade Share
 - India in Bangladesh, Myanmar
 - Thailand in Myanmar
 - Thailand only with India and Myanmar
 - around the same: 1.9 and 1.8 respectively

Trade Patterns

- Trade composition (WITS Trade Data)
 - Thailand
 - Top 5 X markets: US, China, Japan, HK, Malaysia
 - M source: China, Japan, US, Malaysia, UAE
 - Top 5 X : storage units, electrical circuits, diesel trucks.
 - Ms: transmission sets.
 - Myanmar
 - X market: China (41%), Thailand, India (9%), Singapore, Japan
 - M source: China (34%), Singapore, Thailand, Japan, India 96%)
 - Commodities: gas, beans, sugar, semi precious, husked rice,

Trade Patterns

- **India**
 - Markets: US, UAE, HK, China, UK
 - Commodities (HS-6): petroleum, diamonds, rice medicaments
- **Bangladesh**
 - Garments
- **Sri Lanka**
 - X market: US, UK, Germany, India, Germany, Italy
 - M source: China, India, UAE, Singapore, Japan
 - Commodities: X: tea, tyres. Ug, t shirts;
 - Ms: petro, knitted, medicaments

Trade Patterns

	X/GDP	M/GDP	OTRI	STRI	Duty Free Tariff Line Share(%)	LPI (Rank)	EoDB	Trading Across Borders (EDI & SW)
Thailand	69	54	0.1	48	47	3.26 (45)	26	57
India	19	20	0.35	65.7	15	3.4(35)	100	145
Bangladesh	16	21	NA	NA	7	2.66(87)	177	173
Myanmar	16	26	NA	NA	14	2.46 (113)	171	163
Sri Lanka	21	29	0.08	38	51	-	111	86

Source: WITS worldbank.org

Trade Patterns: FTAs

- Intra
 - Bangladesh -Bhutan
 - Bhutan- India
 - Bangladesh- Sri Lanka (under study)
 - India- Sri Lanka
 - India- ASEAN
 - India-Thailand
 - India -Nepal Trade Treaty
 - Myanmar (ASEAN)
 - Sri Lanka -Thailand (Under study)

BIMSTEC

- Intra regional trade share
 - About 6% (2015, ADB, ARIC)
 - 4.8% in 2004
 - Intra regional trade intensity: 1.6

BIMSTEC FTA

- FTA: BIMSTEC FW Agreement
- Slow progress in signing FTA
- At 15th ministerial meeting: 2017
 - Importance of early conclusion of FTA
 - TNC and Working Groups directed accordingly
 - BIMSTEC TFA
 - Disagreement between India and Thailand over
 - market access for professionals
 - duty cuts on traded goods and
 - policy relaxation
 - India: easing of rules for its professionals
 - Thailand: relaxation in the foreign investment rules in multi-brand retail trade for its retailers

RVCs

- Textiles
- Food processing
- Light engineering goods
- Forward and backward linkages
- E.g: Forward
 - Thailand with India
 - Total (industry): some evidence
 - but rather small percentage in textiles sector
 - relative to China : less than a third
 - majorly from APEC, ASEAN and Domestic

Gender Dimension

- Trade theory
 - Comparative advantage => Efficient distribution of resources=> gains: in theory perceived as 'gender-neutral'
- Development aspects
 - Govt. policy to take care of redistribution of gains
- Trade agreements: policy and negotiation
 - Element of politics
 - Lobbies and interest groups
 - Women and poor-a diffused group

Theory and Empirical Evidence

- Trade liberalization may affect women in significantly different ways than men
 - Women do not have equal access to resources & services
 - Women employment in X-oriented industries
 - Agriculture, garments and textiles
 - Low-skilled processing jobs, with low wages
 - Emerging trend: growth of women's involvement in SMEs
 - However : limited access to capital, technology, land
- Trade agreements can be a catalyst for gender equality

RTAs: Existing Template

- Gender equality or social impacts of trade
 - Included in discussion of social dimensions of the agreement, or
 - In labour and environmental cooperation agreements
 - separate from main text of the RTA

Gender Dimension

- To engender FTAs/ RTAs
 - Need to be specific to include similar gender equality as an objective
 - Gender analysis of a trade agreement : before, during and after
- For the purpose negotiators require
 - Reliable data for differential analysis
- BIMSTEC
 - Priority area?
 - Pursue research on gender dimensions of FTA/ trade in the region
 - APEC
 - 1999 FW for integration of women in APEC
 - Women are critical to achieving sustainable economic development in the region

**DPG Regional Conference
on Advancing BIMSTEC
Cooperation, New Delhi,
April 26-27, 2018**

**Paper by Mr. Purushottam Ojha,
Former Commerce Secretary,
Government of Nepal**

Draft

(Check against delivery)

BIMSTEC Free Trade Agreement: Issues and Prospects

Purushottam Ojha¹

Background

The concept of strengthening economic linkages between South and South-east Asia took shape with the creation of BIST-EC in early 1997 (later changed to BIMSTEC) and the organization already passed the period of two decade of its existence. The signing of a framework agreement on free trade area in Phuket in February 2004 along with the newly inducted members; Nepal and Bhutan, was another milestone in the evolution of this regional bloc. The seven nations were supposed to work together to advance the process of economic integration through creation of better economic and employment opportunities to the common benefit of the people in the region. Liberalization of trade in goods, services and investment and implementation of trade facilitation measures were the primary but important steps for deepening regional integration. The Trade Negotiating Committee (TNC) formed under the agreement started its work immediately on drafting an agreement on trade in goods, including rules of origin and the dispute settlement mechanisms. The framework agreement originally set the date of July 2006 for initiating the trade liberalization process with different set of dates to complete tariff reduction/elimination under the normal and fast track by LDCs and non-LDC members. However, the original schedule of completing tariff reduction/elimination was over in June 2017 even without starting the process on the ground. The 19 round of negotiations of the TNC till date has not been able to finalize any of the arrangements related with

¹ Former Commerce Secretary, Government of Nepal. Views are personal.

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operationalization of trade in goods agreement. With current pace of progress in negotiations, the new date proposed for 30 June 2023 is also likely to be missed.

The level of intra-regional trade is abysmally low, standing around 4 percent (\$ 37 billion in value terms) of the total external trade of the member countries in 2014. The figure is low in comparison to other RTAs, as against 7 percent among the SAARC countries, 7.5 percent among APTA and 16 percent among South American Common Market (MERCOSUR) and 29 percent among ASEAN countries. (Rahman and Kim).

The member countries together have a staggering export of USD 606.6 billion and an import of USD 685.3 billion in 2014. Thailand is the only country in the region having surplus in international trade; a higher volume of export than import.

BIMSTEC is one of the larger economic cooperation group that brings together 1.5 billion people constituting 21 percent of the world population and a combined GDP of US \$ 3.0 trillion. India is the biggest economy (with \$ 2.3 trillion GDP) followed by Thailand (\$ 410 billion), Bangladesh (\$ 205 billion) and rest of the member countries with GDP less than \$ 100 billion². However, the level of economic and trade integration is far from its potential. The export of India to the BIMSTEC member countries was just 7.19 percent while the imports from these countries was merely around 2 percent of its total import in 2014 (Refer Annex-1).

The importance of BIMSTEC has ever been pronounced with the stagnation of the SAARC process. The countries in South Asia in general and the land-locked countries in particular, are enticed to promote connectivity and establish physical linkages with South-East Asian countries by ensuring efficient transit services and greater market access. Similarly, those countries can contribute to promoting common prosperity of the region by optimizing the use of available resources and nature's endowment.

² Refer Wikipedia: https://en.wikipedia.org/wiki/Bay_of_Bengal_Initiative_for_Multi-Sectoral_Technical_and_Economic_Cooperation

Land-locked countries in the trans-regional bloc

Among the seven members, two are land-locked, one island state and rest of four connected to continental landmass having long coastal lines. Nepal as one of the land-locked countries is heavily dependent upon the next door neighbor India for trade, and transit services and for investment. Two third of Nepalese trade takes place with India; around 85 percent of the transit goods of Nepal passes through the land-sea route of India and 40 percent of the total FDI are of the Indian origin. The other two largest trading partner of Nepal are Thailand and Bangladesh. Nepal is persistently incurring deficit in its trade with the former while the situation of trade surplus with Bangladesh has turned around since 2014-15. The status of Nepalese trade with the BIMSTEC member countries over the last eight years is presented in Annex-2

The strategic interest of Nepal in participating at this regional process can be explained in five headings. First, the country needs greater market access to the other member countries by reducing/eliminating the tariff and non-tariff barriers, and harmonization of customs procedures; second, connectivity by all possible means of transportation and participation in the greater connectivity program for reducing the cost of transit transportation; third, establish linkages of services, particularly on tourism, health and education; fourth, participate in the regional value chain focusing on emerging manufacturing activities in three big economies and fifth, enhancing the inflow of investment from other countries, particularly from the big three. Thus, implementation of trade in goods, services and cross-border investment protocol, as envisioned in the framework agreement is crucial to reap benefits from the growing economic clout of the emerging economies of the region.

FTA and its relevance

The framework agreement on BIMSTEC FTA basically covered the trade in goods, investment and services which was supposed to be negotiated by the trade

negotiating committee and subsequently signed at the higher level of the government. The agreement covered, but not limited to, the following areas that has been considered as pathway of achieving greater economic integration in the region.

- a) Elimination of tariff substantially on all goods except those included in the negative lists.
- b) Progressive liberalization of trade in services and investment based on positive list approach.
- c) Strengthen cooperation on five identified areas namely technology, transportation and communication, energy, tourism and fisheries.
- d) Enhancing trade facilitation with particular focus on: i) standards, conformity assessment, accreditation, and MRA, ii) customs cooperation, iii) trade finance, iv) e-commerce and v) business visa and travel facilitation.
- e) Technical cooperation for enhancing trade capacity of the LDCs and flexibility in implementation of the commitments.

The following timelines were proposed for implementation of the agreement.

- a) Negotiations on trade in goods: by end 2005.
- b) Implementation of tariff reduction/elimination under fast track products: July 1, 2006 to June 30, 2009.
- c) Products under normal track: July 1, 2007 to June 30, 2017.
- d) Negotiations for services and investment: 2005 to 2007.

The framework agreement provides overall guidelines of economic cooperation covering diverse areas. However, the implementation rate is very slow. Agreement on trade in goods including the dispute settlement mechanisms, rules of origin and customs cooperation has been reeling over 12 years, let alone the negotiations on trade in services and investment which is not making any headways.

The relevance of the free trade agreement can be judged from its impact on welfare gain and losses to the economies on account of trade liberalization. A

study conducted by ORF India shows that there will be welfare gains for India, Bangladesh and Thailand and losses to rest of the economies³. Thus, liberalization of tariff without any qualification would leave the least developed and land-locked countries in a more vulnerable position. Hence, protection of domestic industries including the appropriate trade facilitation measures is considered important to reduce the trade costs and enhance trading capacity of these countries.

In view of the comprehensive approaches to economic integration, BIMSTEC FTA provides a framework of overall economic cooperation by engaging the member countries in multiple area of economic cooperation. Nepal and Bhutan as the land-locked countries, could be interested in achieving higher level of connectivity, cooperation on energy, cross border investment and tourism. Trade cooperation is important for economic integration but the unfinished agenda of FTA implementation and the weak linkages of land-locked countries to the regional and global value chains has left these countries behind in comparison to other countries.

The transport corridor linking the eastern part of South Asia with the South-East Asia through highways, railways and maritime transport could be a game changer in the economic development process of the region. Hence, the focus should be on development of arterial road and railways system that could be linked with the national transport systems of all member countries. Concrete actions would be required in linking the land-locked countries with the greater transport and logistics network supported by the hard and soft infrastructures.

Transport and communication are the key to regional integration. Aviation, Inland Waterways Transport (IWT) and maritime transport are crucially important in establishing multi-modal transport system in the region. Nepal and India has recently agreed on providing IWT based transit services which is supposed to create competition among various mode of transportation to the benefit of trade.

³ ORF Issue Brief; Issue No 198; September 2017.

Energy cooperation at the regional level could help in economic transformation of all economies. Nepal, Myanmar and Bhutan are endowed with hydropower potentials, Bangladesh with natural gas, India and Thailand with coal and petroleum products to some extent. The potentiality of producing solar power is also substantially high since a large part of the region falls within the latitude of equator and the Tropic of Cancer (0-23.5 degree North). An inter-country power grid encompassing the region would immensely help in increasing power trading and integrating the economies.

The land masses from the highest peak of mountains, wonderful hills, flora, fauna, rivers, lakes, and the cultural heritage extended to the rim of Bay of Bengal and the Pacific Ocean provide unique opportunity for promotion and joint marketing of tourism spots. Development of Buddhist Circuit was conceived and discussed in the Tourism Working Group of the regional body in the past but no concrete action is yet surfaced to materialize this.

Promotion of cross-border investment is another important element of enhancing greater economic integration. In recent years, India has been the largest recipient of FDI and Thailand as the sources of investment outflow. The World Investment Report-2017 reveals that India has alone received USD 44.5 billion in 2016 which is almost 80 percent of all FDI received collectively by the South Asian countries. Bangladesh, (\$ 2.3 billion), Myanmar (\$ 2.2 billion) and Thailand (\$ 1.6 billion) are the major recipient of the FDI among the BIMSTEC countries. Investors from Thailand and India invested \$ 13.2 billion and \$ 5 billion in 2016 as the outward flow of investment, respectively (WIR-2017). This shows that there are potentialities of increasing intra-regional investment, particularly focusing such investment in the smaller economies like Sri Lanka, Nepal and Bhutan.

Political economy

The origin of BIMSTEC is said to be the resulting convergence of the look east policy of India and look west policy of Thailand. The group of littoral countries at the rim of Bay of Bengal were considerably integrated in the past as the movement of people across their national boundary in the pre-independence

period were quite high and could be evidenced with the presence of substantial number of Nepalese community in North-Eastern States of India, Myanmar and up to Thailand. Hill people migrated during those periods, are naturalized in those countries who also persuaded their culture, tradition and practices thereby creating a harmony of culture and civilization. This new trans-regional arrangement in the 21st century also help in reviving the old linkages particularly at the economic, cultural and social fronts.

The downside risks of SAARC being a dull mechanism may be balanced by the resurgence of BIMSTEC which includes five of the SAARC countries. Those countries could well benefit from liberalization if they support and cooperate each other towards the goal of common prosperity and promotion of well-being as envisaged in the objective of the regional body.

BIMSTEC has a new meaning in context of growing political and security rivalry in the East Asia and pacific region. Presence of both India and China in the region, would not only counter-balance the regional powers but also provides opportunities to the least developed countries to benefit from their economic clout. The BCIM corridor, tri-lateral highway among India-Myanmar and Thailand, Asian highway and trans-Asian railway are some dream projects that is supposed to benefit all the participating countries. The political implication of these connectivity projects are far-reaching and may result into closer and beneficial ties. The connectivity projects initiated by the government of China under the Belt and Road Initiatives (BRI) and those infrastructure under discussions should complement each other in order to realize the synergy of inter-regional cooperation.

Ethnic conflict, violence and refugee crisis has also become an issue among member countries that also impede the regional process. The Rohingya crisis that emerged in Myanmar last year resulted into exodus of almost 650 thousand refugees from Myanmar to Bangladesh. The unwanted influx of people in neighboring country due to violence and conflict has been a subject of discord between two close neighbors. Obviously, this will have adverse implications in the process of regional integration being sought by the member countries.

Challenges and response

The areas of economic cooperation are plenty, diverse and lack focus in implementation. There 14 areas of cooperation right from trade, investment to agriculture, fisheries, environment and poverty reduction among others. Each member country is given at least one sector to lead and coordinate the sector. The newer members Nepal and Bhutan are given the sectors of poverty alleviation and cultural cooperation respectively while the rest of the member countries are taking a lead of two or more sectors. Lack of concrete action program in many sectors and the slow progress in already started activities has necessitated to consider reducing the areas of economic cooperation and bringing concrete program for implementation. For, example, 4-5 areas of cooperation may be taken up during the initial phase. Trade and investment, energy, transportation and communication, tourism and agriculture may be the priority areas for economic cooperation. Building confidence by achieving substantial progress in selected sectors would help to proliferate the areas of cooperation.

Meetings and consultation at various levels has not been able to produce tangible outcome on one side while regularity of the meetings are not maintained to keep the momentum going, at the other. It has been observed that altogether 19 TNC meetings were held since 2004 to 2015 but not able to finalize any of the four agreements it was mandated to complete. The meetings of various level of the government officials is not being held at regular intervals. Only 3 summit were held over a period of 20 years; the fourth summit slated to be held in Kathmandu in 2017 could not take place and still it is not sure when it will happen. The last ministerial meeting were held in Kathmandu in 2017 after an interval of 3 years. Consistency in the frequency of meeting should be maintained in making timely decision on the pertinent issues.

The sluggishness of BIMSTEC process is also the result of weak institutional capacity and lackluster interest of the two big economies: The last two decades of BIMSTEC has not shown any encouraging progress toward enhancing cooperation for achieving its intended objectives. The two larger economies;

India and Thailand, have neither taken a leadership role or shown interest on making investment in the priority projects as they seem to be satisfied with the bilateral engagement or through the ASEAN process. The permanent Secretariat of the regional bloc was created only in 2014, with headquarter in Dhaka, after 17 years of the establishment. The Secretariat is institutionally and financially weak in order for driving the overall process of the regional mechanism. There is renewed interest and emerging hope after the BRICS-BIMSTEC outreach summit hosted by India in Goa in October 2016. The momentum need to be maintained.

The economic integration process in the region is largely neutralized by the lack of adequate connectivity. Seamless transportation for movement of goods, services, finance and investment are the necessary conditions for deeper integration of economies. Priority projects of highways and railways identified under BTILS⁴, that forms the backbone of intra and inter-regional connectivity, are yet to be implemented. Creating hard and soft infrastructures including customs and border agency cooperation, harmonization and digitization of regulatory processes are important tasks to be undertaken. Increasing cooperation in key services areas like tourism, health, education and investment linkages are crucial for enhancing comprehensive partnership and cooperation. Member states need to focus on people-to-people connectivity through visa facilitation; student and cultural exchanges go a long way for enhancing economic as well as social and cultural connectivity on a lasting basis.

Some important projects are in pipeline and some other in the implementation process that are supposed to give a boost to connectivity in the region. Development of Sittwe port in Myanmar, trilateral highway along India, Myanmar and Thailand, and the proposed Coastal Shipping Arrangement are such signature projects. Now, the member countries should explore the ways and means how the land-locked countries could be linked to benefit from these important transport projects.

⁴ BIMSTEC Transport Infrastructure and Logistics Study-2007, carried out with the assistance of Asian Development Bank.

The inordinate delays in completing the trade in goods agreement has eroded confidence over the BIMSTEC process: Originally, the trade negotiating committee was supposed to finalize the agreement by end 2005 and commence implementation of trade liberalization program from 2006. But, this could not happen and the negotiations dragged on for a long time. Consequently, new dates for trade liberalization were proposed, only to see another lapses of date without much achievement. The successful negotiation of the trade in goods, services, investment and customs cooperation could provide fillip to the process of regional integration which unfortunately could not happen. Regaining confidence over the regional process need early finalization of those four specific agreements as spelt out in the framework agreement and honest implementation of the provisions.

Bringing the least developed countries on board of the mainstream of trade development, may require linking them in the regional value chains. India, Thailand and Bangladesh are the larger manufacturing hub in the Asia Pacific region. Thus, approaches to trade development should focus on issues that impede the participation of the least developed countries in the regional and global value chains. Elimination of tariff and non-tariff barriers, seamless transport and connectivity, support for capacity development and promotion of investment are some important measures to bring those countries in the mainstream of trade.

The region is rich in natural resources but not fully utilized for the common benefit of all. Nepal, Bhutan and Myanmar possess immense potentials for generating hydropower. India, Thailand and Myanmar possess deposits of petroleum products and coals while Bangladesh has substantial reserve of natural gas. Technologies are now available to harness the solar and wind power. Development of cross-border energy grid and power exchange arrangements would be vital in order to enhance the competitiveness of agro-processing, manufacturing and services sector. Cooperation on energy sector should be given priority in order to create an infrastructural base for industrialization and enhancement of the production and productivity of all economies.

Digital divide is still a burning issues among the countries that are at various level of development: This is also true in case of the BIMSTEC member countries. India and Thailand are well advanced in adoption of digital technology. It is evident that application of digital technology in trade, transport and transit could help to reduce the cost of transaction and achieve efficiency. Countries are moving towards paperless trade with the adoption of single window, e-filling of documents, e-payment and use of risk management modules and fast clearances of cargo. Cooperation on ICT and ICT enabled services would be another important element to bring the countries together and share the common prosperity.

Conclusion:

The expectation of member countries while joining this regional process were high as the South Asian countries were inventing this alternative regional mechanism to offset the laggardness of SAARC. Nepal became a party to this regional group with the objectives of getting greater market access to the two economies of ASEAN and for achieving greater transport and energy connectivity and efficiency in transit movement of goods and vehicle. However, the progress is not satisfactory so far, as the BIMSTEC has merely been a talk shop and mired with protracted and lackluster meetings without any substantive outputs. Hence, the imperative is to make headway and move into the sphere of action from simply exchange of ideas and talks.

Four countries of South Asia have entered into a quadrilateral cooperation arrangement through the SASEC initiatives and sub-regional process is moving forward through implementation of sub-regional projects which is mainly supported by the Asian Development Bank. A motor vehicle agreement was signed among those countries in June 2015 but awaiting necessary protocols for implementation. The motor vehicle agreement could be a stepping stone for creating a larger transport network within the BIMSTEC region.

The comprehensive framework of cooperation should be developed to achieve the strategic goal of regional cooperation. Since, BIMSTEC is the member driven organization, there is need of identifying the actionable tasks and agreed at the

higher level inter-governmental body. The Secretariat should be well equipped and strengthened in order to take up the task of monitoring and follow up of the assigned tasks. Similarly, the regional body should establish effective contact with multilateral agencies and financial institutions in order to meet the resources gap required for implementation of mega projects.

Bilateral relations between the member countries have major say in shaping up the course of actions at the regional level. SAARC is an example where the regional body is made a hostage due to hostile relationship between two larger economies. There are issues of cross-border infiltration of criminals, terrorism and smuggling of narcotics and commercial goods. The issues of Rohingya refugee has soured the relationship between Myanmar and Bangladesh. Illegal crossing of the borders and refugee from Myanmar to Thailand, border blockade of Nepal in 2015 are some of the recent year events that has created an ambience of suspicion and eroded confidence among BIMSTEC member countries. Such apprehensions should be alleviated by increasing the frequency of engagement at the bilateral and regional level. Building an environment of trust and confidence is important in order to make the regional process a success.

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Annex-1

Table 1: India's trade with BIMSTEC countries (2014-15)

(Export figure in mill USD)

Country	Export of India	Import into India	Share in overall export (%)	Share in overall import (%)
Bangladesh	6,451.47	621.37	2.08	0.14
Bhutan	333.94	149.87	0.11	0.03
Myanmar	773.24	1,231.54	0.25	0.27
Nepal	4,558.77	639.91	1.47	0.14
Sri Lanka	6,703.72	756.17	2.16	0.17
Thailand	3,464.83	5,865.88	1.12	1.31
Total	22,286.0	9,264.7	7.19	2.06

Source: Ministry of Commerce, Government of India⁵

Table 2: Foreign Direct Investment (FDI) to and from BIMSTEC countries

(Figure in billion USD)

Country	Inflow		Outflow	
	2015	2016	2015	2016
Bangladesh	2,235	2,333	46	41
Bhutan	7	12	-	-
India	44,064	44,486	7,572	5,120
Myanmar	2,824	2,190	-	-
Nepal	52	106	-	-
Sri Lanka	680	898	54	237
Thailand	5,700	1,554	1,687	13,229

Source: World Investment Report-2017, UNCTAD, Geneva

⁵ As adapted from the Article of Ms. Jayashree Sengupta: BIMSTEC-FTA: A New Hope for Enhanced Regional Trade; <https://www.orfonline.org/research/bimstec-fta-new-hope-enhanced-regional-trade/>

Annex-2

Trade of Nepal with BIMSTEC Member countries

(Value in million Rupee)

Country		2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
Bangladesh	Export	3,374	3,472	2,578	2,730	2,141	1,084	1208	1,048
	Import	765	1,104	1,503	2,174	1,729	2,731	4,001	4,227
	+/-	2,609	2,368	1,075	556	412	(1,647)	(2793)	(3,179)
Bhutan	Export	1,555	426	544	334	100	121	153	77
	Import	133	112	249	273	353	406	548	512
	+/-	1,422	314	295	61	(253)	(285)	(395)	(435)
India	Export	39,903	42,868	50,933	51,789	59,458	55,859	39,695	41,501
	Import	214,261	259,162	321,346	397,958	482,345	500,044	487,597	646,019
	+/-	(174,358)	(216,294)	(270,413)	(346,169)	(422,887)	(444,185)	(447,902)	(604,518)
Myanmar	Export	0	1.3	2	0.9	5	1.5	4.4	9.7
	Import	2.0	59	219	294	1327	1168	1645	2,564
	+/-	(2.0)	(57.7)	(217)	(293.1)	(1322)	(1166.5)	(1640.6)	(2,554.3)
Sri Lanka	Export	100	8	22	5	3	39	9	4.4
	Import	55	152	85	159	688	245	201	172
	+/-	45	(144)	(63)	(154)	(685)	(205)	(192)	(167.6)
Thailand	Export	24	21	247	403.0	436	327	124	109
	Import	7,505	7,040	8,098	9,437	9,527	10,047	10,291	10,818
	+/-	(7,481)	(7,019)	(7,851)	(9,034)	(9,091)	(9,720)	(10,167)	(10,709)

Source: TEPC, Nepal

Exchange rate: 1 USD=NRs. 104.

**DPG Regional Conference
on Advancing BIMSTEC
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**Abstract of Presentation by Dr.
Dushni Weerakoon, Executive
Director, IPS, Colombo, Sri Lanka**

Dr. Dushni Weerakoon
Executive Director, IPS, Colombo, Sri Lanka

Dr. Weerakoon thanked the Delhi Policy Group and the Asia Foundation for bringing together the cross-section of stakeholders on BIMSTEC. She said that she is going to take advantage of words used in the inaugural session wherein it was mentioned that we should have a frank' conversation in meetings like these. She said that to her, when she looked at trade and investment integration within BIMSTEC, one had to be pessimistic.

In any agreement, economic cooperation is pushed forward through a formal agreement that would address the tariff reductions among other issues of a FTA agreement. However, the BIMSTEC FTA negotiations had been ongoing since 2004. If after thirteen years we haven't been able to conclude it, there can be two things to look at- first, that the initial assumptions under which the framework agreement was concluded needs to be revisited and second, there is little economic interest among the member countries to push for the conclusion of the agreement, which can be either because their interests have diverged over-time or there are deep-seated trust issues existing among them.

Speaking about the promising beginnings of BIMSTEC, she mentioned the lesser baggage carried by members of BIMSTEC towards each other (compared to SAARC), progressive discussions about services and investment and the unique opportunity it presented for South Asian countries to gain a foothold in Southeast Asia. Consequently, she said that since 2004 the world had changed due to which the priorities and strategic interests of BIMSTEC member states has altered. Thus, she called for revisiting the FTA framework to address the major changes that have occurred since 2004, questioning whether interests have changed or whether deep seated differences between member countries have deepened since 2004.

Focusing on the Free Trade Agreement, she mentioned the multiple bilateral agreements between various member countries and pondered the role of a larger, traditional FTA for the region that would deal with the liberalization of tariffs, customs, rules of origin, and dispute settlement. She expressed skepticism that anything bigger would come through it. Dr. Weerakoon suggested a complete overhaul of the framework agreement and expressed support for India's efforts in restarting negotiations, though she acknowledged barriers to this process in the form of some countries rejecting an overhaul. Her second recommendation was an alternative to her previous suggestion. She said that member countries should come to a binding FTA agreement and accomplish a services and investment agreement within the coming two years, while simultaneously making the goods agreement more deeper and broader in scope than what it was currently.

She expressed her opinion that the sole advantage of BIMSTEC lay in services and plugging investment rather than goods since other agreements (bilateral/ trilateral had much scope). She said that BIMSTEC's comparative advantage lay in its connectivity potential. Also, if investment was included in the integration process it would facilitate investment flows necessary to drive connectivity if BIMSTEC also invited China as an observes which is again a controversial issue. Thus, the FTA would ensure that services and investments also came in.

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**Paper by Dr. Selim Raihan,
Department of Economics, University
of Dhaka and Executive Director,
SANEM**

BIMSTEC: A Bridge between South Asia and Southeast Asia

Selim Raihan¹
Fayeza Ashraf²

¹ Dr. Selim Raihan, Professor of Economics, University of Dhaka and Executive Directors, SANEM. Email: selim.raihan@gmail.com

² Research Associate, SANEM

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I. Introduction

BIMSTEC - The Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation – was primarily established to connect the countries of South Asia and Southeast Asia. Since its inception in 1997, BIMSTEC has created a platform for members of SAARC and ASEAN to strengthen their connectivity. However, the corridor connectivity in the Bay of Bengal region has underperformed in compared to other regional organizations. Regional development and integration in this region would require a multidimensional approach. Beyond the basic land connectivity, unexplored potentials from cultural, digital, financial and other forms of integration need to be extracted. BIMSTEC aims to achieve (i) tariff concession on trade in goods, (ii) customs cooperation, (ii) trade in services, (iv) investments, and (v) dispute settlement mechanisms for the member of BIMSTEC. Moreover, BIMSTEC has agreed to cooperate in 14 priority sectors: Trade and Investment, Transport and Communication, Energy, Tourism, Technology, Fisheries Agriculture, Public Health, Poverty Alleviation, Counter-Terrorism and Transnational Crime, Environment and Natural Disaster Management, Culture, People to People contact, and Climate change. A success of the BIMSTEC agreement will stimulate trade and investment in the region and draw outside nations to invest and trade with BIMSTEC in the future.

In the context of South Asia and Southeast Asia, a successful regional integration would necessitate linking up markets with investment possibilities and integrating policies across countries to bring about an effective economic integration. Gaps in any of these areas of integration would impede the progress of regional integration. Ideally, a successful regional integration would depict in a situation where economic growth in a member country is connected with economic growth in other member countries. Concurrently, polices need to address social economic issues such as poverty and inequality and environmental issues to preserve nature and improve the global warming conditions. Precisely, regional integration across countries along the Bay of Bengal needs to be in accordance with the Sustainable Development Goals (SDGs). In addition, political economy issues within the region should be addressed to overcome the slow progress of this integration. Aspirations of the businesses should be considered during the process of the negotiations with the policy makers of the other countries.

BIMSTEC covers 7 economies contributing to US\$ 2.8 trillion GDP involving 1.6 billion people of about 22% of the world population. Moreover, BIMSTEC comprises of economies, which are demographically underdeveloped and culturally diverse. BIMSTEC involves a population representing the ample labor force of semi-skilled or unskilled and the vast market size of the region. The economies of BIMSTEC have performed considerably well and have potential for higher growth when accessible to larger markets.

II. Overview of Intra-Regional Trade in BIMSTEC Region

Table 1 shows the intra-regional trade flow scenario of the BIMSTEC countries. The intra-BIMSTEC trade amounts to around US\$ 37 billion according to the latest data available. The leading contributors to the regional exporters are India, Thailand and Myanmar, exporting US\$ 18.6 billion, US\$ 11.2 billion and US\$ 4.8 billion respectively. The top three exporters

unaided contribute to around US\$ 34.5 billion of exports to the region. Following them are Sri Lanka and Bangladesh, with regional export volumes of US\$ 990 million and US\$ 780 million respectively. Nepal exports an amount of US\$ 499 million to the region while imports US\$ 3.3 billion from the region. Bhutan has the lowest export (US\$ 220 million) and import (US\$393 million) volumes. The largest regional importers in the BIMSTEC region are India (US\$ 8.8 billion), Thailand (US\$ 6.8 billion) and Bangladesh (US\$ 6.6 billion). Sri Lanka and Myanmar's total imports amount to US\$ 6.1 billion and around US\$ 5 billion respectively.

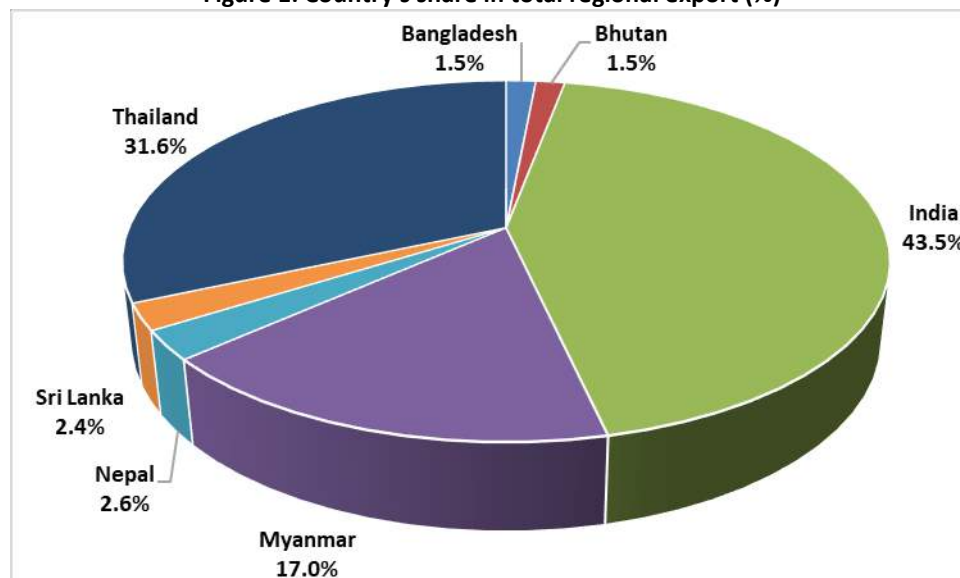
Table 1: Intra-BIMSTEC trade

BIMSTEC		Export in million US \$							
		Bangladesh	Bhutan	India	Myanmar	Nepal	Sri Lanka	Thailand	Total
Imports in million US \$	Bangladesh	0.00	21.91*	5521.52	153.83**	6.83	98.48	844.90	6471.74
	Bhutan	5.25*	0.00	375.22	0.00	1.49	0.02	11.37	388.10
	India	639.90	195.02	0.00	1016.30	489.55	848.78	5650.14	8839.70
	Myanmar	8.53**	0.01***	859.97	0.00	0.01	1.73	4108.21	4969.92
	Nepal	24.80	3.09	3195.12	9.86	0.00	3.60	53.72	3290.20
	Sri Lanka	37.71	0.00	5501.02	21.44	0.02	0.00	497.18	6057.37
	Thailand	63.43	0.04	3113.56	3556.63	0.81	37.75	0.00	6772.22
Total	765.84	198.15	18566.41	4604.24	498.71	990.37	11165.53		

Data source: UNCOMTRADE; All are latest available data for 2015, *marked are latest data available for 2012, **marked are latest data available for 2011, ***marked are latest data available for 2010; figures in US\$ thousand

Figure 1 describes the country's share of total regional export. India, Thailand and Myanmar's share of regional export are 43.5%, 31.6% and 17% respectively. Together the three countries hold around 92% region's export. The rest 8% comes from Nepal, Sri Lanka, Bangladesh and Bhutan.

Figure 1: Country's share in total regional export (%)

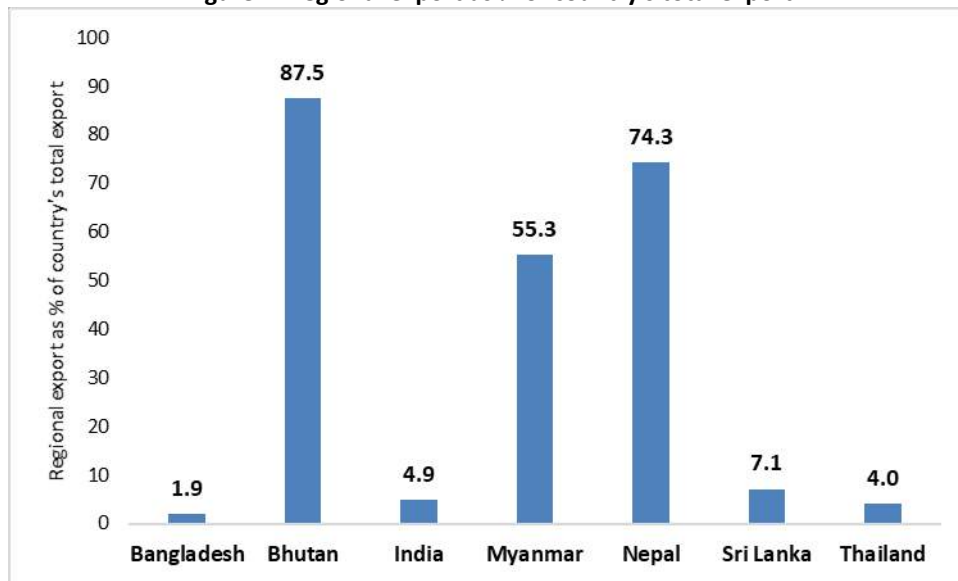


Data source: UNCOMTRADE

Figure 2 illustrates the percentage of regional export of the countries to their total export. It is observed that Bhutan (87.5%), Nepal (74.3%) and Myanmar (55.3%) have the highest proportion of regional exports to that of their total exports. However, Sri Lanka (7.1%), India (4.9%), Thailand (4%) and Bangladesh (1.9%) have the lowest contribution to regional exports. The scenario is highly contradictory with the illustration of Figure 1. The low amount of export contributed by Bhutan and Nepal to the region is large proportion

according to the nation's total export size. It reflects that Bhutan and Nepal have marginal association with the rest of the world and their trade pattern is highly concentrated in the South Asian region particularly from India.

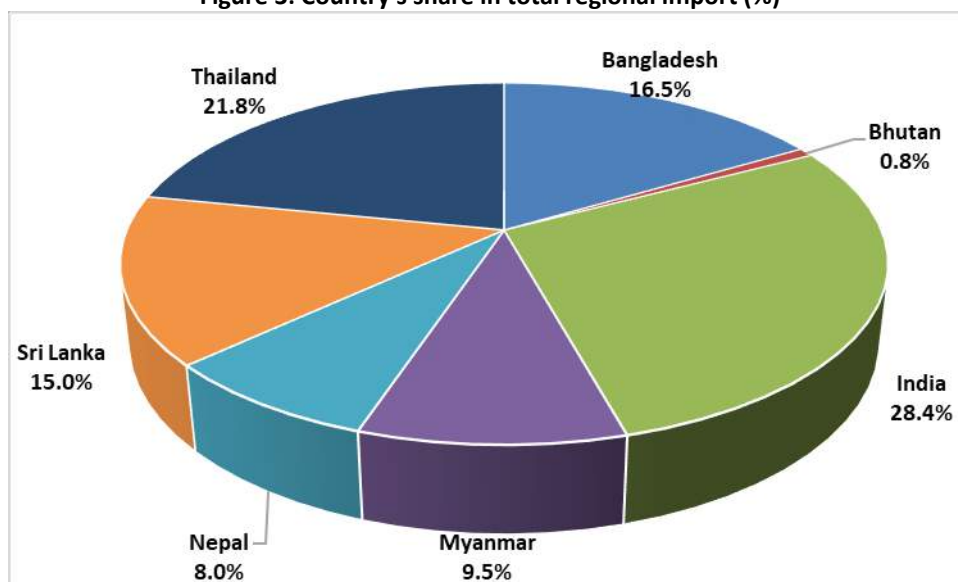
Figure 2: Regional export as % of country's total export



Data source: UNCOMTRADE

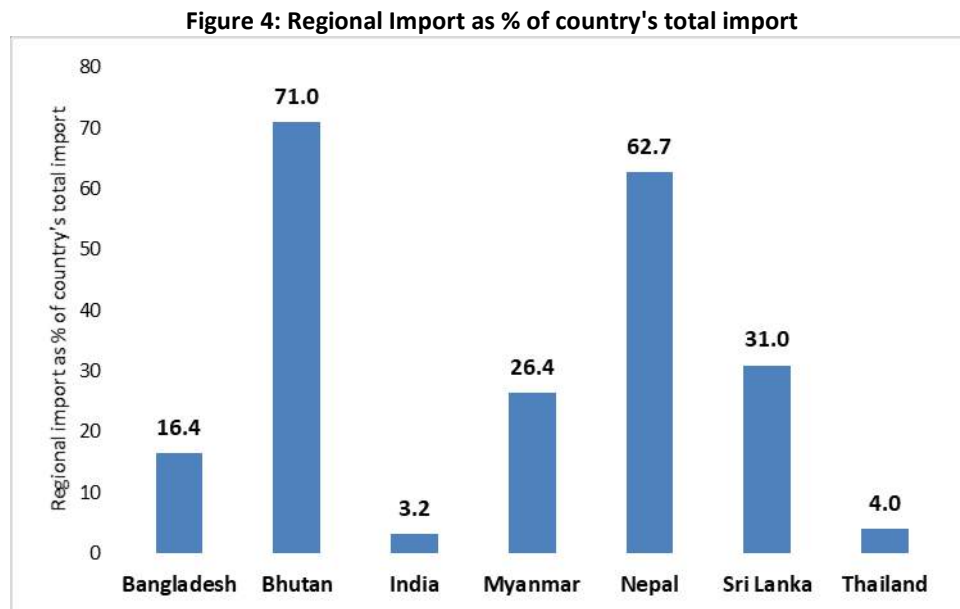
The country's share of total regional import is shown in Figure 3. India and Thailand hold the largest share of regional import of 28.4% and 21.8% respectively while Bhutan holds the least share of regional import. Bangladesh (16.5%) and Sri Lanka (15%) also contribute to good proportion of the region's import. However, as Table 1 has illustrated, India is a major import source for the BIMSTEC countries. The same case stands strongly for Sri Lanka, Nepal and Bhutan. Much of their regional import is from India. Similarly, Myanmar's major import partner is Thailand. India and Thailand are observed as one of the largest import sources of the region.

Figure 3: Country's share in total regional import (%)



Data source: UNCOMTRADE

Figure 4 illustrates the percentage of regional import of the countries to their total import. It is observed that Bhutan (71%) and Nepal (62.7%) have the highest percentage of regional imports to that of their total exports. The second tier economies are Sri Lanka (31%), Myanmar (26.4%) and Bangladesh (16.4%). However, India (3.2%) and Thailand (4%) have the lowest contribution to regional imports as compared to their world exports.



Data source: UNCOMTRADE

III. Trade and Economic Impacts of FTA and Trade Facilitation in BIMSTEC: Simulation Exercises

This paper uses the Global Trade Analysis Project (GTAP) global general equilibrium model to explore trade and economic impact of FTA and trade facilitation between Bangladesh and East and Southeast Asia. The global CGE modelling framework of the GTAP (Hertel, 1997) is a useful tool for the ex-ante analysis of the economic and trade consequences of multilateral or bilateral trade agreements. The GTAP model is a comparative static model, based on neoclassical theories.³ The GTAP model is a linearized model, and it uses a common global database for CGE analysis. The model assumes perfect competition in all markets, constant returns to scale in all production and trade activities, and profit maximizing behavior by firms and utility maximizing behavior by households. The model is solved using the GEMPACK software (Harrison and Pearson, 1996).

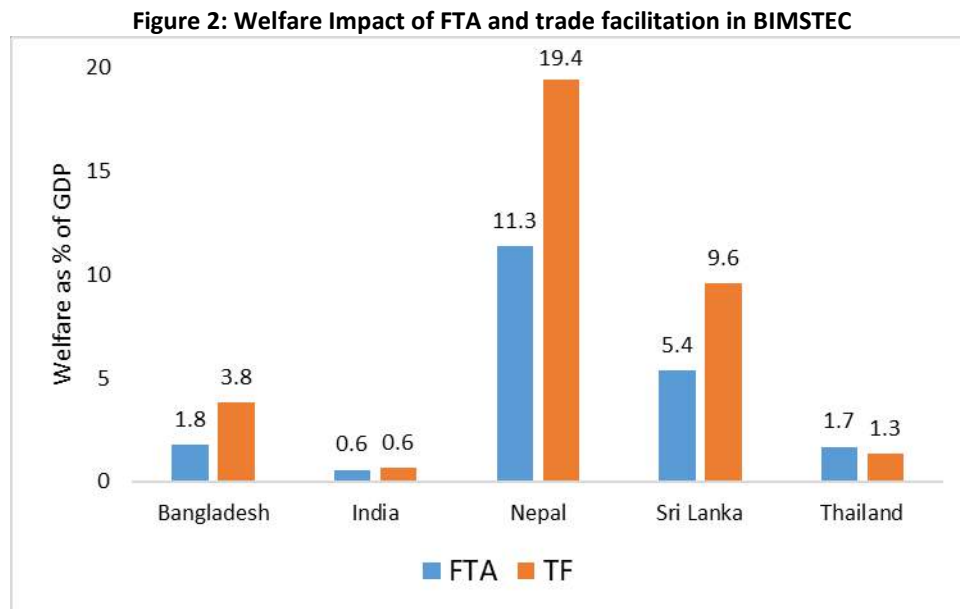
In the GTAP model we simulated the following two scenarios:

Scenario 1: An FTA among BIMSTEC countries.

Scenario 2: A reduction in trade costs in the case of intra-regional trade among BIMSTEC countries by 10%.

³ Full documentation of the GTAP model and the database can be found in Hertel (1997) and also in Dimaranan and McDougall (2002).

Figure 2 presents the welfare impacts (as % of GDP) of the simulations using the GTAP model. All countries stand to gain from the BIMSTC FTA and trade facilitation scenarios. The largest gain seems to appear for Nepal. It also appears that the gains from trade facilitation are much higher than mere FTAs, which highlights the importance of improved connectivity and reduction in trade costs through customs modernization and infrastructural development.



Source: GTAP simulation

IV. Challenges

4.1. Trade Facilitation and NTMs

The recent decades of regional agreements and multiple FTAs have seen significant reduction in tariffs to promote trade liberalization. However, only reduction of tariffs has been inadequate to facilitate trade and Non-tariff measures (NTMs) have been observed to be a key factor for hindering the expected level of regional integration. With the increase in preferential trade agreements and Free Trade areas, NTMs have increased substantially. Though NTMs usually have economic impact on goods traded internationally, changing quantities or price, they are often used for policies that maximize social welfare, for example medicine standards are defined to protect human health. NTMs have particularly affected developing countries; it restricts their market access and weakens regional integration. This factor has played an obvious role in the regional integration among the South Asia and Southeast Asian countries. The economies in this region have primarily been affected due to their weak technological progress, poor infrastructural facilities and insufficient services of exports (UNCTAD, 2013).

The UNCTAD (2013) classifies NTMs into technical measures and non-technical measures. Technical measures such as sanitary or environmental protection measures, technical barriers to trade and non-technical measures as instruments of commercial policy, e.g.

quotas, price control, exports restrictions, or contingent trade protective measures. Many of these NTMs are legitimate and for the protection of the host country. Sanitary or environmental protection measures are for the welfare of the consumers and environment; instruments of commercial policy protect the domestic firms, pricing and licensing regulate the domestic market and rules of origin elude unintended trade deflections (Raihan, 2016).

To exploit maximum benefits from trade liberalization in the BIMSTEC region, the countries should improve their infrastructure since most trade in this region takes place through land. The road connectivity among the countries and also the infrastructure of the customs at the borders should be strengthened. The border points should be fully equipped to handle all documents and procedures relating to imports and exports. Further, introduction of standardized information, removal of procedural hindrances, testing centers and laboratories close to the border customs will simplify procedures and accelerate trade. Additionally, complex process, bureaucratic inefficiency, frequent changes in policies and corruption needs to be addressed through acute policy.

4.2. Low intra-regional FDI

Table 2 shows the intra-regional flow of foreign direct investment (FDI) among the BIMSTEC countries. Most of the data collected are for the year 2012. Data for Bhutan and Nepal was not available.

Table 2: Intra-BIMSTEC FDI flow

BIMSTEC		Outflow (US \$ millions)							
		Bangladesh	Bhutan	India	Myanmar	Nepal	Sri Lanka	Thailand	Total
Inflow (US \$ millions)	Bangladesh	0	NILL	28	NILL	NILL	11	55	94
	Bhutan	NILL	0	NILL	NILL	NILL	NILL	NILL	0
	India	NILL	NILL	0	NILL	NILL	6	5	11
	Myanmar	NILL	NILL	12	0	NILL	NILL	1	13
	Nepal	NILL	NILL	NILL	NILL	0	NILL	NILL	0
	Sri Lanka	NILL	NILL	157	NILL	NILL	0	NILL	157
	Thailand	NILL	NILL	37	4*	NILL	NILL	0	41
Total		0	0	234	4	0	17	61	

Data source: UNCTAD; All are latest available data for 2012, *marked are latest data available for 2011

Table 2 clearly depicts that India, Thailand and Sri Lanka are the only countries in the region that has considerable amount of FDI flowing to other countries. India has the highest investment abroad of US\$ 234 million, followed by Thailand US\$ 61 million, Sri Lanka invests US\$ 17 million. Myanmar has minimal amount of FDI flowing to Thailand for the year 2011, the flowing year 2012 Myanmar had no investment in Thailand.

However, all the countries in the region receive some amount of investment from the larger economies of BIMSTEC. Bangladesh was recipient of US\$ 94 million foreign investments from India, Sri Lanka and Thailand, Thailand contributing the highest among them. Sri Lanka only receives investment from India but of US\$ 157 million, which is a significant amount. Thailand receives consistent investment only from India, however invest flows from Myanmar is inconsistent. India and Myanmar receive the least investment in this regional bloc. Myanmar's instable political condition could have been a possible factor behind its weak integration in the economy. India and Thailand have greater potential for the region in future that clearly portrays in the table.

Trade liberalization or border openness does not always ensure inflow of FDI. Since, the economics in this region are least developed or still in their development stage, many other factors play important roles for attracting FDI. Infrastructure is crucial; strong road, rail and water connectivity along with adequate electricity or power generation, telecommunication assist in smooth operation of the businesses. Business environment is also very important; low or stagnant domestic environment conveys negative signals to the foreign investors, high cost of doing business also discourages investors. Additionally, corruption and political instability should be kept low to ensure smooth business operation.

V. Conclusion

BIMSTEC is the connection between SAARC and the ASEAN countries. Despite the numerous efforts, SAARC did not perform as per the expectations of the nations and mainly due to the consistent political tension between India and Pakistan. The 19th SAARC summit that was to be held in Pakistan was boycotted by India, Bangladesh, Afghanistan and Bhutan and thus is on halt. India as the biggest economy in the region is looking towards BIMSTEC to realize the gains it had expected to achieve from SAARC. The geographical positions of some of the BIMSTEC countries such as Nepal and Bhutan have impeded their potential economic growth. Beside the landlockedness of Nepal and Bhutan, Northeastern states of India have remained substantially underdeveloped due to similar hurdles. Strengthening land and sea connectivity within the region and more specifically from these landlocked regions to the rest of the region is crucial to achieve the BIMSTEC objectives.

Thailand aims to insulate its economy by penetrating into larger market of the South Asia. Apart from the strong land connectivity of BIMSTEC, Thailand plans to strengthen its tourism industry in the South Asian region and also build a platform to exchange its cultural and historical heritage. Moreover, geographically, both Bangladesh and Myanmar are strategically located. Bangladesh and Myanmar are the strong links between South Asia and Southeast Asian economies and will be the dominant passageways for the land connectivity networks that BIMSTEC countries aim to develop. Furthermore, BIMSTEC has vast potentials for intra-regional investment. Foreign direct investment can flow from the bigger economies like India and Thailand to smaller economies like Bangladesh, Myanmar, Nepal, Bhutan and Sri Lanka.

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**DPG Regional Conference
on Advancing BIMSTEC
Cooperation, New Delhi,
April 26-27, 2018**

**Paper by Mr. Achyut Bhandari,
Consultant and former Director-
General of Trade, Bhutan**

DPG Regional Conference on Advancing BIMSTEC Cooperation

India Habitat Centre, 26-27 April 2018, New Delhi

Bhutan and BIMSTEC: Trade and Economic Integration by Achyut Bhandari

Introduction

The topics identified for consideration in the Session on Trade and Economic Integration are wide giving the presenter a large scope for preparing a paper with a particular focus. Bhutan is not only the smallest economy among the BIMSTEC countries but it is also land-locked with a small export base. It is thus difficult to focus on any of the given topics in a meaningful manner. Instead, it would be more useful to provide an overview of Bhutan's interactions in various fields with the BIMSTEC¹ region with particular emphasis on trade. This paper attempts to discuss these issues in a general manner.

Bilateral cooperation

Bhutan is already engaged in multi-dimensional cooperation with most of the BIMSTEC members on a bilateral level. With India, Bhutan has a history of collaboration in multiple fields. In fact, India has been and remains to be the backbone of development assistance for Bhutan. For instance, during the current 11th Five-Year Development Plan (2013-2018), India is providing Nu. 45 billion and another Nu. 5 billion as economic stimulus package². Out of Nu. 45 billion, Nu. 8.5 billion is program grant while the balance goes to finance various development projects. Apart from financing the construction of hydropower projects that is outside Nu. 45 billion, the Indian assistance is applied primarily in building of infrastructure especially in transport and communications, health and education as well as agriculture and rural development. India's total assistance for the Plan comes to about 23% of the total Plan outlay of Nu. 213 billion. The people-to-people level interactions are extensive ranging from bilateral visits, cultural cooperation, pilgrimage, tourism and employment. As can be seen from Table 1 below, India is the largest source of tourists visiting Bhutan.

Strong cooperation also exists with Bangladesh. Bangladesh is not only the second largest destination for export of Bhutanese products but also an important source of

¹ Bay of Bengal Initiative on Multi-sectoral Technical and Economic Cooperation consisting of Bangladesh, Bhutan, India, Nepal, Myanmar, Sri Lanka and Thailand

² Document No. 62420 Brief on GOI assistance amended (1) [accessed on 16 October 2017 from https://www.indianembassythimphu.bt](https://www.indianembassythimphu.bt) 1 US\$ is approximately Bhutanese Ngultrums (Nu.) 65 and 1 Indian Rupee (₹) = 1 Nu.

import of consumer goods. The traders of the two countries interact actively in the export and import business. Further, Bangladesh offers educational facilities for Bhutanese students, particularly in the field of medicine. Table 2 below shows the number candidates pursuing studies in Bangladesh and in other BIMSTEC countries between 2014 and 2017. The figures do not include many civil servants who undergo education and training in these countries. For example, in 2015-2016 fiscal year, 1,464 candidates had availed themselves of such facilities in India followed by 133 in Thailand.³

Table: Tourist arrivals from Asia-Pacific, 2013-2017

Country/Year	2013	2014	2015	2016	2017
BIMSTEC				126,231	187,337
Bangladesh				7,753	10,536
India				114,301	172,751
Thailand	3,494	12,105	3,778	4,177	4,047
Asia-Pacific	16,493	18,278	19,366	25,401	27,461
Australia	2,062	2,037	1,833	1,818	2,249
China	4,764	8,111	9,399	9,208	6,421
Japan	4,015	2,707	2,437	4,833	2,744
Korea	1,561	1,636	1,563	1,501	6,048
Malaysia	2,054	2,067	1,547	1,967	2,956
Singapore	2,037	1,720	2,587	3,015	4,129
Taiwan				1,812	1,491
Vietnam				1,247	1,423
Total world	116,209	133,480	136,221	209,570	254,704

Source: Bhutan Tourism Monitor, 2014, 2015, 2016 and 2017

Note: Blank columns/lines denote that segregated data is not available.

There is some trade and commerce between Bhutan and Nepal. While a proposal is on table for concluding a bilateral trade agreement, it remains to be negotiated. Nepal has also opened the door for education and training of Bhutanese people in few technical fields like agriculture and medicine. There are frequent contacts at people-to-people level from pilgrimage of Bhutanese people to Nepal.

Similarly, for a long time, Sri Lanka has remained an important destination for Bhutanese students to study medicine. As two Buddhist countries, the relations are characterized by close friendship and goodwill between them. Lately, some Bhutanese people have also begun to visit Sri Lanka for pilgrimage.

Table 2: Bhutanese students studying in BIMSTEC countries, 2014-2017

Country/ Year	2017	2016	2015	2014
Bangladesh	87	95	65	42
India	2,573	3,244	3,556	3,138
Sri Lanka	206	136	346	189
Thailand	224	166	63	216
Total	3,090	3,641	4,030	3,585

Sucre: Annual Education Statistics, 2014 to 2017

³ Annual Report 2015-2016, Royal Civil Service Commission, Thimphu

Bhutan enjoys excellent cooperation with Thailand in several fields, especially in health, education, agriculture, tourism and civil aviation, trade and industry. Bangkok has become an alternative to Kolkata or Vellore in India for medical treatment for Bhutanese patients. Many Bhutanese students study in Thailand under Thai or Bhutanese scholarships or through self-funding. Bhutan receives technical assistance from Thailand in agricultural and health sectors. Thai tourists in Bhutan are increasing rapidly and were the fourth largest after India, China and Japan in 2016. Direct air link between Paro in Bhutan and Bangkok has facilitated tourism between the two countries. Thai investment in Bhutan is beginning to flow especially in the hospitality sector.

Regrettably, there is hardly any cooperation between Bhutan and Myanmar at present except that some medical doctors from Myanmar work in Bhutan under the U.N Volunteer Scheme. Bhutan's national carrier, the Drukair had started flights to and from Bangkok via Yangon in the past. However, the flight operations could not sustain due to low traffic. However, potential for cooperation does exist in the field of trade and tourism. Given Myanmar's rich Buddhist culture and tradition, Bhutanese people would want to travel to Myanmar for pilgrimage as their annual income increase rapidly due to developments in hydropower sector. In this regard, the decision of the SASEC Ministerial Meeting held in August 2017 at Kathmandu to constitute an *ad hoc* Expert Group to establish the BIMSTEC Buddhist Tourist Circuit and Temple Tourist Circuit in the region is a welcome development⁴. There is a need for exchange of information and official visits between the two countries to identify potential areas of cooperation.

Trade

Table 2 below provides information on Bhutan's trade between 2012 and 2017 excluding the trade in electricity. As can be seen, Bhutan suffers a continuous balance of trade deficit, the average for the six years being Nu. 41.61 billion. If the export of electricity to India is taken into account, the deficit for 2017 drops to Nu. 29.70 billion. The trade deficit for five years is shown clearly in Figure 1 below.

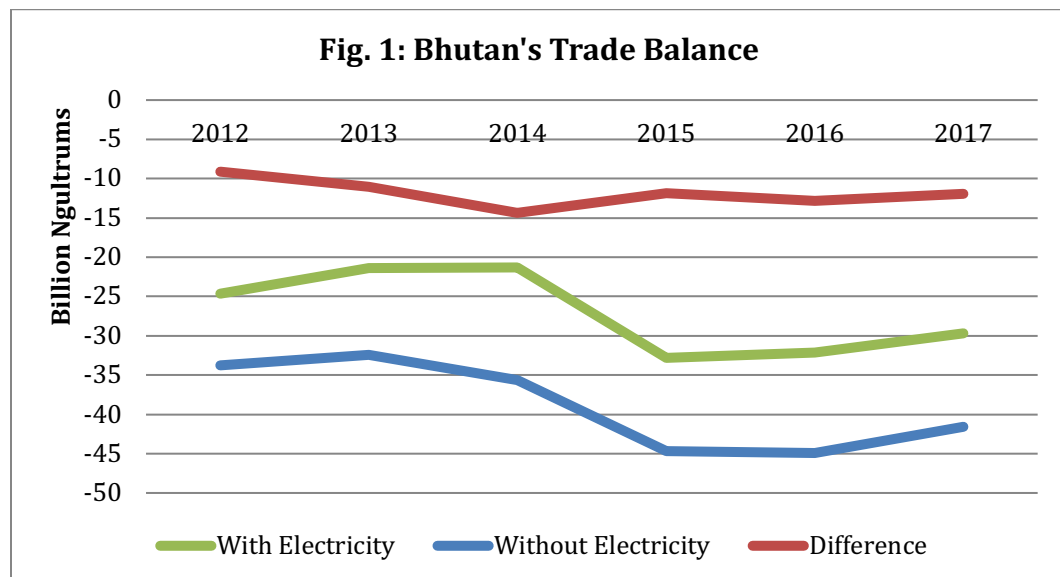
Bhutan does not produce many goods for export due to its limited capacity. A small export sector, however, exists comprising of fresh and processed fruits and vegetables like apple, orange, cardamom, jams and fruit juices. In addition, minerals like dolomite, gypsum and quartzite are either exported in their raw forms or as manufactured products such as portland cement, calcium carbide and ferro silicon. Their export is adversely affected by fluctuation in prices in international markets. It is only through the earnings from the export of hydropower and tourism that the balance of trade is reduced. The total earning from export is quite small compared to the total expenditure on imports of a wide-range of capital and consumer goods. Fuels, machineries, motor vehicles and rice constitute major items of import.

⁴ Joint Statement of the 15th BIMSTEC Ministerial Meeting, August 11, 2017, Kathmandu

Table 2: Trade (excluding trade in electricity) with BIMSTEC region , 2012-2017 (Nu. in mil.)

Year	BIMSTEC Import	Total Import	Share of Total Import %	BIMSTEC Export	Total Export	Share of Total Export %	Balance of Trade
2017	55,554.39	66,921.00	83.01	23,476.49	25,314.00	92.71	(41,607.00)
2016	56,898.45	67,160.91	84.69	21,611.32	22,226.06	97.23	(35,287.13)
2015	54,927.00	67,787.67	81.03	21,598.07	23,104.82	93.48	(33,328.93)
2014	48,633.72	56,565.52	85.98	21,380.42	24,951.36	85.69	(27,253.30)
2013	44,915.82	53,050.06	84.67	19,332.87	20,625.72	93.73	(25,582.95)
2012	42,890.00	53,080.91	80.80	18,787.37	19,294.96	97.37	(24,102.63)
Average			83.36			93.37	

Source: Bhutan Trade Statistics, 2012-2017, Department of Revenue & Customs, Thimphu



Source: Bhutan Trade Statistics, 12012 to 2017, Department of Revenue & Customs, Thimphu

As far as integration with BIMSTEC is concerned, Bhutan is in a happy position as its trade is almost entirely concentrated in the region. The reasons for this are that:

- Bhutan and India have a free trade Agreement and share a long land border;
- Bhutan and Bangladesh have a preferential trade agreement and are also neighbours;
- Proximity is a factor in trade with Nepal that is conducted on MFN basis;
- Thailand is increasingly becoming an important trade partner for Bhutan. The two countries have a bilateral trade agreement based on MFN principles. Unlike the other countries, trade with Thailand is through air and sea. Thailand was the fifth largest source of imports in 2017 after India, Bangladesh, China and South Korea⁵.

⁵ Bhutan Trade Statistics, 2017, Department of Revenue & Customs, Thimphu

Trade costs, particularly export costs, are significantly high for land-locked Bhutan compared to other countries in BIMSTEC. A recent study conducted by the ADB and UNESCAP in trade facilitation⁶ found that the number of documents used for trade had to be submitted in hard copies repeatedly as the system for electronic processing of documents is rare. Further, the average speed of trucks between Phuentsholing and Kolkata, Bhutan's transit port for international trade is 15 KMs per hour and if the road delays are accounted for, the speed falls to as low as 9 KMs per hour. The study also "shows that 67% of the import cost is directly attributed to transport (not including maritime transport from other countries to Kolkata) and transit clearance."(FN 6, P. xii).

In the South Asian context, for instance, another UNESCAP study suggests that "reducing trade costs by 40%, to the levels prevalent across countries in ASEAN would alone generate a significant impact in terms of exports and welfare gains, yielding an increase of up to almost 11% in intra-regional exports and a nearly 3% increase in South Asia's GDP"⁷. Such a conclusion can also be extended to the BIMSTEC region.

Non-tariff barriers (NTBs) can be of two types – transparent and non-transparent. While it is easier to address transparent NTBs, it is not so for the latter which in most part are *ad hoc* measures applied by different authorities at different times. Such hindrance not only delay the delivery of trade cargo but also make trade costlier. Despite official agreement and understanding with the transit country, a land-locked country often faces such unforeseen and unpredictable problems during transit.

As for the transparent NTBs, these occur due to the policies of the importing country or a lack of proper understanding or arrangement regarding technical standards of products, health and safety measures as well as non-recognition of each other's quality standards or test certificates. The Asian Development Bank's (ADB) initiative on SASEC⁸ sub-regional cooperation in Sanitary and Phyto-sanitary (SPS) and Technical Barriers to Trade (TBT) measures should help most of the BIMSTEC members in dealing with some of the NTBs in due course. It has recently agreed to prepare a sub-regional diagnostic study, based on national studies, "to identify common challenges in SPS/TBT related non-tariff measures amongst the SASEC countries, and provide recommendations and responses to address these challenges more effectively at the regional level."⁹

The problems are compounded by lack of proper customs facilities and lengthy documentation and customs clearance procedures that are still based on paper-based

⁶ ADB/ESCAP, Trade and Transport Facilitation Monitoring Mechanism in Bhutan, 2017

⁷ ESCAP 2017, Unlocking the Potential of Regional Economic Cooperation and Integration in South Asia: Potentials, Challenges and Way Forward

⁸ South Asian Subregiona Economic Cooperation consisting of Bangladesh, Bhutan, India, Maldives, Myanmar, Nepal and Sri Lanka.

⁹ www.sasec.asia

submission and verification. There is insufficient coordination of action and documents among the agencies involved in trade in both exporting and importing countries. Traffic congestion in the border and absence of testing and storage facilities are common phenomena in our part of the world.

The BIMSTEC countries must address the above problems adequately to expand and improve trade processes. In this regard, we acknowledge the pioneering work being carried out by the ADB, in cooperation with the member states, in improving transport and trade infrastructure in the region.¹⁰ Existing roads are being widened or extended, new bridges are under construction or are being reinforced, cargo handling facilities are being added or improved at land border posts, ports and their facilities are being further developed¹¹. Other types of transport like air, rail and shipping are also being improved. The completion of ongoing initiatives and projects should bring the BIMSTEC countries closer both in terms of connectivity and trade and economic cooperation.

Review of BIMSTEC cooperation

It has been almost fifteen years since Bhutan became a member of BIMSTEC in 2004. As the direction of trade shows, Bhutan has been keen in developing linkages outside the traditional South Asia to the other parts of the world, particularly in the south-east Asian region. To that end, Thailand becomes a logical stepping stone for trade and economic cooperation with the other members of ASEAN, especially with Malaysia and Singapore with which Bhutan enjoys excellent relations. Bhutan's direct air connectivity with Thailand and Thai trade and economic infrastructure offer opportunities for Bhutan to interact with Thailand in several fields. The important areas of cooperation apart from trade and investments include agriculture, education, health, tourism and culture.

Within the areas of cooperation in BIMSTEC, there are as many as 14 agreed sectors including trade and investment. Progress of cooperation has been admittedly slow. The BIMSTEC Summit held in Myanmar in 2014 and the informal gathering of the BIMSTEC leaders in Goa in 2016 followed by the ministerial meeting held last August in Kathmandu provides impetus to the regional cooperation. Yet, much more needs to be accomplished for BIMSTEC to bring positive changes in the lives of the ordinary people of the region. Such progress must not only be rapid but sustained to make up for the lost decade.

Challenges

¹⁰ SASEC Operational Plan 2016-2025 including ADB's technical assistance to trade facilitation (see www.sasec.asia)

¹¹ These initiatives are in the Bangladesh-India, Bhutan-India and Nepal-India borders including improving and expanding roads for last mile connectivity.

How can this be accomplished? In my view, the following measures would be needed from Bhutan individually, and BIMSTEC as a whole:

1. BIMSTEC should not make a mistake like SAARC where too many areas of cooperation were identified in the beginning but little progress has been achieved in most of the areas. Perhaps the only success is the exchange of knowledge from meeting of government officials in different sectors and the SAARC Development Fund that is engaged in small lending for development projects. Of course, this is not to forget political factors that have hindered SAARC's progress. Yet, multiple fields of cooperation have dissipated the efforts of member countries, especially that of the smaller countries like Bhutan with limited financial and human resources. BIMSTEC must learn from this experience and consolidate its areas of cooperation. Perhaps halving the areas based on national priorities from 14 to seven may result in better focus. From my perspective, the stress should be on *trade and investments including trade facilitation; transport and communications including multi-modal transport; energy; environment, climate change and disaster management; tourism; culture; and terrorism*. While prioritizing these areas, I do not wish to undermine the other selected areas which could be implemented later or pursued under bilateral cooperation as is the case between most of the member countries. I note that an eminent person group is to be set up to rationalize the areas of cooperation in this respect. It will be interesting to see what their recommendation would be.
2. Expedite negotiations under the Framework Agreement on FTA, especially in tariff reductions and eliminations, especially under the fast track. In doing so, non-tariff barriers and trade facilitation measures should be addressed simultaneously as reduction of tariffs alone does not necessarily lead to increase in trade as per our experience with SAARC . The progress has been woefully slow in negotiations on the Agreement on Investment, Agreement on Customs Cooperation and Mutual Assistance, Agreement on Services and Agreement on Trade Facilitation.
3. Customs, border and port facilities and infrastructure must continue to improve to reduce the cost of trade. Electronic exchange of documents and use of single window for government approvals and document clearances among all member countries are vital for making trade more efficient and less costly.
4. Investment promotion is yet another area that could spur the growth of the member countries like Bhutan. Targeted investments in manufacturing and services is needed to improve supply side constraints, increase trade and services. Bhutan has liberalized its foreign investment policy recently. Institutional foreign investors can invest with ownership ranging from 10 to 100% depending on the sector of investment. Procedures for repatriation of profit and land ownership by companies have also been made easier¹². As many as 38 projects were approved between 2011 and 2016, or an average of about 6 projects per year, and most of them are in operation. Of the total cost

¹² FDI Annual Report, 2017, Department of Industry, Ministry of Economic Affairs, Thimphu.

- for 54 FDI approved projects (32 in service sector, especially hotels, and 22 in manufacturing), the largest 57% has come from the Asian region including the BIMSTEC members Bangladesh, Nepal, India and Thailand.
5. The revised Economic Development Policy (EDP) 2016 and the new fiscal incentives schemes make foreign investment more attractive in Bhutan. Among other strategies, the EDP seeks to:
 - increase and diversify exports;
 - promote Bhutan as an organic brand;
 - promote industries that build the “Brand Bhutan” image;
 - encourage industries through clusters in the southern belt;
 - foster backward and forward economic linkages and move up the industrial value chain over the long run; and
 - generate a total of 5,000 MW of hydro-electricity by 2022, the present capacity being 1,650 MW (7,954 MU)¹³.

In addition, the Policy aims to negotiate transport agreements with neighbouring countries to avoid transshipment of traded goods at the borders. The government also wants to harmonize customs procedures, formalities and documents; allow traders to re-export; implement a quality assurance program to encourage quality production and export; and improve and upgrade payments and settlement system including payment gateways by 2018. Finally, the government seeks to promote connectivity to sea ports in Bangladesh and India and Asian road networks.

6. Intra-regional tourism, together with cooperation in attracting extra-regional tourists to the region, has the potential for growth. Regional efforts can only complement the growing tourism industry in Bhutan with a prospect of attracting more visitors from BIMSTEC and other Asian countries.
7. Private sector does not feature in the areas of regional cooperation. BIMSTEC should facilitate greater business contacts within the framework of trade and investment promotion. Trade fairs, road shows and exhibitions coinciding with BIMSTEC Summits could raise the opportunity for greater private sector cooperation. Special travel incentives for chamber of commerce members and visa waivers or arrangements for visa on arrival would help in this regard.
8. There is a perennial problem of delays in holding inter-governmental meeting among the member countries as all members cannot agree on the dates suggested by the host. Repeated postponements are not uncommon. Member countries should find innovative ways to address this problem. Greater recourse to use of the Secretariat, consultations through e-mails and holding meetings back to back with major BIMSTEC events like Summits or ministerial meetings may be helpful.

Prospects

¹³ Bhutan at a Glance 2017, National Statistics Bureau, Thimphu

As can be surmised from the preceding discussion, Bhutan is already integrating in a significant way with the BIMSTEC countries. It remains eager to expand and strengthen this cooperation to a higher plane and forge economic and trade relations with other countries in east and south-east Asia. The reasons are the following:

- Bhutan admires the economic progress made by the ASEAN and other countries in east Asia and wishes to learn from their experience in its own journey for economic development;
- It enjoys cordial bilateral relations with the countries outside BIMSTEC (e.g., Japan, Malaysia, Singapore and South Korea), and so greater economic integration with BIMSTEC will also spill over beyond the region to east and south-east Asia;
- Trade and economic ties are good with five of the six other BIMSTEC members, and the prospect of cooperation with Myanmar has to be explored for mutual benefit;
- Bhutan can share its experience particularly in hydropower development, environmental and cultural protection and thus contribute towards strengthening integration within the regional group;
- Participation in Buddhist circuit tourism is an attractive proposition for Bhutan, a country that is rich in Buddhist heritage and culture and is seeing a rapid increase in GDP per capita;
- The ongoing ADB investment program under its regional cooperation initiative is already paying dividends to countries like Bhutan. The completion of the dry port and road by-pass projects in Phuentsholing, the gateway to Bhutan, and a new road link to the industrial estate in Pasakha (near Phuentsholing) from India will help to make trade and transport more efficient in the country.
- As Bhutan will graduate from the status as a least developed country in 2021, it is in its interest to seek and mobilize foreign investment for economic growth. With a positive experience from the present small but rising Asian investments in the country, Bhutan can certainly do with more FDI in the future.
- Bhutan is experiencing about 7% economic growth rate.¹⁴ The rate is expected to rise when the construction of two large hydropower plants¹⁵ come into stream. This will further propel growth and boost economic development.

Conclusion

Bhutan's trade is already concentrated within the BIMSTEC region, although it is dominated by the largest country in the region, India. Yet, its trade with the rest of the member countries is small but growing slowly. At the same time, investment from BIMSTEC region is already making a mark in Bhutan, particularly in the hotels sector. India and Thailand are the two main sources of FDI at present. As Bhutan's economy

¹⁴ How does Bhutan's economy look? September 14, 2017, www.blogs.worldbank.org.

¹⁵ Punatsangchhu I (1,200 MW) & Punatsangchhu II (1,020 MW) Hydropower Projects

continues to grow at a high rate, the need for investment will be considerable in the future, and BIMSTEC region will continue to be its preferred source.

There is also a strong base of cooperation in other areas like health, education and training, agriculture, culture, tourism and aviation. Bhutan can contribute to and benefit from the mainstream BIMSTEC cooperation in these and other identified sectors if the pace of such cooperation consolidates and becomes stronger over time. To that end, the political will for more rapid regional engagement must be evident among the member countries. They can individually and collectively mobilize the needed resources from both national and international financial institutions. The funding from the Asian Development Bank for regional integration in South and Southeast Asia is already a shining example in this regard.

Session 2:
**Transit and Multimodal
Connectivity (Roadways,
Waterways, Railways and
Aviation)**

**DPG Regional Conference
on Advancing BIMSTEC
Cooperation, New Delhi,
April 26-27, 2018**

**Abstract of Chair's Remarks by
Ambassador Sanjay Singh**

Ambassador Sanjay Singh
Former Secretary, Ministry of External Affairs

Ambassador Singh emphasized upon the importance of multi-modal connectivity to improve transit among the BIMSTEC countries. He mentioned that the government of India had been pushing historical connectivities via various projects like Project Spice, Cotton Route etc., and a BIMSTEC Connectivity Master Plan was being developed with the help of the Asian Development Bank (ADB). He stressed upon the importance of people to people contact as an important ingredient of pushing connectivity and mentioned the importance of bus routes on the trilateral highway to enhance connectivity as some people in South-east Asia cannot afford air travel. He mentioned that improving and developing hard and soft infrastructure would underpin BIMSTEC Regional Connectivity and assist in increasing regional productivity and pointed out the importance of identifying financing for connectivity projects in the region.

He further mentioned the role of better connectivity in providing local inputs and comparative advantages for promoting manufacturing in the BIMSTEC regional value chains which contribute to 50% trade in the region. He also spoke about the regional benefits in trade, services, tourism, healthcare and education due to better connectivity, as it would create larger markets, promote development of economic corridors, and would lead to enhancements of investments in the region.

He said that as BIMSTEC has been rightly identified as a bridge between SAARC and ASEAN, BIMSTEC in the future can think of expanding the coastal shipping outreach and transit arrangements to the other Bay of Bengal- ASEAN countries, for example: Malaysia, Singapore and Indonesia. He further mentioned that to promote connectivity, we need to finalize a BIMSTEC Motor Vehicle Agreement, Aviation Agreement, Coastal Shipping agreement and a bus transport agreement. He concluded by pointing out the importance and the need of a Regional Connectivity Forum to be established by the BIMSTEC Secretariat.

**DPG Regional Conference
on Advancing BIMSTEC
Cooperation, New Delhi,
April 26-27, 2018**

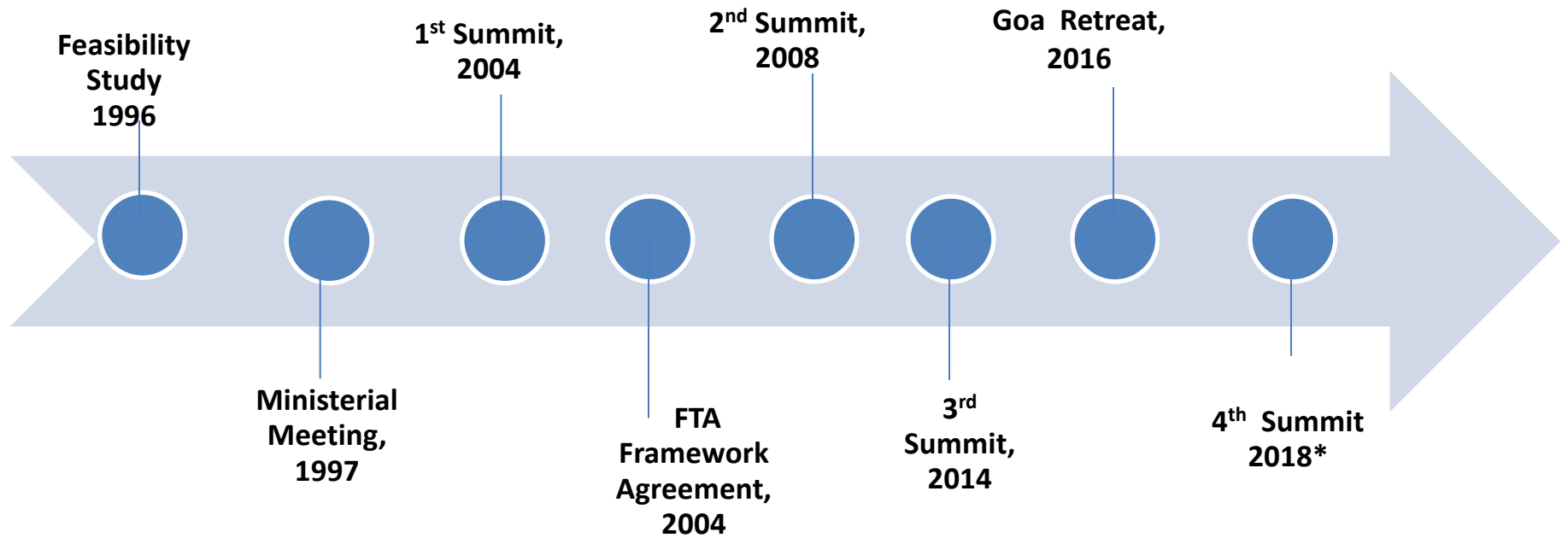
**Presentation by Prof. Prabir De,
Research and Information System
for Developing Countries**

Transit and Multimodal Connectivity: Dealing the Challenges in BIMSTEC

**Prabir De
RIS, New Delhi**

26 April 2018; New Delhi

BIMSTEC: major milestones crossed



*Proposed

Goa Retreat 2016 – leaders much needed political direction to BIMSTEC

- In the Goa Retreat in October 2016, the Leaders of BIMSTEC have given the following directions:
 - to seek greater physical and economic connectivity between South and South East Asia.
 - to advance multi-modal physical connectivity (air, rail, roads and waterways) in the BIMSTEC region
 - to prepare a Master Plan for BIMSTEC Connectivity.
 - to conclude BIMSTEC Coastal Shipping Agreement.
 - to explore the possibility of having a BIMSTEC Motor Vehicle Agreement.



A transformed trade facilitation on way

- Tariffs are (often) already low and getting lower
- Trade flows increasingly associated with regional/global production networks
 - Predictability / timeliness is essential
 - High import content of exports
- Rise in trade in creative goods and services, IT services, a.o.
- Differentiated logistics services (e.g. Economic corridor, Express Delivery services, etc.)
- Supply chain security initiatives
- Trade facilitation standards and certification
- Easier and cheaper trade procedures important for implementation of SDGs
- WTO TFA a new baseline for TF
- Regional trade facilitation to strengthen the global agenda

Transition of BIMSTEC connectivity

Connectivity	Focus	Agreement
1997- 2005	<ul style="list-style-type: none"> •Road and rail connectivity •Border development 	<ul style="list-style-type: none"> •Asian Highway •Trans-Asian Railway
2006 - 2011	<ul style="list-style-type: none"> •Corridors •Road, rail and waterways •Customs cooperation 	<ul style="list-style-type: none"> •E-customs •BTILS
2011 - 2014	<ul style="list-style-type: none"> •Digital connectivity •Border development •Customs cooperation 	<ul style="list-style-type: none"> •ICP •Border haats •E-customs
2015 – Till date	<ul style="list-style-type: none"> •Corridors •Digital connectivity •Paperless trade •Coastal shipping + IWT 	<ul style="list-style-type: none"> •BBIN MVA •UNESCAP paperless trade agreement •IBCSA •BIMSTEC MVA* •BIMSTEC CSA*
Source: Author		

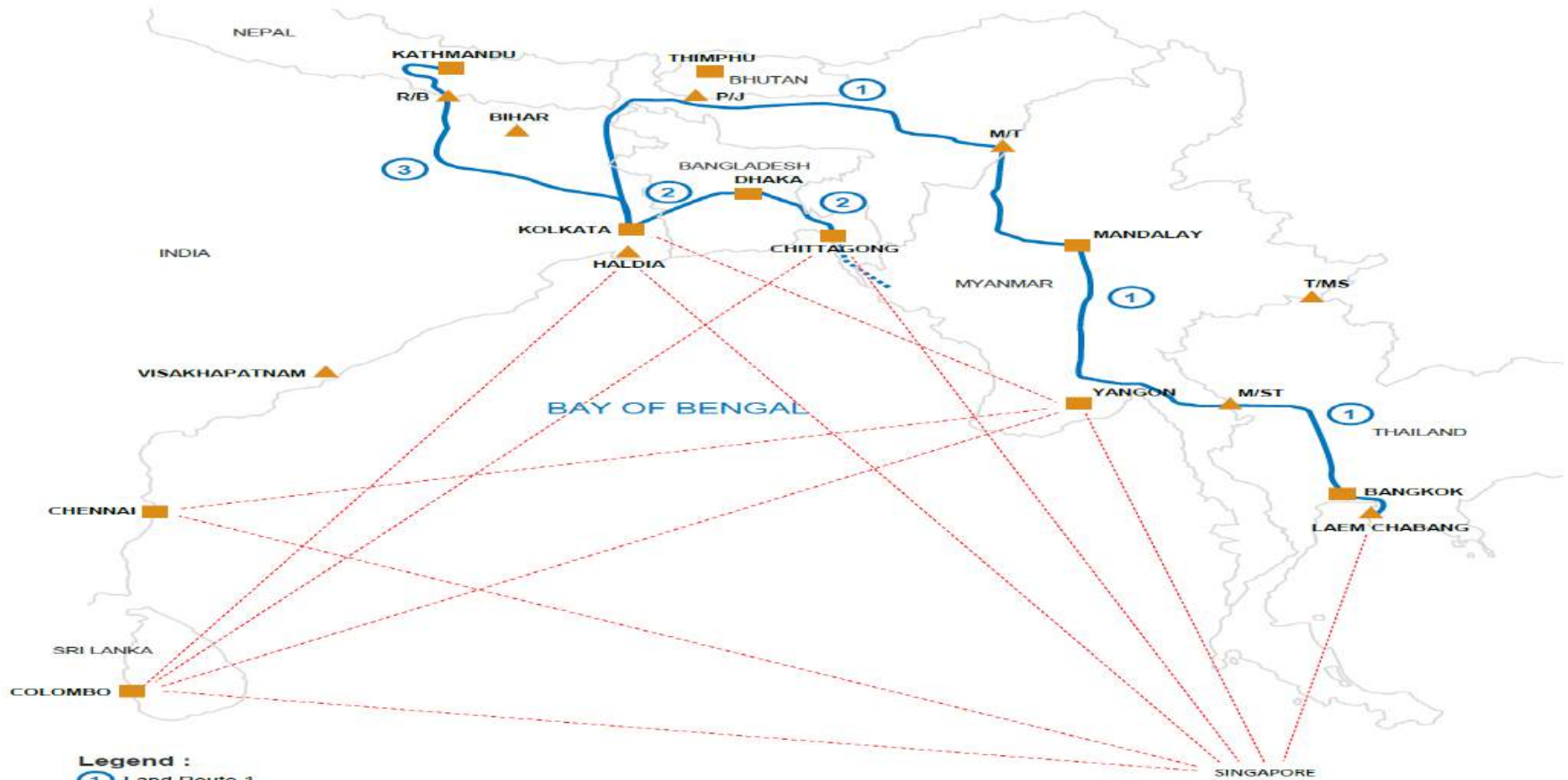
India's recent initiatives in connectivity

1. Single market through GST and transparency
2. Customs single window (SWIFT), AEO, a.o.
3. Ratification of TIR convention
4. Ratification of WTO TFA
5. Improved services and information for traders (Trade portals; Trade facilitation committees)
6. Synchronization of border (24x7 Petrapole-Benapole border)
7. Improved banking and payment system
8. India-wide digital economy
9. Strong security establishment
10. Enhanced construction on corridors

BIMSTEC yet to witness major progress in regional connectivity

- ADB has already finished the project so called BIMSTEC Transport Infrastructure and Logistic Study (BTILS). BTILS Updating completed in July 2014 by ADB
- Updated BTILS: Road projects: 74; Railway projects: 34; Maritime projects: 22; IWT projects: 3; Aviation projects: 21; Trade facilitation projects: 13
- Three major surface routes identified:
 - Route 1: Kolkata – Siliguri – Guwahati – Imphal - Moreh/Tamu – Mandalay – Bago -Myawaddy/Mae Sot – Tak – Bangkok - Laem Chabang;
 - Route 2: Kolkata - Petrapole/Benapole – Jessore - Dhaka - Chittagong; and
 - Route 3: Kolkata – Raxaul/Birgunj - Kathmandu.

BIMSTEC key trade routes



Legend :

- ① Land Route 1
- ② Land Route 2
- ③ Land Route 3
- Main Maritime Route
- Potential Route
- Main Cities
- ▲ Land / Sea Borders

Abbreviations:

- R/B : Raxual / Birgunj
- P/J : Phuentsholing / Jaigaon
- M/T : Moreh / Tamu
- T/MS : Tachileik / Mae Sai
- M/ST : Myawaddy / Mae Sot

This map was produced by the consultants of RETA 8009. The boundaries, colors, denominations, and any other information shown on this map do not imply, on the part of the Asian Development Bank, any judgement on the legal status of any territory, or any endorsement or acceptance of such boundaries, colors, denominations, or information.

BIMSTEC completed the BTILS, a major study which should be updated

- The study was completed with Asian Development Bank (ADB) funding in November 2007
- One of the recommendations of the BTILS Study was to create **a single Working Group on transport and trade facilitation to be referred as BIMSTEC Transport Connectivity Working Group (BTCWG)**
 - Inception Meeting of the BTCWG held in Bangkok in August 2016
- Member countries have approached ADB to conduct the BIMSTEC Connectivity Master Plan
- ADB started working on connectivity master plan, which is likely to be completed this year

Connectivity plans - status

- BIMSTEC connectivity master plan – Ongoing
- BIMSTEC MVA negotiation – ongoing
- BIMSTEC coastal shipping agreement – Ongoing
- BIMSTEC TFA - ?

BIMSTEC Trade Facilitation Agreement yet to be negotiated

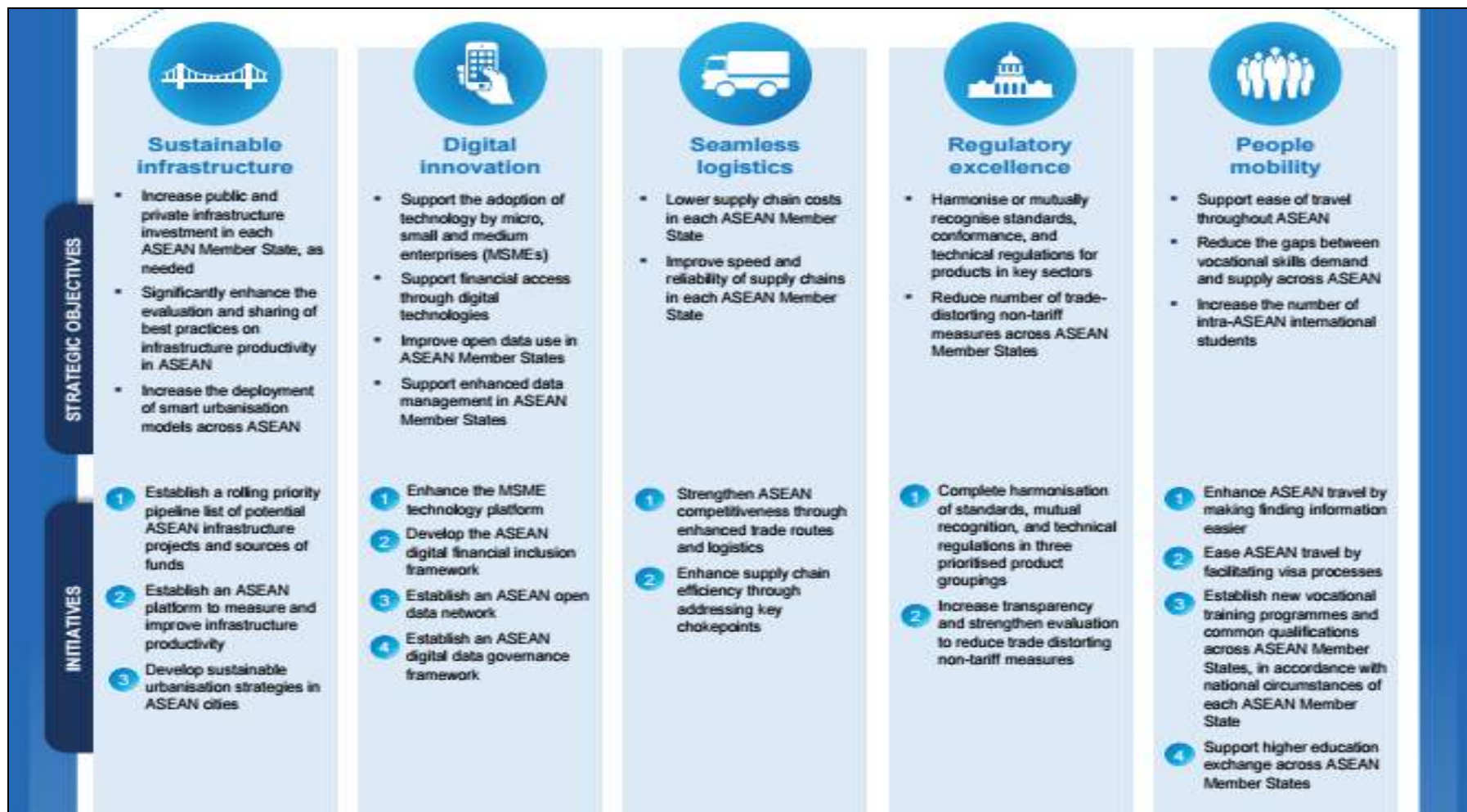
- **BIMSTEC countries have completed the negotiations for the Agreement on Mutual Assistance on Customs Matters.**
- Since all the BIMSTEC countries have ratified the WTO TFA, a regional trade facilitation agreement in BIMSTEC with greater commitments and possibly higher levels of obligation and wider coverage (WTO+) would pave the way to facilitate regional trade and value chains.
- Stronger cooperation between the Customs authorities of BIMSTEC countries is needed to not only facilitate trade but also link up each other's EDI systems, establishment of a 'single window', promote safe and secure trade, particularly at the border.
- BIMSTEC regional trade facilitation agreement is for cooperation in the matter of customs, training and capacity building, exchange of information, setting disputes, etc.
- This draft Agreement is yet to be negotiated

Priority 1: Build synergy with connectivity plans

- India to have synergy with connectivity plans with support of international organisation
 - ASEAN's focus on sustainable infrastructure
 - Connectivity plans of INSTC, CAREC, SCO, ECO, GMS, ASEAN, etc
 - Japan's quality infrastructure initiative

ASEAN Connectivity 2025

Vision: “To achieve a seamlessly and comprehensively connected and integrated ASEAN that will promote competitiveness, inclusiveness, and a greater sense of Community.”



Priority 2: Closer cooperation with ASEAN, GMS, SAARC, SASEC on connectivity

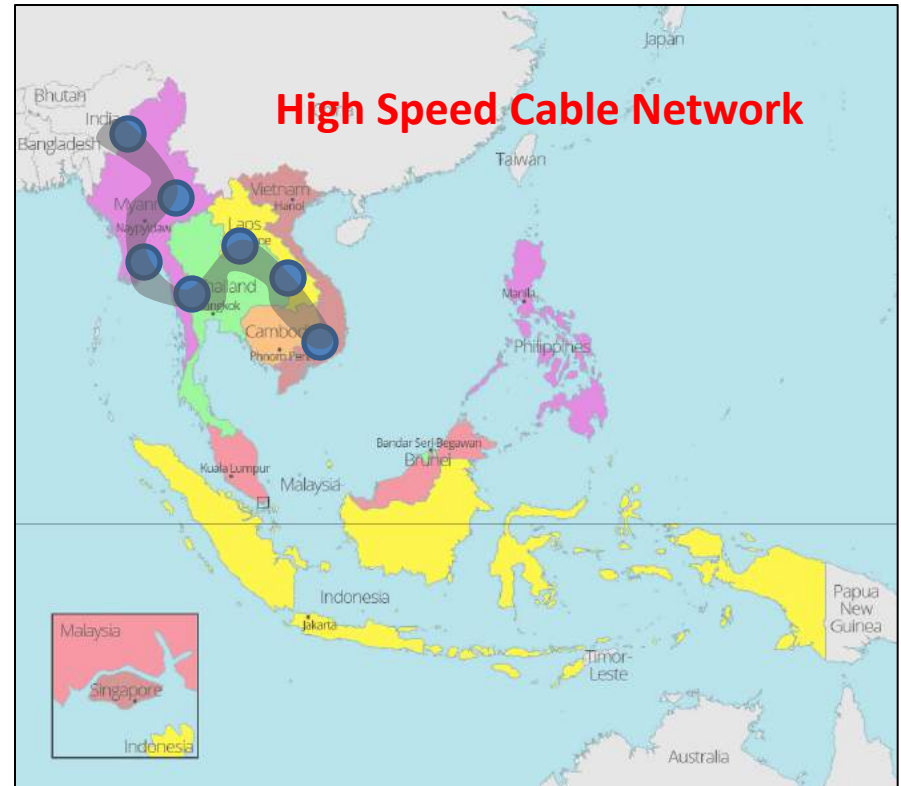
- Regular interactions are needed to:
 - review the progress
 - identify new projects
 - mitigate the challenges

Priority 3: Complete constructions of ongoing corridors

- Trilateral Highway and MVA
- Kaladan multi-modal transit transport project
- BBIN corridors and MVA
- Coastal shipping

Priority 4: Focus on digital connectivity

- India is ranked 91st among 139 countries on the Networked Readiness Index 2016 (WEF)
- India's Smart Cities initiatives
- Digital India - The National Optical Fibre Network (NOFN) – flagship project to connect rural India (offering a 100-Mbps connectivity to 0.25 million villages)
- To build digital connectivity through the use of Gigabit-capable Passive Optical Network (GPON) technology has been welcomed by ASEAN.
- Line of Credit of US\$ 1 billion to promote projects that support physical and digital connectivity between India and ASEAN.
- BIMSTEC countries (Myanmar and Thailand) to gain



Priority 5: Facilitate new projects

- Islands connectivity – cruise, ro-ro, tourism, etc
- Port connectivity
 - Ports in Bay of Bengal
 - Container terminal at Sitwee, Dawei
- BIMSTEC Rail Links
 - Route along trilateral highway
- Energy cooperation
 - Renewable energy, training and capacity
- New SEZs in Myanmar (e.g. Sitwee), Thailand, etc.
- Development of dry ports, logistics hubs, etc.
- BIMSTEC open sky in air cargo

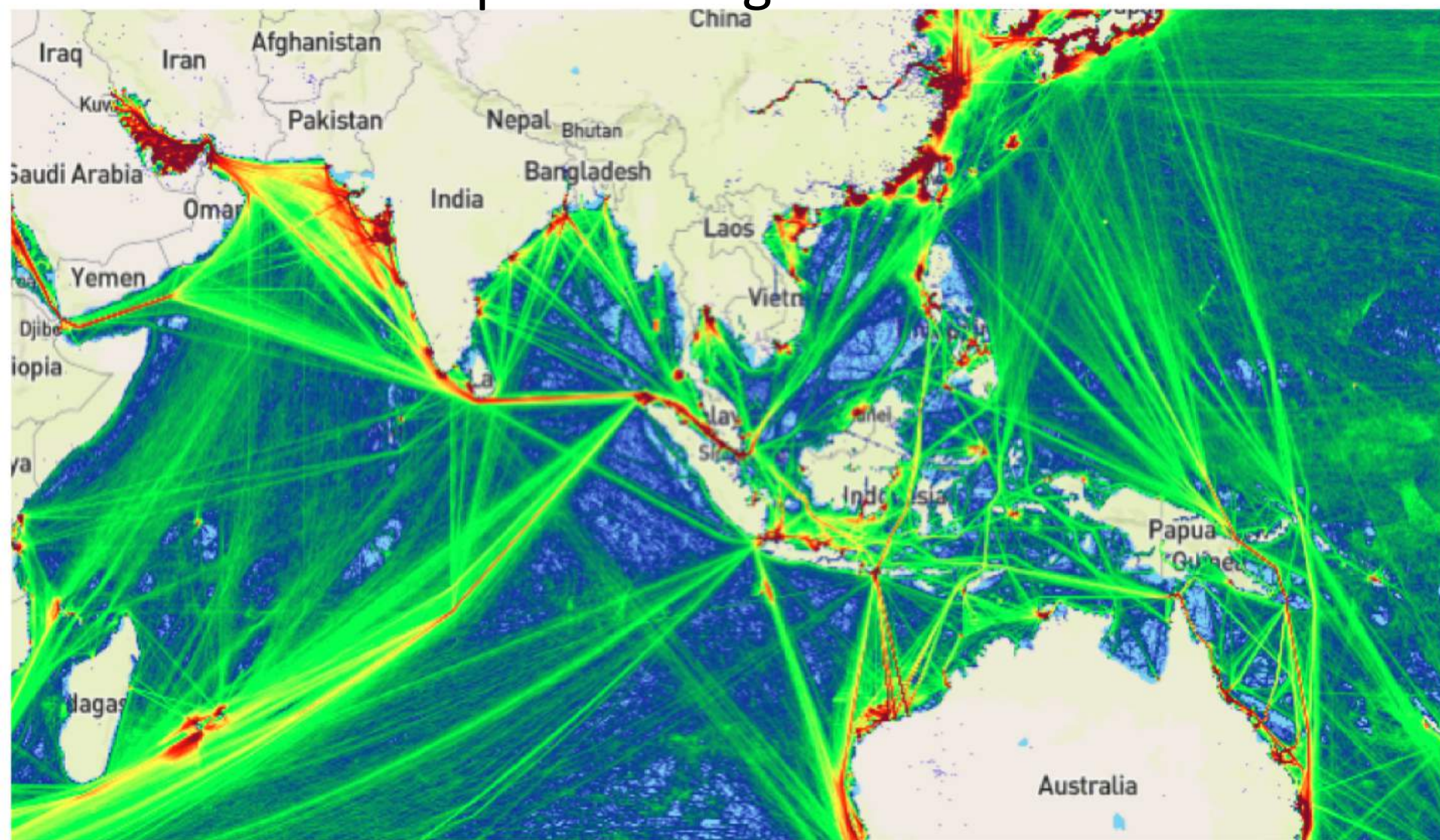
Priority 5: A comprehensive BIMSTEC FTA in goods and services needed

- An FTA in BIMSTEC would be able to rationalize NTMs which, in turn, would facilitate regional trade as well as production networks.
- BIMSTEC countries must complete FTA in goods, services and investment
- Alternative would be sector-specific BIMSTEC services agreement
- Regional investment agreement is essential to encourage regional and/or global value chains

Priority 6: BIMSTEC countries to enhance energy cooperation

- Hydropower potential of the mountainous Myanmar, Nepal and Bhutan regions, and India's Northeastern region offers opportunities to overcome these shortages in a sustainable manner if investments in hydropower can be realized and the necessary regional cooperation is put in place.
- BIMSTEC countries have completed negotiations for the Memorandum of Understanding (MoU) on the Establishment of the BIMSTEC Grid Interconnection. This needs to be signed quickly so that its implementation begins soon.
- BIMSTEC grid interconnection would help energy deficient areas in BIMSTEC to tap power from energy surplus part of BIMSTEC.
- New projects such as BIMSTEC Gas Grid, BIMSTEC Renewable Energy Cooperation, etc.

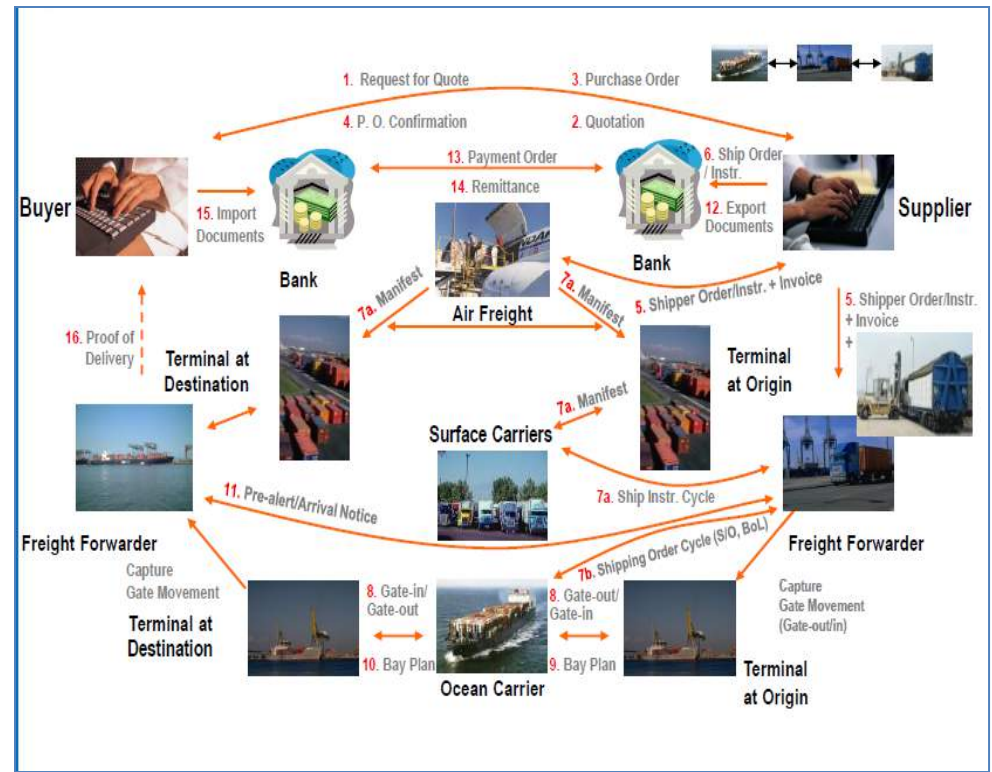
Priority 7: Securing shipping lanes - BIMSTEC may consider signing BIMSTEC maritime security and cooperation agreement



Priority 8: Regulatory convergence, paperless trade and simplification of trade procedures

- Regulatory convergence needed –transportation standards, in particular
- Trade facilitation to support value chains
- Paperless trade
 - UN Paperless Trade Agreement
- Sign the international arrangements such as TIR
- Standards (e.g. international compliance of marine and shipping)
- Training and capacity building

Standard supply chain of IBM



Customs EDI in BIMSTEC

Country	EDI System	Status
Bangladesh	ASYCUDA	Working for Single Window
Bhutan	Own EDI	No plan for Single Window
India	SWIFT	Operational
Myanmar	MACCS	Working for Single Window
Nepal	ASYCUDA	Feasibility study for Single Window
Sri Lanka	ASYCUDA	Operational
Thailand	NSW	Operational

Source: Author

Priority 9. Border area development, next big investment opportunity in BIMSTEC

Dawki (India) – Tamabil (Bangladesh) Border

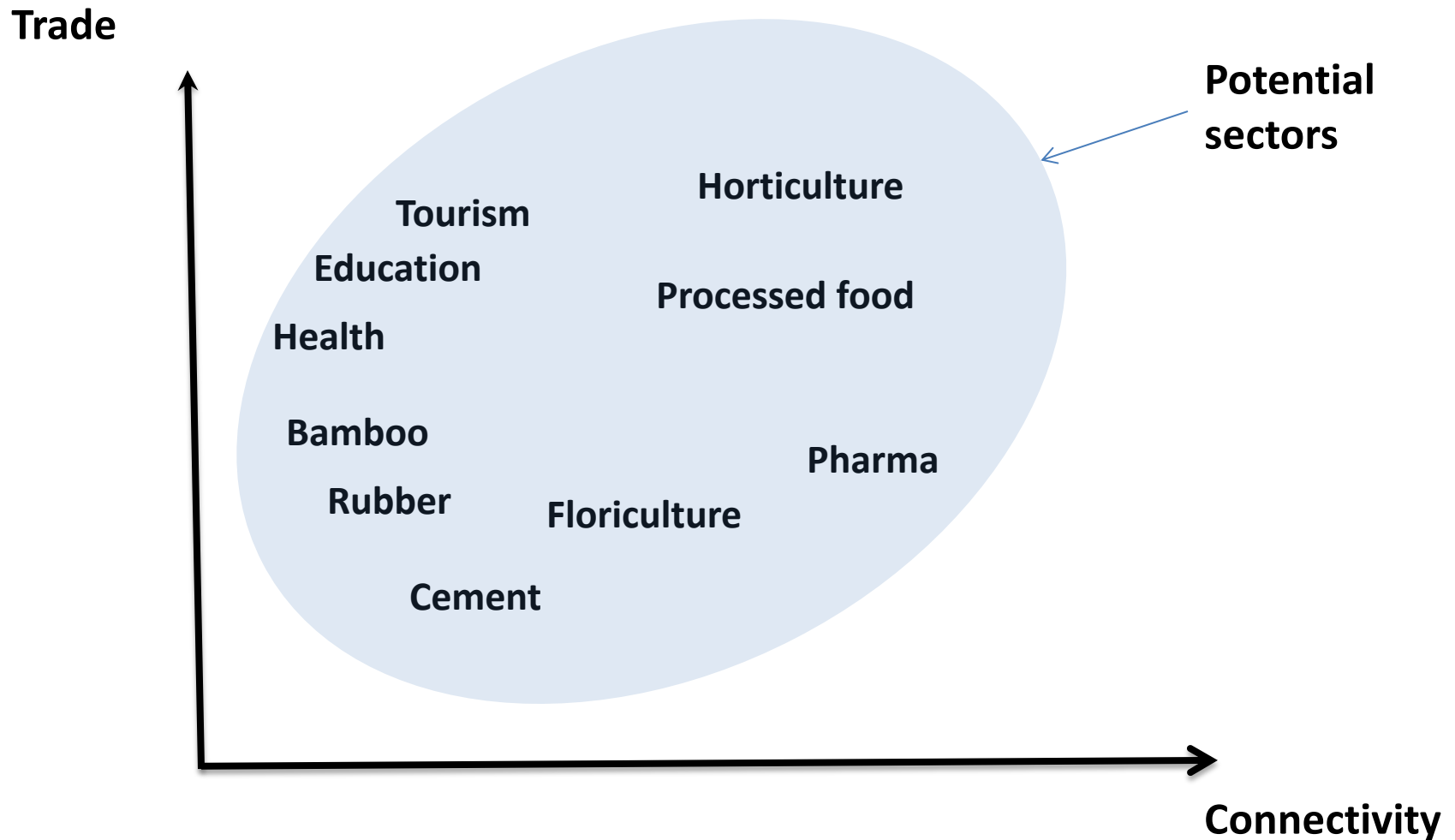


Dawki (India)

Tamabil (Bangladesh)

@Prabir Das: Dawki-Tamabil border, 25 June 2015

Priority 10. Build value chains in India's Northeast with ASEAN, Mekong and Bangladesh



Source: Prabir De (2018)

Priority 11. Dealing BIMSTEC observer countries

- Engage them in regional infrastructure projects
 - ACCC in ASEAN for implementation of MAC
- Financing projects, technical assistance, training and capacity building, etc.

Agenda for BIMSTEC Connectivity

- Agree to all BTILS corridors
- Accept regional transit – road and rail
- Regional trade facilitation programme
 - BIMSTEC single window, customs cooperation, etc.
- Sign and ratify BIMSTEC MVA (road), BIMSTEC coastal shipping agreement
- Establish BIMSTEC Open Sky for cargo and then passengers
- New areas: BIMSTEC railway agreement, BIMSTEC TFA, BIMSTEC digital network, BIMSTEC energy network, etc.

Next steps

1. BIMSTEC may form an Expert Group / EPG to help design BIMSTEC connectivity
2. Track 1.5 BIMSTEC Forum on Connectivity may be constituted
3. An industry group with national chambers on connectivity shall be formed
4. Induct Japan as development partner of BIMSTEC
5. Important role that BIMSTEC can play in the Indo-Pacific sphere of activities

Thank you

prabirde@hotmail.com

**DPG Regional Conference
on Advancing BIMSTEC
Cooperation, New Delhi,
April 26-27, 2018**

**Abstract of Presentation by Amb.
Rajeet Mitter, Former High
Commissioner to Bangladesh**

Ambassador Rajeet Mitter
Former High Commissioner to Bangladesh

Amb. Mitter, emphasized that BIMSTEC member countries should undertake to enhance connectivity in the region and take up projects on their own rather than being indirectly involved in the infrastructure developmental projects that are bilateral (involving other BIMSTEC countries) , trilateral or multi-lateral (for example: The Trilateral highway project , the Kaladan Multi-modal Transport project, various India-Bangladesh Connectivity projects etc.). Speaking about roadways he focused on the importance of the trilateral highway in the eastern region, while simultaneously calling for a trade and transit agreement, with increased involvement of countries like Vietnam, Cambodia, Laos etc. He mentioned that emphasis was needed on back-end infrastructure (both, trans-border and within countries) to address crucial missing links in road connectivity.

Coming to railways, he talked of railways as the mode of connectivity which was pivotal for connecting remote and vital locations. He spoke about the Indian initiative to push broad-gauge connectivity in the north-eastern states and the near completion of the vital link between Silchur and Imphal, which will have the world's highest railway bridge. He further stressed the importance of completing missing railway links with Myanmar and Thailand. He noted the need to address the need for finance in railway projects through setting up and tapping appropriate institutional mechanisms sources . He called for the extension of various bilateral arrangements in the region like the India-Myanmar Joint Working Group and the India-Bangladesh railway container service to cover all BIMSTEC countries.

Ambassasor Mitter also emphasized upon the development of waterways as they were ecologically efficient, with the added advantage of tourism spin-offs. Many bilateral agreements like the Bhutan-Bangladesh MoU on the use of waterways and the India-Bangladesh Agreement on coastal shipping were suggested as templates for a larger BIMSTEC agreement on the use of waterways for trade and transit.

He further identified air links as an area of concern owing to their state of relative underdevelopment. India had offered a 'open skies' policy in 2017 but not much on the ground had been done. He raised concern over the virtually non-existent air connectivity between airports in the northeastern states of India with that of Bangladesh, Myanmar etc. Coming to the matter of ports, he called for coordination in the construction of major ports in the region and pitched them as the link to the blue economy and proposed a possible working relation between BIMSTEC and IOR. Ambassador Mitter called for 'open regionalism' in BIMSTEC to tackle issues related to funding and leadership by bringing in non-member countries (Japan, Laos, Vietnam etc.) in collaborating on projects in the region they have direct interests in.

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**Abstract of Presentation by Dr.
Pritam Banerjee, Senior Director –
South Asia, Corporate Public Policy,
Deutsche Post DHL Group**

Pritam Bannerjee

Senior Director- South Asia, Corporate Public Policy, Deutsche Post DHL Group

Pritam Bannerjee's presentation focused on the logistics operation perspective of transit agreements, with an emphasis on the content of the agreements. He took the example of the BBIN MVA which includes the Passenger Protocol and Cargo Protocol, the latter of which has hit a roadblock due to competing interests and mutual distrust of the customs administration of the countries involved. Hence, he said that extending such an agreement to a larger organization like BIMSTEC will expectedly have similar impediments. Mr. Bannerjee cites this general feeling of distrust as the reason why any number of signed agreements won't ensure actual implementation. For the same reason, in areas like overland cross-border connectivity, steps like building more land ports are hardly feasible, rather, the need is for protocols that ensure faster movement and ease of access which very often require lesser infrastructure and less of other associated costs.

For real connectivity in the BIMSTEC region, he suggests protocols like inland clearances through the establishment of bonded zones and a degree of trust among custom administrations like the custom-systems existing in Europe, East Africa, North Africa and large parts of Asia. With India acceding to the TIR (Transports Internationaux Routiers) convention and Thailand already a member, he makes a case for Myanmar and Bangladesh too ratifying TIR which can then function as a customs agreement which essentially facilitates transshipment and movement of goods through an integrated set of documents.

He further reiterated the thoughts of Ambassador Mitter that advancements in short sea shipping will have to be a Bay of Bengal Initiative, including Malaysia and Singapore. He mentioned that we have to connect hubs of Colombo, Singapore and Malaysia as it would add value added shipments, involving large containers which moved in definite, specific trade lengths. For such short sea shipping linkages, issues such as insurance, preferential fees for ports of calls not only for flag carriers of the BIMSTEC countries but also for foreign flag carriers, if they are serving the particular port, liberalizing cabotage, etc. will have to be addressed.

Further, he mentioned the immediate need for regular shipping services between ports and considered the possibility of the Indian Shipping Companies to assume a leadership role in the area and start a few shipping services in the region, bearing few losses for a couple of years before they become profitable. Lastly, he mentioned an important issue to address trade facilitation, i.e. lack of smooth customs administration in BIMSTEC countries. He pointed out that since India has made the leap in customs administration, that very few developing countries could boast off, it should take up the mantle for driving better customs cooperation, communication and digital connectivity among customs systems of BIMSTEC nations.

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April 26-27, 2018**

**Presentation by Mr. Prithviraj Nath,
Associate Director, CUTS
International, Kolkata**



Inland Waterways - Possibilities and Concerns

Prithviraj Nath

Context



Country	Share (% of total cargo movement)
China	47
Japan	44
South Korea	35
Bangladesh	35
India	3.6

- Cheaper development and maintenance
- Environment friendly - 1 litre of fuel can move 105 tonne km by waterways, 85 tonne km by railways and 24 tonne km by road
- Reduces traffic congestion in road and railways

Recent Developments

- Declaration of 106 National Waterways (NW) in India (2016)- total 111 NWs
- Jal Marg Vikas project – INR 5369.18 crores to be spent on NW1 alone
- Sagarmala project – stupendous 8 lakh crores worth development plans
- India-Bangladesh protocol routes- automatic renewal for 5 years
- Bhutan-Bangladesh MoU on cargo transport via inland waterways
- River cruise tourism MoU between India and Bangladesh
- India and Nepal agreed to include inland waterways as a means of transport in the Protocol to the Treaty of Transit between them
- Kaladan Multi-modal Transit Transport Project expected to be completed in 2018

Possibilities



Trade



Connectivity



Tourism



Livelihood

Conflicts and Concerns

- **Agriculture vs IWT**

Availability of water for transport vs irrigation

- **Fishing vs IWT**

Collision of large vessels with fishing boats, noise pollution; damage of fishing gears, fish breeding sites, habitat loss

- **Environment vs IWT**

Disaster management plan for accidents/oil leakages, waste management, storage structures, erosion due to IWT



Conflicts and Concerns

- Competition between Roads, rail and waterways
- Inclusion of stakeholders in policy and strategy formulation
- Shifts or loss of livelihoods







Needs

- Data and clarity needed on different uses of water/rivers and how much is needed for each activity
- Prioritising the different needs and hence the strategies
- Linking developments and policies to livelihood creation and gender implications
- Sustainability – ecological and economic

Needs

- Data needs for effective planning and long term scenario building of effectively utilising rivers/waterways - **economic, ecological and political feasibility of various interventions, quantifying water needs** for various purposes?
- **Synergising the connectivity plans** for different modes – **roads, rail and waterways**
- Consultation **and inclusion of different stakeholder groups** and their perspectives – how to approach and **institutionalise** this?
- **Entry points** for larger regional cooperation?
 - Trade and transport
 - Tourism
 - Livelihoods and communities
 - Disaster management
 - Biodiversity Conservation

THANK YOU

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April 26-27, 2018**

**Abstract of Presentation by Dr.
Joyeeta Bhattacharjee, Senior
Fellow, Observer Research
Foundation**

Dr. Joyeeta Bhattacharjee

Senior Fellow ORF

Dr. Bhattacharjee mentioned that while the session focused on ports, shipping, waterways, road, railways, coastal agreements and container transportation, she would focus specifically on BIMSTEC maritime connectivity. She reiterated the thoughts of Mr. Pritam Banerjee that there existed a gap between signing an agreement and the area of implementation. Further, she questioned whether the nations of the region were ready to build up support mechanisms necessary for infrastructure development. For enhanced maritime connectivity, she brought into consideration the experience of Indian ports in the Bay of Bengal. Despite agreements with Nepal, Bhutan, Bangladesh etc. India's relations with these countries concerning maritime connectivity were not without resentments and one of the issues is the involvement of middlemen. She emphasized domestic capacity building preceding the expansion towards regional connectivity.

She pointed out that the lack of coastal shipping agreements could be the sole problem since even the much-praised Bangladesh-India agreement often faces domestic resentment and shipping lobbying issues. Dr. Bhattacharjee opined that as far as finances were concerned, infrastructure maintenance was a bigger issue than infrastructure development. She raised concerns about whether nations in the region were actually serving regional interests or putting forward national interests as regional interests. Dr. Bhattacharjee concluded by underlining the positive outcomes of increased connectivity which go a long way in empowering women and girls from remote regions who are now forming a new entrepreneurial class with better opportunities.

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**Abstract of Discussant's Comments
by Dr. Nisha Taneja, Professor,
ICRIER**

Dr. Nisha Taneja
Professor, ICRIER

As a discussant in the transit session, Dr. Taneja highlighted the key points made by all the speakers. She further mentioned that to enhance connectivity, transport and communication were two sectors that were meant to be looked at together. Communication was part of both hard and soft infrastructure, for example: when we install a GPS system on a truck it illustrates both types of infrastructure. She focused on the ADB BTILS Report according to which advanced logistics can only operate with the help of IT driven systems. She pointed out that only Sri Lanka, India and Thailand have the readiness to adopt the technology, so there'll be a gap between them and other BIMSTEC countries which will have to be bridged soon.

As all BIMSTEC countries are signatories to the WTO trade facilitation agreement, it brings an opportunity to all the member states to undertake the trade facilitation reforms in a coordinated manner and there are specific articles in that which are directly related to transit, which can be further used to draft the BIMSTEC Transit agreement. Also, following the international conventions, such as the TIR convention will bring global best practices. For a country like India, problems are more related to domestic logistics which become extremely important because goods move long distances within the country before they reach the port. In terms of legislations, all BIMSTEC members need to examine their current legislations, especially transport legislations to ensure that 3- PL logistics services are recognized.

According to her, land borders in the BIMSTEC region did play a very important role and also, the borders in the region were rigid. For land connectivity, India's borders with her neighbors have been inflexible, but we can learn from Myanmar which has a very active border trading point with Thailand and China. It's important for BIMSTEC member states to have a Forum for Border Regions, which will bring together authorities from the center, state, province or district level.

**Session 3:
Energy, Water,
Environment, Climate
Change and other issues**

**DPG Regional Conference
on Advancing BIMSTEC
Cooperation, New Delhi,
April 26-27, 2018**

**Abstract of Chair's Remarks by Dr.
Sagar Prasai, Country
Representative, The Asia
Foundation, India**

Dr. Sagar Prasai

Country Representative, The Asia Foundation, India

As the Country Representative- India of Asia Foundation, the sponsors for the BBIN and BIMSTEC projects of DPG, he mentioned that this dialogue process initially started as a BBIN Dialogue Process and under the BBIN initiative, they took up the issue of 'water and energy', but later realized that environmental issues were coming to the fore all the time. At the same time, it was slightly easier in the BBIN geography to talk about water, energy and environment because it essentially concerns the Ganga-Brahmaputra-Meghana Basin. Thus, it sorts of captured the entire BBIN region and the need to collaborate on water issues was easy to see and do for the region.

Dr. Prasai averred that, once we extended the energy sector and its related issues to the BIMSTEC region it became complicated because actual contiguity lay at the coastal end rather than the lands end. He said that the other way of flipping it was that it concerned not only water but also the hydrological cycle, which immediately took us to a set of other issues related to climate change, floods, disasters, sea-level rise etc. Thus, there were multiple ways of weaving the varied interests of countries in the region and once we did a detailed analysis, it would be easier to see how one country's interests resonated with the rest of the countries in the region.

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**Abstract of Presentation by Dr.
Mahendra P. Lama, School of
International Studies, JNU**

Dr. Mahendra P Lama

School of International Studies, JNU

Dr. Mahendra P Lama began by talking about power trading in the BIMSTEC region where a platform had been laid down by the establishment of a number of trading points. He attributed this to the protracted dialogues on needs and benefit, the conversation on concrete projects, the vision among politicians and technocrats and pressure from civil society groups, multilateral institutions, the private sector etc. He expressed optimism about the new knowledge emerging in the region and the existence of sensitization and capacity building projects. He identified 5 models of cooperation in energy trade on a project-based approach.

Prof. Lama talked of the first model which involved bilateralism. He called for attention to the 2000+ MW of exchanges across BBIN and 7000+ MW of exchanges in the BIMSTEC region. He also pointed out the MoU on BIMSTEC grid integration and various other national, bilateral, regional arrangements under discussion. He spoke about the India-Bhutan trading arrangement as a significant example, underlining Bhutan's recent efforts to diversify its market beyond India to Bangladesh, Myanmar, Southeast Asia and even the West. He also mentioned studies which predict that Nepal could emerge as a big exporter of electricity in the region in the next 30 years. Prof. Lama further looked into research conducted by the ASEAN which recognized India's north-eastern region as a power pulling center and how it distributed power across South Asia and South-East Asia. He mentioned yet another study which highlighted the four border energy security junctions that have emerged in South Asia.

Coming to the second model, Dr. Lama spoke of the sub-regionalism in the Greater Mekong region. He drew attention to the importance of ADB in the project and the advancements it had facilitated in developing strategic and regional investment frameworks to transform the area into one of the fastest emerging sub-regional groups in energy trading.

In the third model, which he termed as the 'power-pull model', he talked of the southern-African power pull. He emphasized aspects like a good energy mix, varied size of countries, the large population of the region and its place in the larger framework of the South African Development Community. In a similar light, he talked of the BBIN, BIMSTEC and the BCIM power pulls.

He talked of India's north-east region as a central player owing to its strategic location, capability generation and export-orientation. Thus, it could act as transit point, and provide an energy security actor for India's 'Act East' policy. He mentioned the efforts of many north-eastern state governments to develop the area into an export and transit hub. He also drew attention to China's OBOR initiative in which electricity generation is a key initiative along with multiple other agreements in energy. Hence the BRI along with the CASA project and Indian involvement in Myanmar in the energy sector is projected to transform energy dynamics in the region. He also talked of tri-junction potentials with reference to India, Nepal and China coming together in matters concerning generation, transmission and transit of energy.

Coming to the fourth model, he spoke about the local integration model. As an example, he spoke of the project in Palatana in the Indian, north-eastern state of Tripura where the electricity generated is exported to Bangladesh and the process is completely localized, with Bangladesh supplying transport and facilities like bandwidth for internet connectivity in exchange.

Finally, in the fifth model, he mentioned that India should act as the core transit point and play a role in facilitating the transit of electricity between Nepal, Myanmar, and Bhutan to other parts of South Asia and South-East Asia. He concluded by talking about recent efforts made by the BIMSTEC countries to harmonize national reforms, identify their demand centers, determine areas with cross-border transmission and grid security necessities. Dr. Lama called for building institutional capacities among these countries to further the initiative.

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**Presentation by Mr. Arvind Kumar,
Advisor, TERI**

Promise & Potential of Cooperation in the Power Sector in the BIMSTEC

ARVIND KUMAR (IES Retd)

**Session III:Energy,Environment & Climate Change
Issues**

New-Delhi

April 26,2018

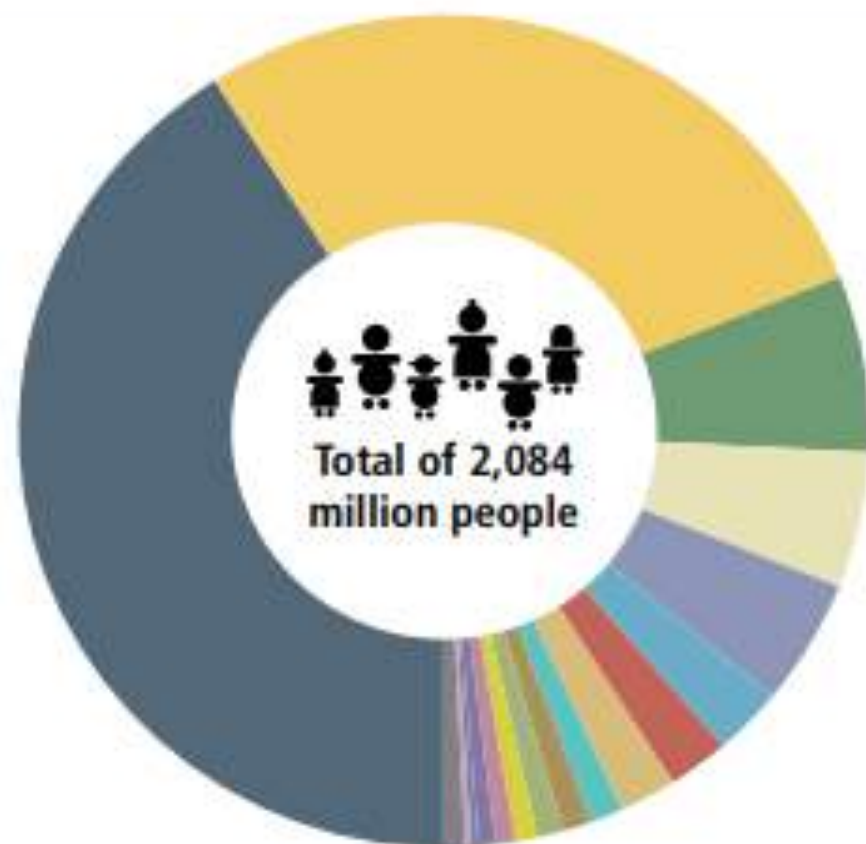
Potential Generation Capacity & Reserves in BIMSTEC (S Asia)

	Potential Generation Capacity (MW)			Potential Reserves			
	Wind	Solar	Hydro	Coal (MT)	Oil (Mill barrels)	Gas (Mill cuft)	Biomass (Mill tonnes)
BDSH			4000	884	12		
Bhutan			263200	2		8	27
India	102778	750000	150000	90085	5700	39	139
Nepal			733000				27
Sri Lanka	24000		21000				12

Proved Fossil Fuel Reserves end 2011

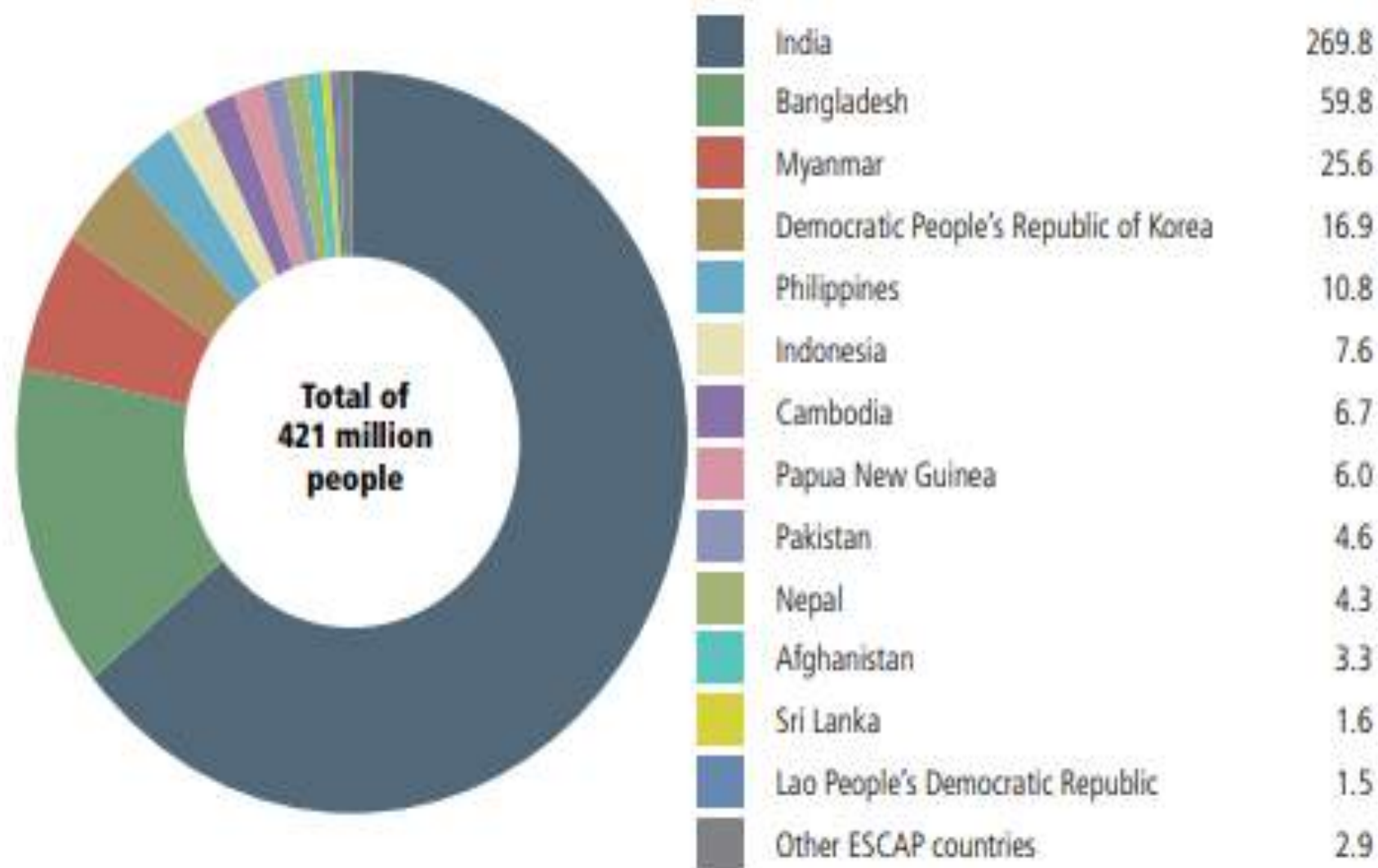
	Oil	Natural Gas	Coal*
	Thousand million tonnes	Trillion cubic metres	Million tonnes
Australia	0.4	3.8	76,400
Azerbaijan	1.0	1.3	-
Bangladesh	-	0.4	-
Brunei Darussalam	0.1	0.3	-
China	2.0	3.1	114,500
India	0.8	1.2	60,600
Indonesia	0.6	3.0	5,529
Iran	20.8	33.1	-
Japan	-	-	350
Kazakhstan	3.9	1.9	33,600
Korea, DPR	-	-	600
Korea, Rep. of	-	-	126
Malaysia	0.8	2.4	-
Myanmar	-	0.2	-
New Zealand	-	-	571
Pakistan	-	0.8	2,070
Papua New Guinea	-	0.4	-
Russian Federation	12.1	44.6	157,010
Thailand	0.1	0.3	1,239
Turkmenistan	0.1	24.3	-
Uzbekistan	0.1	1.6	-
Viet Nam	0.6	0.6	150
Other Asia Pacific	0.1	0.3	3,708
Total	43.4	123.5	456,453

Millions of people without access to clean cooking, 2014

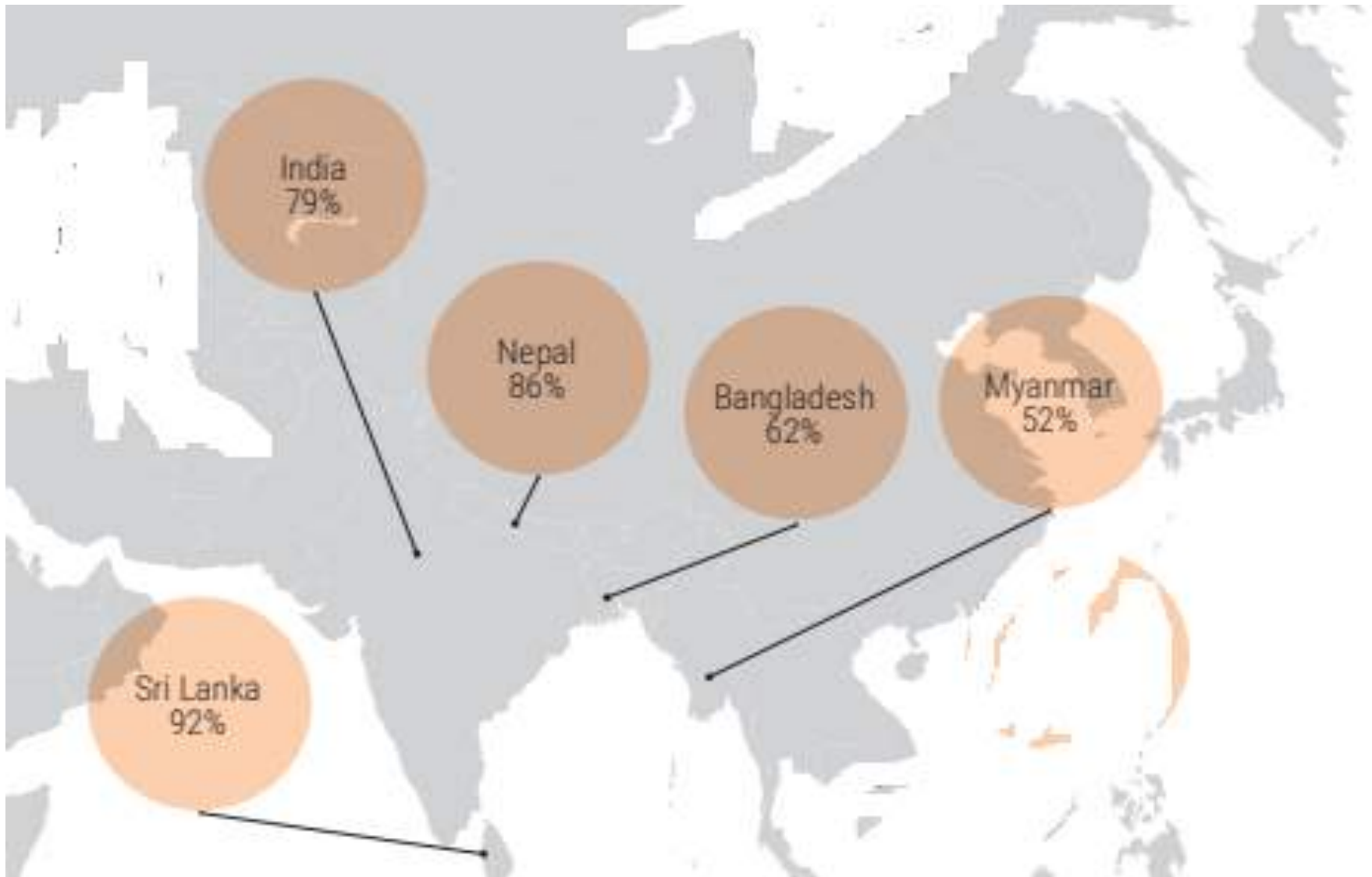


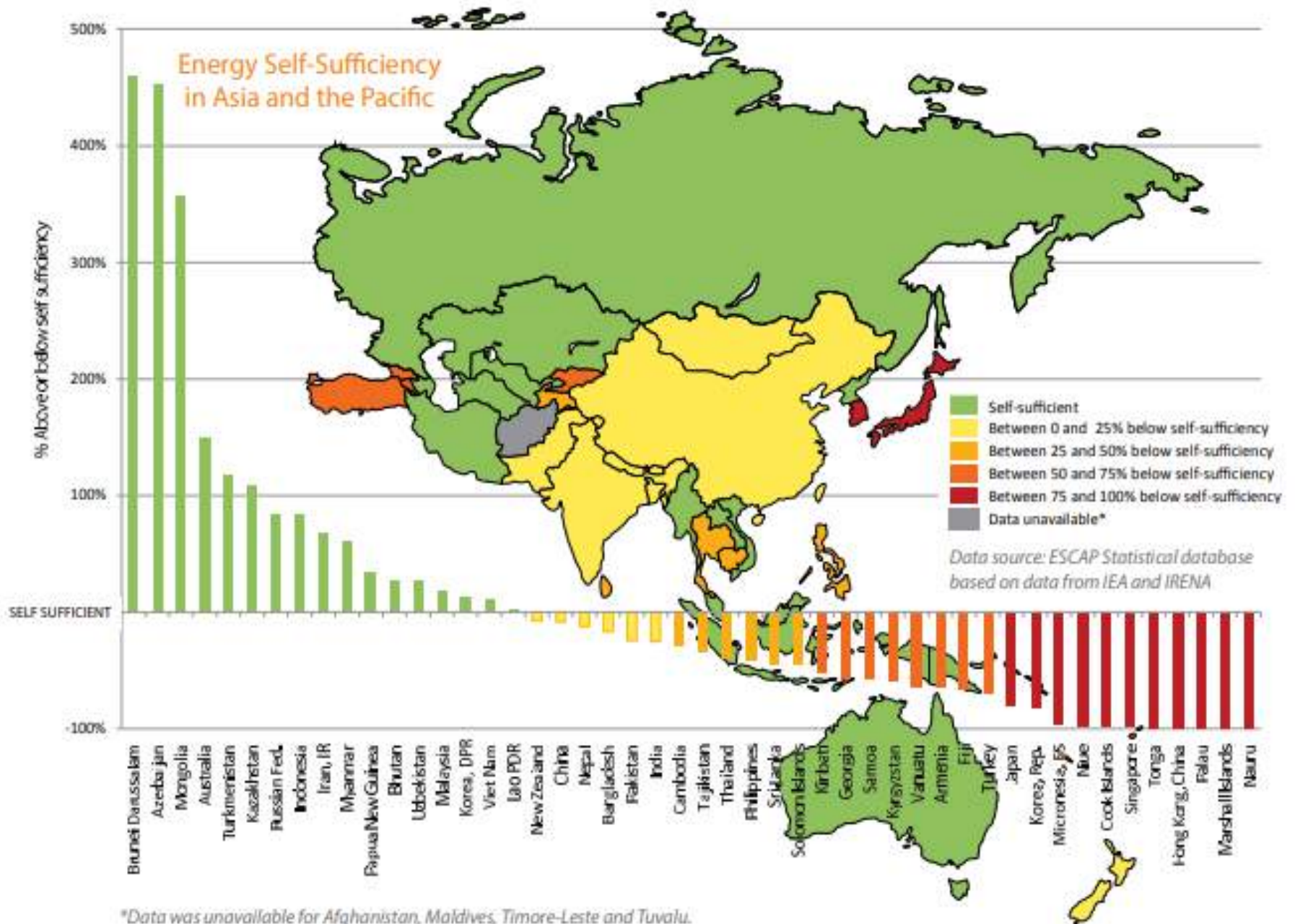
India	853
China	584
Bangladesh	143
Indonesia	110
Pakistan	102
Philippines	55
Myanmar	49
Viet Nam	45
Afghanistan	26
Democratic People's Republic of Korea	23
Nepal	21
Sri Lanka	17
Thailand	16
Cambodia	13
Lao People's Democratic Republic	6
Papua New Guinea	5
Other ESCAP countries	16

Number of people without electricity, 2014 (millions)



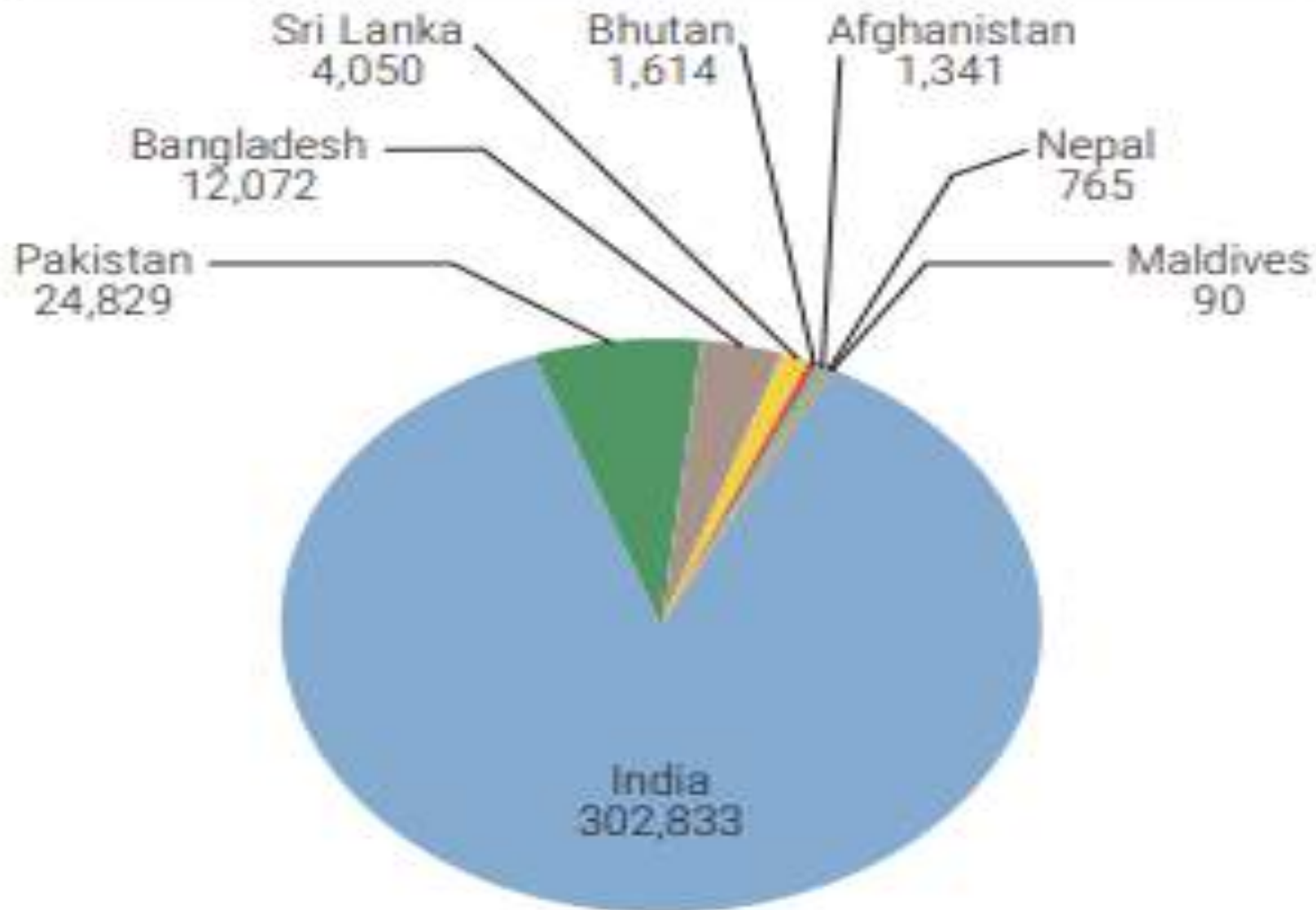
Access to electricity (% population)



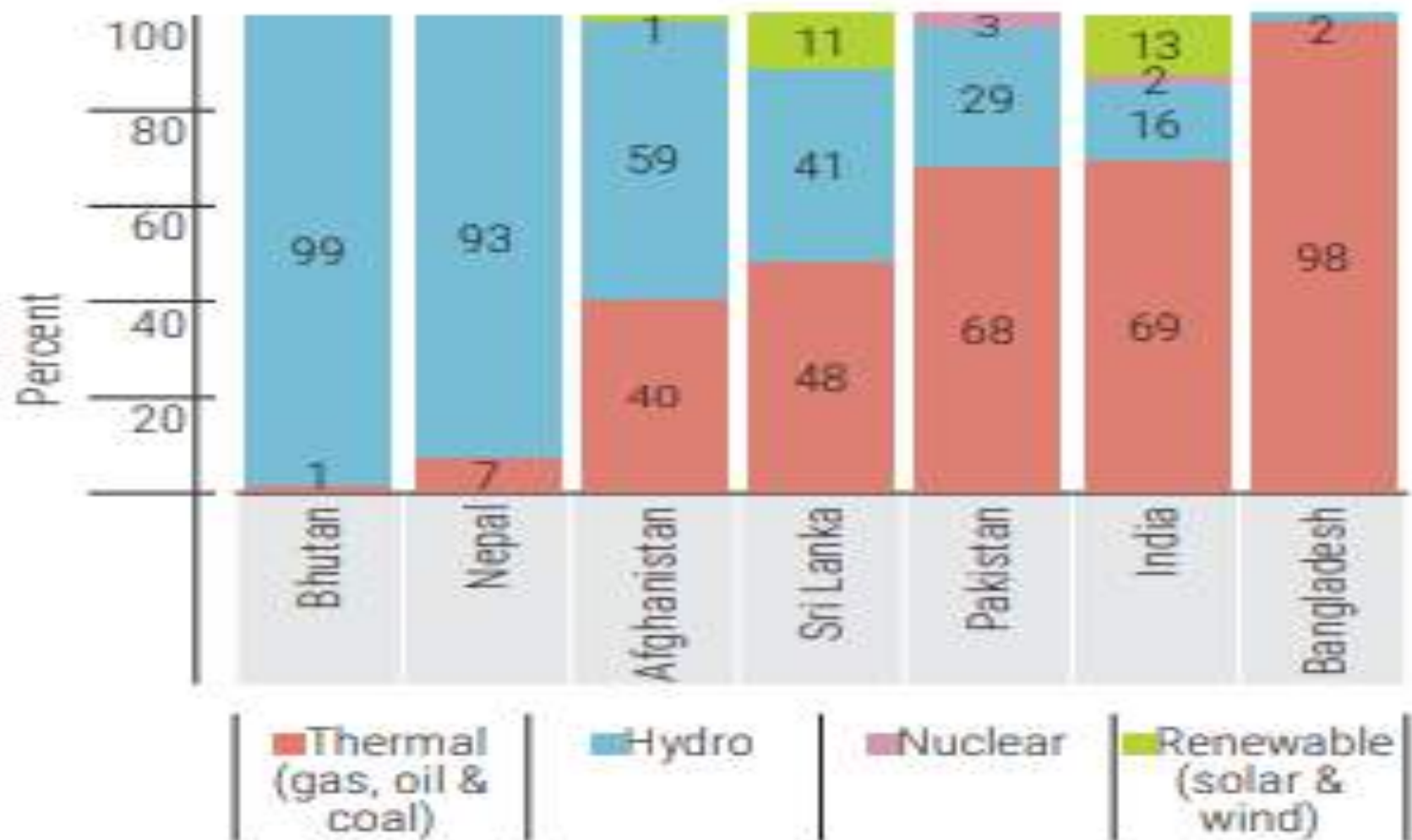


*Data was unavailable for Afghanistan, Maldives, Timore-Leste and Tuvalu.

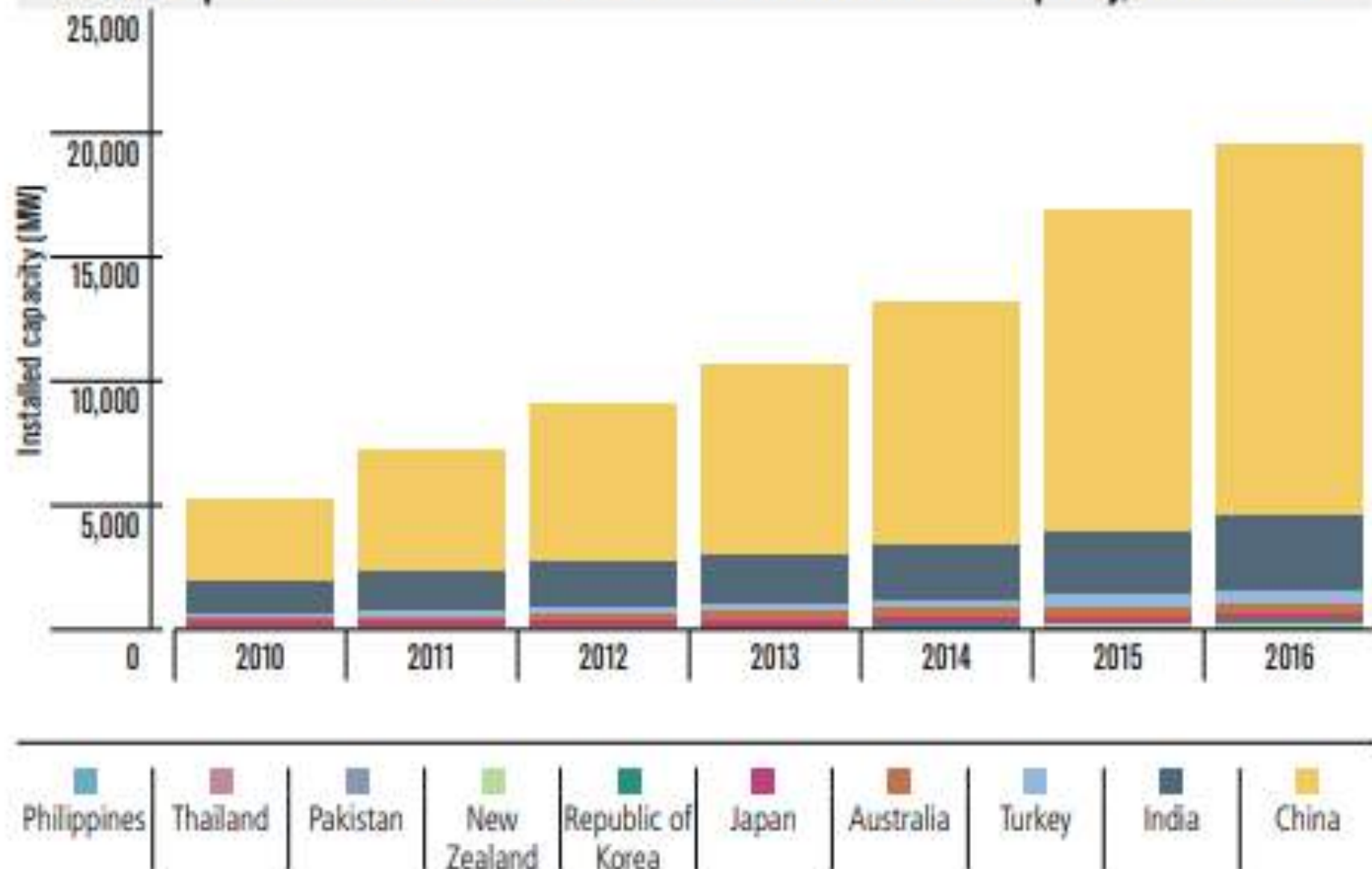
Installed capacity (MW) of South Asia power systems



South Asia energy mix 2016

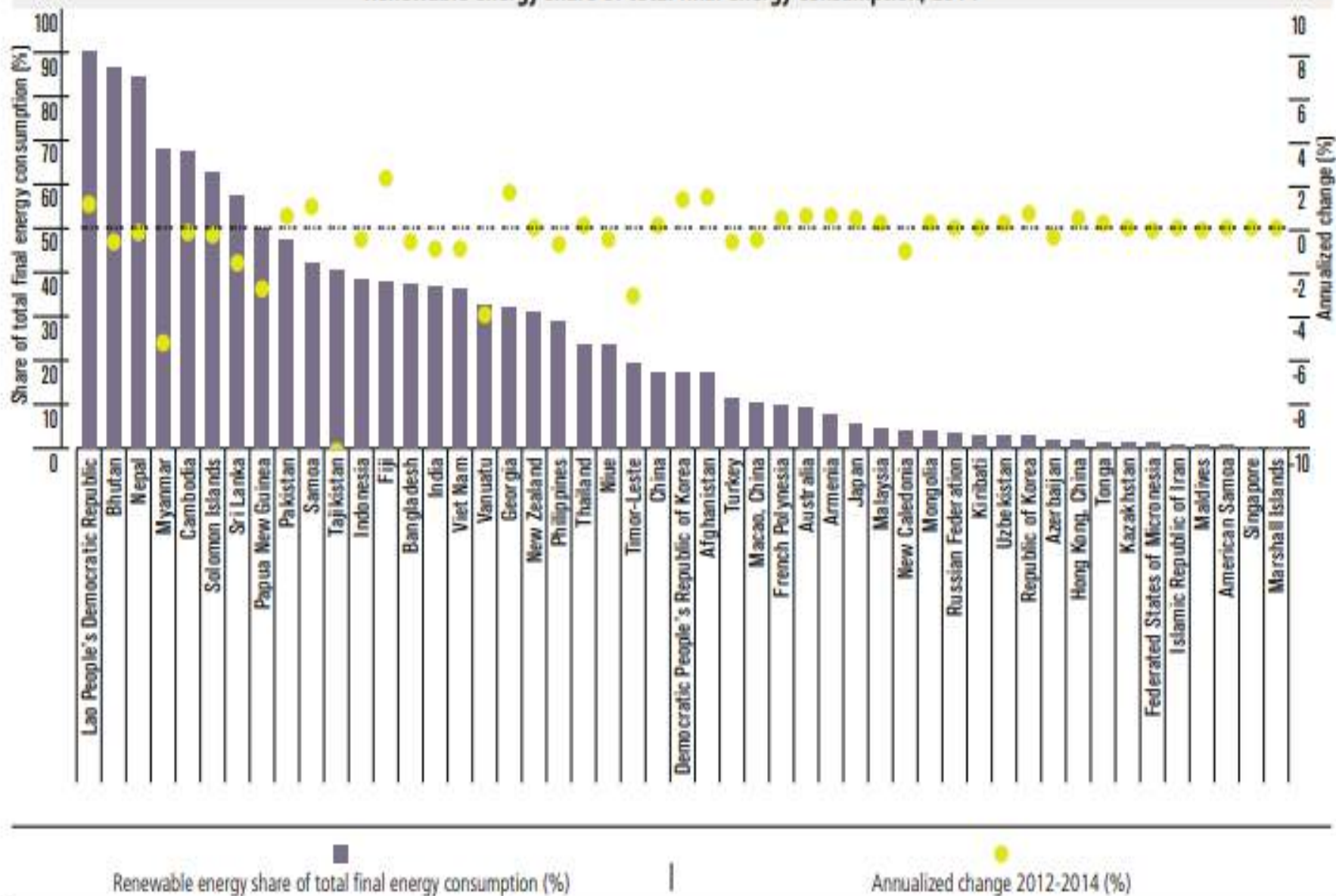


2016 top ten Asia-Pacific countries in terms of installed wind capacity, 2010–2016



Source: IRENA

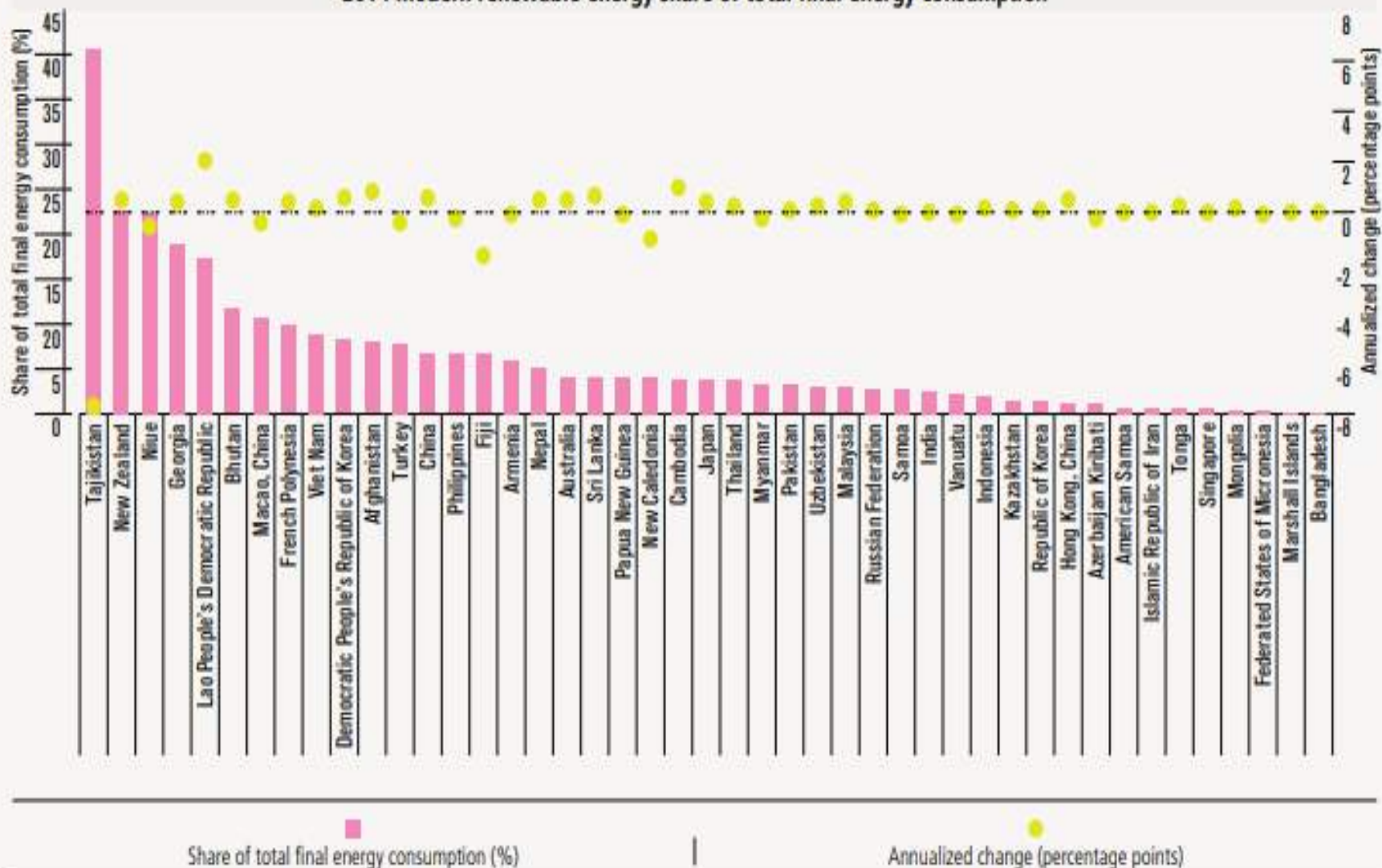
Renewable energy share of total final energy consumption, 2014



Source: IEA and UN Statistics

Modern renewable energy's share is highest in hydro-rich and some small economies

2014 modern renewable energy share of total final energy consumption

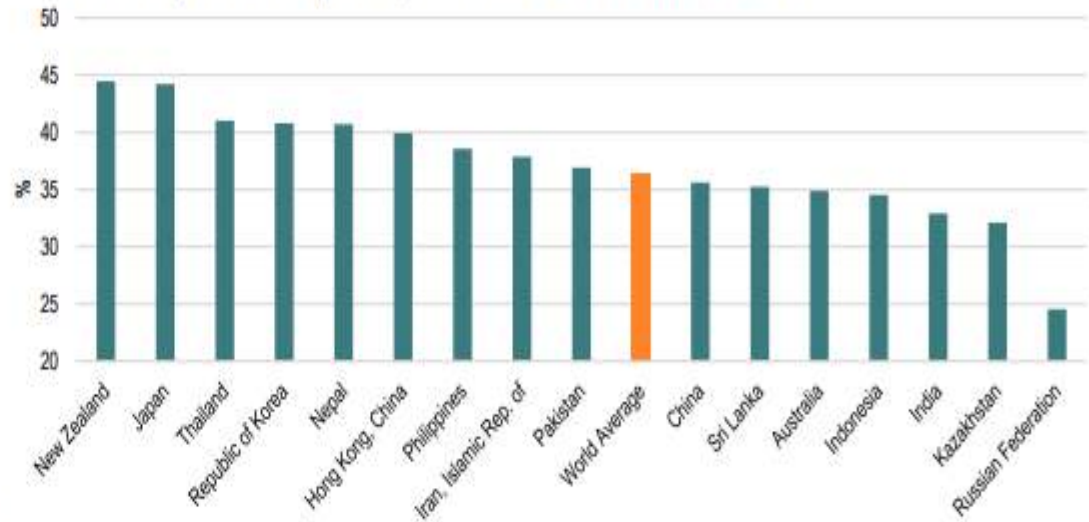


Source: IEA and UN Statistics

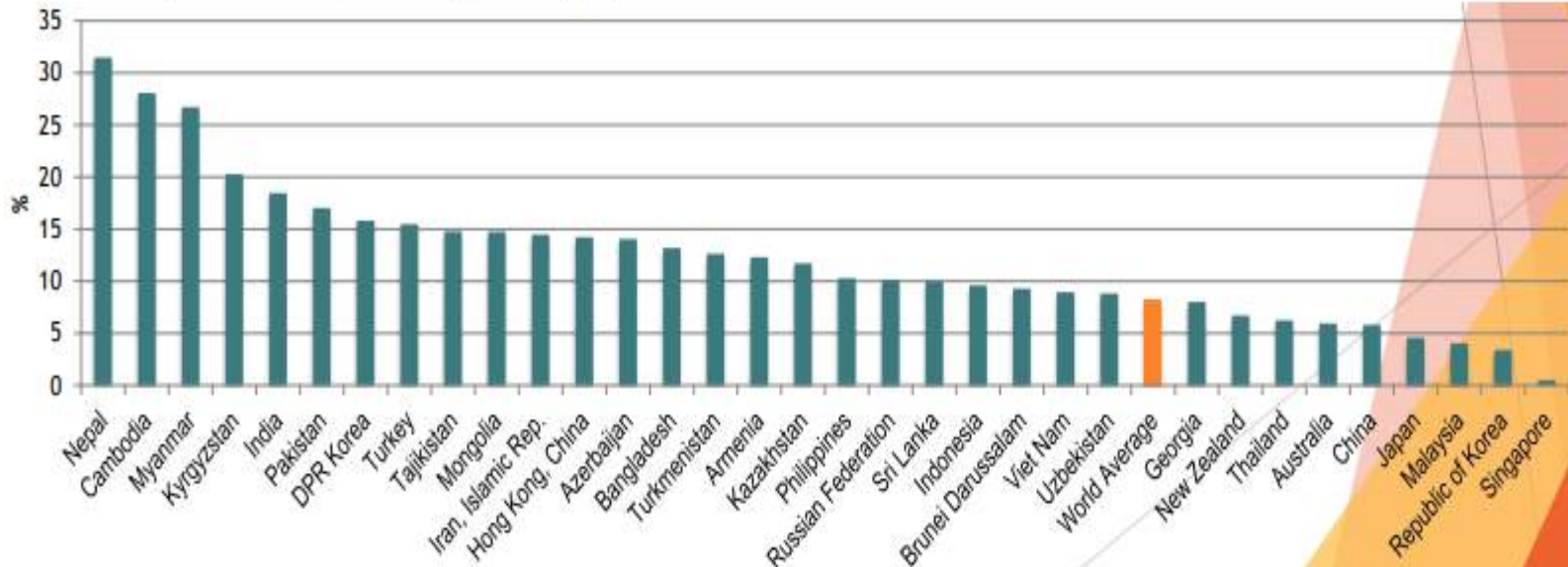
FOSSIL FUELS & ENERGY EFFICIENCY: POWER SUPPLY

Generation efficiency remains low, transmission losses high in many countries.

Efficiency of thermal power plants in selected countries, 2014



Electricity losses as a percentage of output, 2014



Technology	USD/kWh			Capacity Factor*		
	min	max	w.a.	min	max	w.a.**
Solar PV						
Asia	819	7997	1624	0.101	0.247	0.166
Eurasia	1545	3697	2775	0.117	0.127	0.119
Pacific	1180	7539	2857	0.114	0.271	0.191
China	998	7780	1439	0.101	0.184	0.170
India	833	4916	1403	0.159	0.247	0.206
Concentrated Solar Thermal Power						
Asia	3501	13693	4423	0.17	0.535	0.275
Pacific	9735	10767	9829	0.21	0.21	0.21
China	3501	13639	3680	0.17	0.28	0.272
India	3539	7475	4328	0.206	0.535	0.276
Onshore Wind						
Asia	958	2784	1280	0.172	0.435	0.243
Eurasia	1550	2651	1751	0.272	0.35	0.344
Pacific	1060	3752	2533	0.275	0.436	0.337
China	1032	1553	1251	0.221	0.36	0.242
India	958	1625	1228	0.172	0.258	0.234

Power sector profiles

Nepal

- Small power system with under-utilized hydro potential;
- Net importer now but potential to export in the future;

Bhutan

- Very small power system but large utilized hydro potential
- Net export of power to India;

Bangladesh

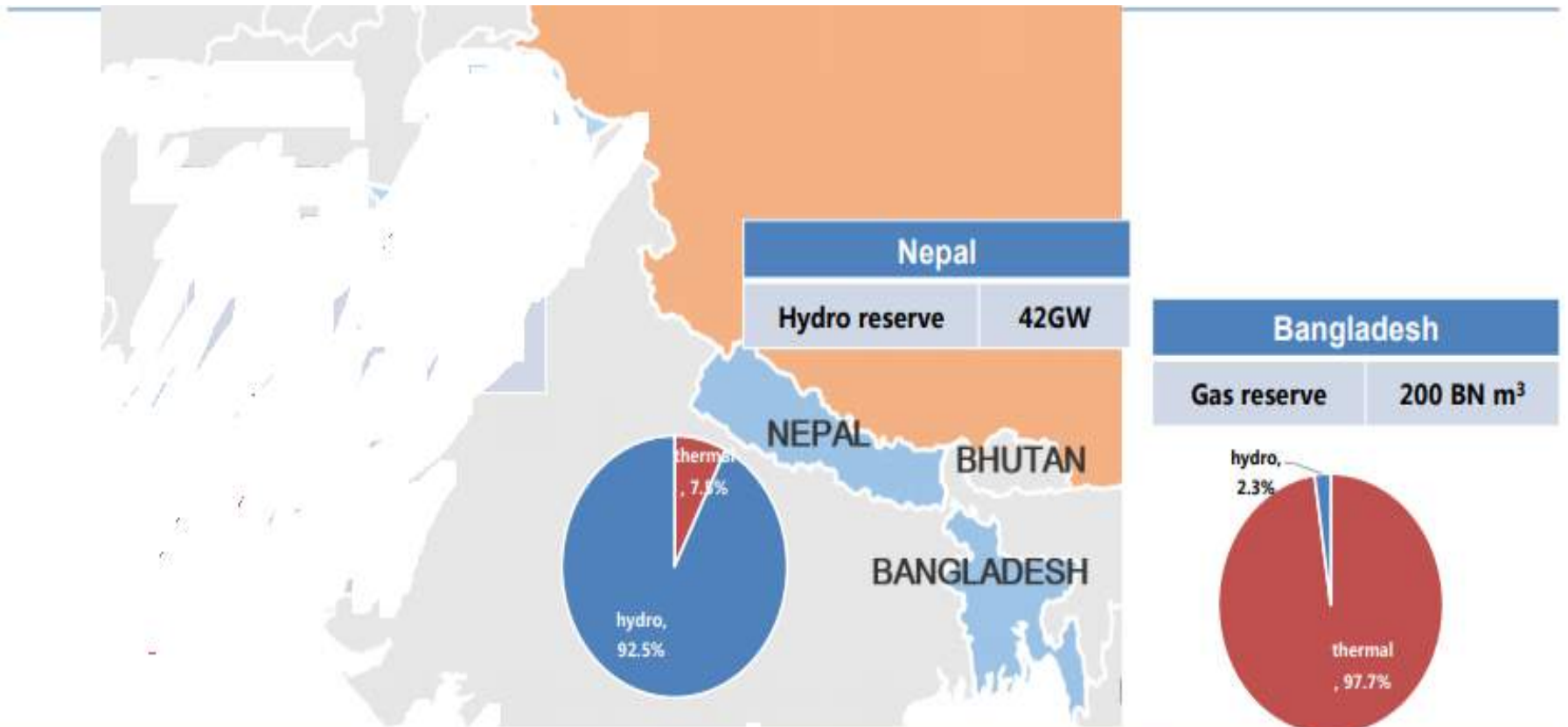
- Small power system with high gas dependence; Declining gas reserves
- Interconnected with India;

India

- Largest energy consumer & supplier in region;
- Large coal reserves; Dependent on import of oil & gas;
- Interconnections with Nepal, Bhutan & Bangladesh

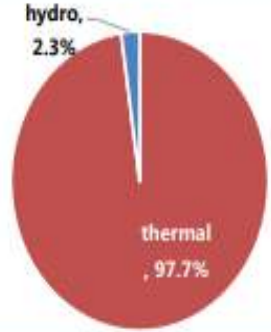
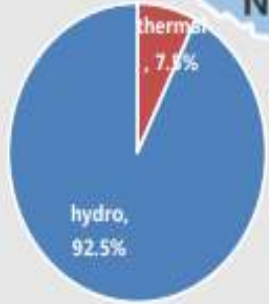
Sri Lanka

- Underdeveloped hydro potential



Nepal
Hydro reserve 42GW

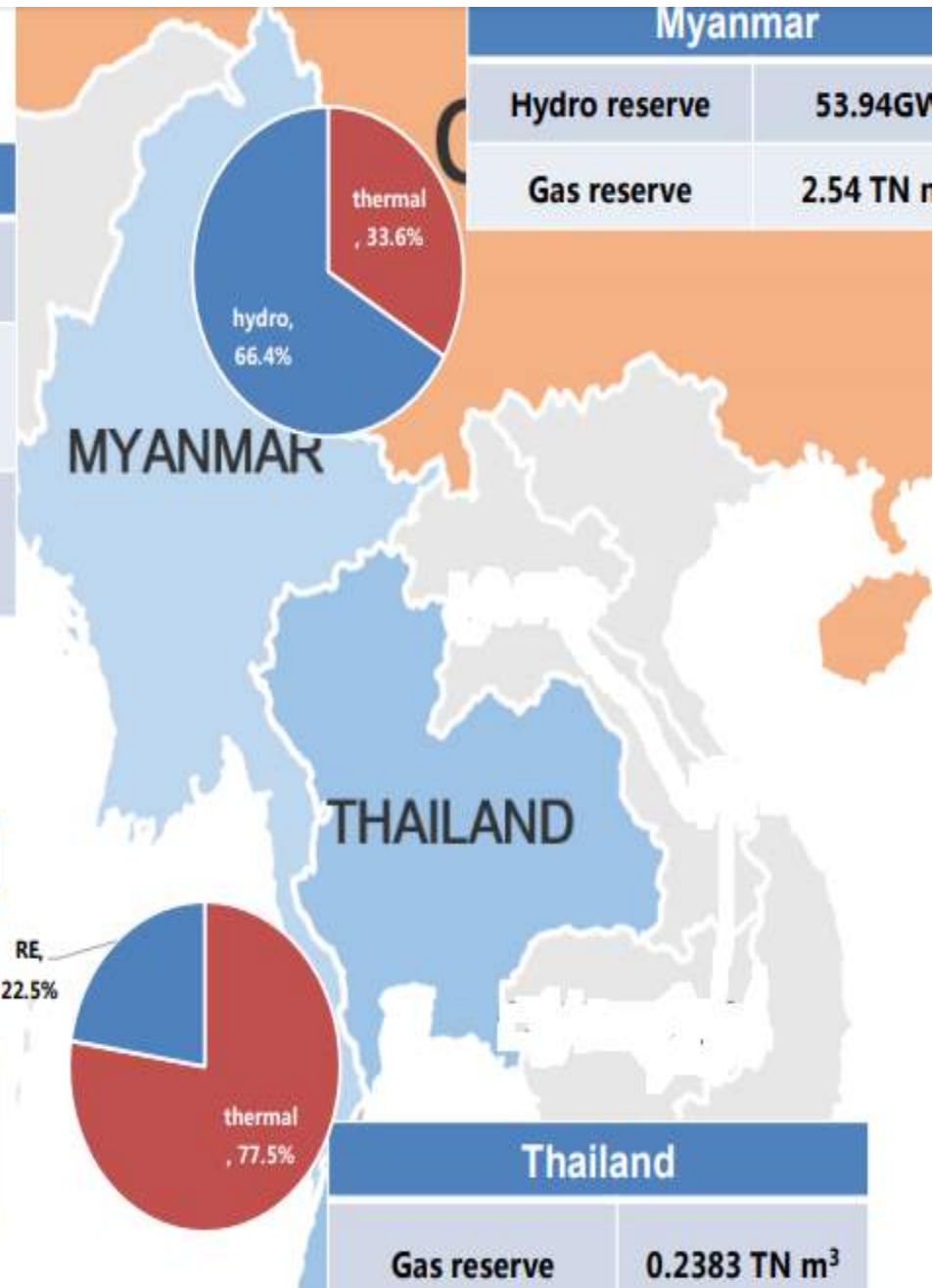
Bangladesh
Gas reserve 200 BN m³



	Bangladesh	Nepal
Installed electrical capacity	8.60GW	0.763GW
Total electricity consumption	55.8TWh	5.2TWh
Electricity consumption per capita	351kWh	185kWh
Potential	Potential elec. Importing countries. Need to strengthen the power grid construction.	
		Exporting hydro power

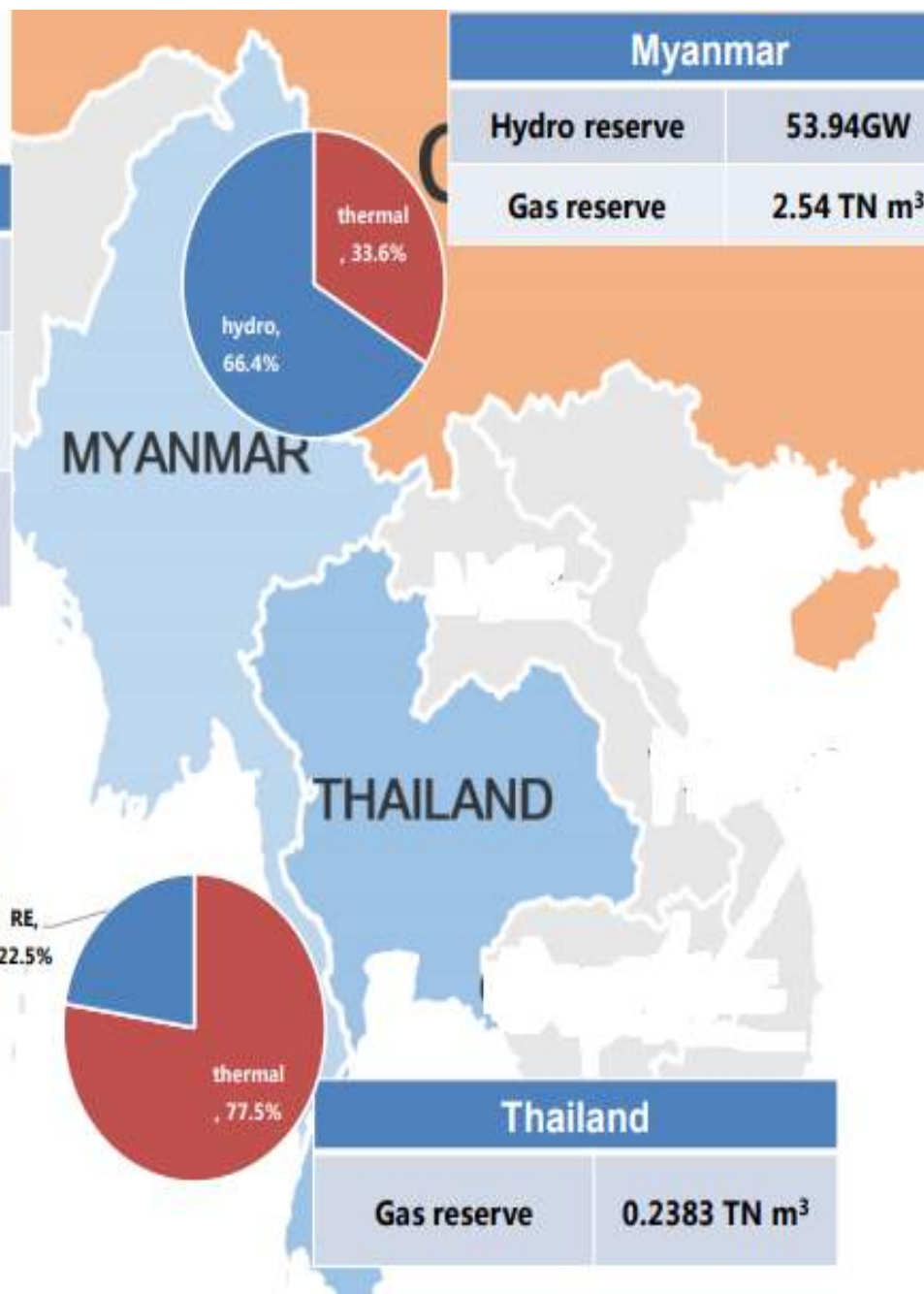
	Myanmar	Thailand
Installed electrical capacity	4.71GW	37.61GW
Total electricity consumption	14.16TWh	184.3TWh
Electricity consumption per capita	265kWh	2721kWh

	Potential
Myanmar	Short-term: potential elec. Importing Long-term: potential elec. exporting
Thailand	High demand, potential elec. Importing



	Myanmar	Thailand
Installed electrical capacity	4.71GW	37.61GW
Total electricity consumption	14.16TWh	184.3TWh
Electricity consumption per capita	265kWh	2721kWh

	Potential
Myanmar	Short-term: potential elec. Importing Long-term: potential elec. exporting
Thailand	High demand, potential elec. Importing



Myanmar's Energy Resources

- **Rich in energy resources**
 - Natural gas: reserves of 7.8 trillion f³ (0.2 trillion m³)
 - Oil: 51,000 barrels/day of petroleum products in 2011
 - Coal: about 490 million tons of reserves, production rising
 - Renewables: High potential in solar, hydro, biomass, wind and geothermal
 - Only hydro commercially exploited with an additional 300 projects identified, total potential capacity 46,331 MW
- **Energy dominates foreign investments**
 - In 2010, 42% in oil and gas, 35% in power

Energy Access in Myanmar

- **Low access to modern energy services**
 - 13% to 26% electrification
 - 7% of rural population connected to national grid
 - Even in Yangon, the largest city, 67% connected
 - 95% rely on solid fuels for cooking and heating
- **Largest gap to fill in the Asia-Pacific region**
 - To achieve universal access to electricity by 2030, World Bank estimates yearly investment requirements of US\$ 444 million, i.e. 10% of GDP



LEGEND

- River
- International Border
- Hydropower Station
- Substation
- Onshore Oil/Natural Gas Block
- Offshore Oil/Natural Gas Block
- Proposed Oil & Natural Gas Pipelines
- Mining areas

Why energy cooperation ?

- BIMSTEC is highly exposed to the effects of climate change, the contribution of power grid interconnection to mitigating climate change is of critical importance.
- Given the enormous untapped potential for renewable energy at low cost from hydropower, solar and wind in South Asia, integrating the power systems of the subregion's countries to allow this capacity to be exploited could change the emissions outlook drastically and reframe future climate pledges under the NDCs;
- Allowing greater contribution to the global abatement challenge. The availability under the Paris framework for flexible cooperative means of delivering abatement, through international transfers of mitigation outcomes (ITMOs), provides possible avenues for financing subregional interconnection and renewable energy development.
- ITMOs enable Parties to negotiate the transfer of some portion of one nation's NDC to another Party's NDC through several mechanisms, including transfers of technology or provisions of climate finance. For implementing the South Asia power grid, ITMOs could provide financing from developed countries outside the region.

Objectives for Energy Cooperation

- Increase access to sustainable energy
- Increase renewable energy generation capacity and energy efficiency
- Contribute to the fight against climate change; Energy cooperation a challenge- **Only 3% of EU electricity traded across borders**

Potential of Cross-border Power Connectivity

- Many countries have abundant energy resources, e.g. hydro power in Nepal & Bhutan, wind power in Northeast Asia, solar power in India, and etc.
- Huge inequity in power consumption per capita- still at a low level KWH/per capita (Nepal 122, Bangladesh 366, India 1056, Myanmar and many people are without access to electricity;
- Power Connectivity could promote better allocation of energy resources, meet the needs of energy quality and quantity for economic development.
- Promoting and accelerating cross-border power connectivity in Asia is significant to sustainable development of the region.

Energy Sector: Three deficits

- **Service deficit.** Power outages and water shortages regularly occur.
- **Policy deficit.** Distorted pricing, poor sector governance and accountability, and weak cost recovery have hampered private sector to invest more in infrastructure.
- **Cooperation deficit.** Weak cooperation amongst BIMSTEC countries have constrained the development of energy resources;

Challenges in CBET

- **Political factors:** cross-border power connectivity requires relevant countries have strong political trust; needs to coordinate the demands of all stakeholders; concerns on energy security;
- **Economic and business factors:** Large investments; Complicated business model. The payback period is long and uncertain, especially under different legal and national systems;
- **Technical and standards factors:** requires to coordinate the planning and operation of power systems in different countries, including grid code, electricity market design and dispatching, etc..

Major Challenges in promoting Cross Border Electricity Connectivity

- Difficulties in convincing multiple governments for cross border power connection;
- Conflicting interest by multiple countries in power **sales/purchase-energy as a strategic asset & not a tradable item;**
- Different technical standards – each country has its own grid standards;
- Low institutional capacity;
- Significant financing gap;
- Electricity Unit Price gap in local market between the neighboring Countries;
 - Unharmonized operational & regulatory framework or tariff structure
- Mechanism to manage & operate cross border electricity connectivity;
- Quantifying benefits of cross-border electricity connectivity (economic, social & environmental ;

Major Challenges in promoting Cross Border Electricity Connectivity

- Grid harmonization (as Different Grid Codes exist) for smooth power trade;
- Formulation of a Regulatory & Institutional Framework; Need for Regional Electricity Regulator
- Market Development for Cross Border Electricity Trade (CBET) in the region;
- Political mindset-view energy as a strategic/bargaining asset rather than a tradable commodity
- Lack of infrastructure;
- Financial Resource Constraints;
- Lack of Independent Dispute resolution mechanisms ;
- Build on the success of bilateral cooperation to move towards sub-regional and regional cooperation,

Common Challenges in accessing finance for Energy Investments

*Too big for some, too small for others; or too risky
a combination of factors*

unproven techniques

- developers/companies with limited track record in partner countries;*
- collateral not available-only future stream of income/revenue;*
- unbalanced capital structure (lack of enough equity)*
- flexible financing required*

As a result, many initiatives that have the potential to become financial sustainable do not take off, or come too slowly, to address the need for reliable, affordable, sustainable and modern energy

Investment Tools

- Large energy infrastructure projects (transmission, interconnectors, renewable energy generation) → **blending facilities**
- Blending is defined as:
- *The strategic use of a limited amount of grants to mobilise financing from partner Fis and private sector to enhance the development impact of investment projects;*
- Identify cross border bankable projects with large cross country externalities ideal for financing by multilateral institutions where multi-country cooperation would yield tangible benefits.

What India can offer to foster energy cooperation in the BIMSTEC

- Provide all partner countries, high quality expertise and support in:
 - policy advice
 - capacity building
 - identification of projects
 - mobilisation of funding
 - technology transfer
- Support crucial regulatory and policy reforms in partner countries' energy sectors
- Assist in the fine-tuning of policies to create a **conducive environment for private sector investments**

Cooperation in addressing the challenges

- A vital role in achieving energy security in a sustainable manner;
- Preparation of a model cross border power purchase agreement;
- Institutional capacity development;
- Enhancing technical capacity in building cross border power transmission lines

Building blocks in developing the regional energy cooperation

- Review of power consumption trend, mix, and projection for future demand growth;
- Assessment of the need for power trading;
- Review of government policies and plans for power trade;
- Analysis of institutional arrangements and their capacity;
- Review of available financing options and the size

Benefits of Cross -border Electricity connectivity

- Efficient utilization of resources;
- Economic benefits;
- Optimization of regional investment;
- Renewable energy uptake;
- Energy access improvement

Economic costs and benefits of interconnectors in BIMSTEC

- BIMSTEC is highly exposed to the effects of climate change, the contribution of power grid interconnection to mitigating climate change is of critical importance.
- Grid interconnection in South Asia can generate direct economic benefits for all participating countries through both exporting and importing electricity.
- For the hydropower-rich least developed countries (Bhutan and Nepal), power exports to their neighbours can generate stable long-term export revenue as well as fast-track their graduation from least developed country status.
- Larger countries such as India can diversify their generation base and lower overall power costs by utilizing cross-border generation.
- Large economy like India may benefit from interconnection that allows optimal exploitation of their wind and solar potential through energy balancing. Under an integrated grid, countries can be both energy producing and energy consuming at different times or seasons, depending on their energy supply and demand situations.

The benefit from energy trade is especially large

- Bhutan and Nepal are sitting on potential hydro resources of 263,000 & 773,000 MW respectively that could potentially generate at 10 % utilisation around 26,000 MW and 77,000 MW electricity respectively;
- Exploitation of this potential can unlock the energy constraints in India, Bangladesh & Myanmar.
- Myanmar and Nepal, the two poorest BIMSTEC countries will benefit tremendously as well from higher income from hydro-power
- Yet less than 1 percent is actually used due to lack of cooperation. Indeed without borders development of BIMSTEC hydro-power would be perhaps the highest return investment.

Improved availability , income & allocative efficiency through CBET

- One key advantage offered by cross border electricity trade (CBET) is the opportunity to exploit daily and seasonal variations in power demand and generation.
- In a sub regional power grid, inter-regional differences in daily load curves due to variations in time zone and seasonal power demand, differing urban-rural or industry demand patterns, and holidays are served with better supply management between surplus-deficit localities;
- Rationalisation of installed capacity-reduction in 35 GW of capacity for India;
- Net importers benefit through greater industrial output due to enhanced electricity supply, while benefits through growth in national income will accrue to exporting countries through export revenue.

Power exchange possibilities

Importing Countries	Exporting Countries	
	India	Bhutan
India		Hydropower export
Bhutan	Thermal power for dry season support	
Nepal	Thermal power for dry season support	Unlikely hydropower seasonally correlated
Bangladesh	Two interconnections in operation, 3 more planned	Hydropower export planned via India
Sri Lanka	Thermal power for dry season support	Unlikely

BIMSTEC: Status of Energy Connectivity

- Beside the power connectivity, energy connectivity also includes oil & gas pipeline connectivity.
- Given the huge investment, large project amount and complicated political factors in oil and gas pipeline connectivity, feasible option is to focus on the power connectivity at first in the BIMSTEC.

Major cross-border transmission developments towards a SAARC regional power grid

- **Bhutan India:** Bhutan signed a Framework Agreement with India in 2009, committing to develop 10000 MW of installed capacity in Bhutan by 2020 and import half of this. Grid reinforcement to evacuate power from various HEPs are in progress. About 1500 MW currently being imported. A string of 132kV, 220kV and 400kV lines in the Southwestern border regions of Bhutan are currently used to evacuate power from Tala, Chhukha, Kurichhu, Dagachhu and Punatsangchu HEPs towards the Silliguri-Alipurduar corridor in India. A 132kV single circuit DC line serves the Deothang – Rangia interconnection in the Southeastern b
- **Bangladesh India:** A 400kV, 30 km double-circuit HVDC line from Bheramara (Bangladesh) to Baharampur (India) and a 500 MW 400/230 KV back-to-back HVDC substation established in 2013. The link carries 500 MW of power in the short run and will subsequently have capacity of 1000 MW. Other bilateral connections are being planned including a 400kV DC line between Surjyamaninagar (India) and Comilla (Bangladesh) for transfer of 100MW from Palatana power project in Tripura, Indiaorder region.

Major cross-border transmission developments towards a SAARC regional power grid

- **Nepal-India:** About 12 interconnections through 11kV, 33kV and 132 kV lines connect the Southern Terai region of Nepal with bordering Indian states, enabling access to several existing and developing hydropower projects in Nepal. These include connections towards Bareilly (IND) from Karnali HEP, towards Gorakhpur (IND) from Marsyangdi HEP, and towards Muzaffarpur (IND) from Tamakoshi, Arun HEPs. Dhalkebar-Muzaffarpur 400kV line project is expected to add 1000 MW of cross-border transfer capability. An integrated Master Plan envisions power evacuation from about 280 hydropower projects in Nepal to India, totaling 45GW installed capacity, through high capacity cross border links. Upgradation of existing lines, along with construction of new lines are proposed in phased manner till 2035;
- **India_Sri Lanka:**The proposed India-Sri Lanka 400kV HVDC grid interconnection involves construction of a HVDC connection between Madurai (India) to Anuradhapura (Sri Lanka). The link has a proposed length of 387 km including 127 km of submarine cables with an initial capacity of 500 MW and has future potential of 1000 MW.

SAARC Framework Agreement for Energy Cooperation (Electricity)

- The SAARC Framework Agreement for Energy Cooperation (Electricity), signed at the 18th SAARC Summit, November 2014, was a major step towards developing a SAARC market for electricity, and laid the legal and regulatory foundations for the SAARC Power Grid.
- its preamble, the agreement recognizes: (a) the importance of electricity in promoting economic growth and improving the quality of life; (b) the common benefits of cross border electricity exchanges and trade; (c) the need for increased economic cooperation and creation of new opportunities in the electricity sector; and (d) the need to promote regional power trade, energy efficiency, energy conservation, and the development of labeling and standardization of appliances, and sharing of knowledge.
- The Framework Agreement contains guiding provisions for infrastructure building and management of cross border power interconnections, a transmission services agreement, electricity grid protection system, transmission access, trading arrangements including pricing and duty structure, and overall intergovernmental regulatory requirements. As the first step, the working details of the mandate for these provisions will have to be framed through further mutual consultations. The SAARC member States need to initiate the process for making necessary amendments to their national policies as well as existing laws and regulations.

Power interconnection: Choices

- Much of the activity in bilateral power interconnections is focused on the north-eastern corridor, mostly with regard to connections of new hydropower projects in Bhutan and Nepal with India and Bangladesh. The exchange of power may be two-way, based on seasonality.
- Power interconnection may be assisted by two areas of new technology
 - First, the emergence of new power generation technologies, notably wind and solar power, will supplement abundant hydropower resources;
 - However, despite their low cost, the locations with these resources may be distant from load centres, while solar and wind output also has daily and seasonal variations that need to be managed with other forms of generation or storage in order to meet demand.

Power interconnection: Choices

- The second type of technology that may support greater interconnection is high voltage direct current (HVDC) power transmission technology. Advances in the cost effectiveness of HVDC open up possibilities for longer distance power transmission;
 - For distances exceeding 600 kilometres (km), HVDC offers a more economical solution for power transmission compared to alternating current systems, and is preferred for submarine connections longer than 40 to 50 km.
 - Cross-border power interconnection is therefore a critical infrastructure for allowing renewable energy resources to be traded across borders.

Examples and Good practices in addressing the challenges

- Bangladesh imported 660MW electricity from India;
- Plan to import 6500 MW from India by 2030;
- Bangladesh-Bhutan--India tri nation 2000MW electricity imports talks started;
- Bhutan has huge power potential (30,000 MW) but largely run-off river type;
 - Bilateral electricity trade with India only;
 - Gross Total Energy export in 2016 was 5,763 GWh and Energy import was 87 GWh

Examples and Good practices

- Hydropower development pact between Bhutan and India for 5,000 MW signed in 2006;
- Protocol to 2006 Agreement- Accelerated hydropower development for 10,000 MW by 2020 signed in 2009;
- 400 kV (A/C) Dhalkebar-Muzaffarpur (first cross border) TL line between Nepal and India has been completed and is operational. Preparation is under way for the Second 400 kV (A/C) Butwal-Gorakhpur cross border TL
- BIMSTEC Trans Grid MoU to be signed in the near future (3rd BIMSTEC Energy Minister' Meeting);

India-Bhutan Transmission Connectivity

- 400 kV Tala-Siliguri (India) D/c;
- 400 kV Tala-Siliguri-LILOed at Malbase;
- 220 kV Chhukha-Birpara (India) D/c;
- 220 kV Chhukha-Malbase-Birpara S/c;
- 132 kV Gelephu-Salakati(India) S/c;
- 132 kV Motanga-Rangia (India) S/c;
- 33 kV S/Jongkhar-Tamalpur (ASEB);
- 11 kV Daifam-Udalguri (ASEB);
- 11 kV Samtse-Banarhat (WBSEB) ;
- 11 kV Sibsoo-Jaldhaka (WBSEB)

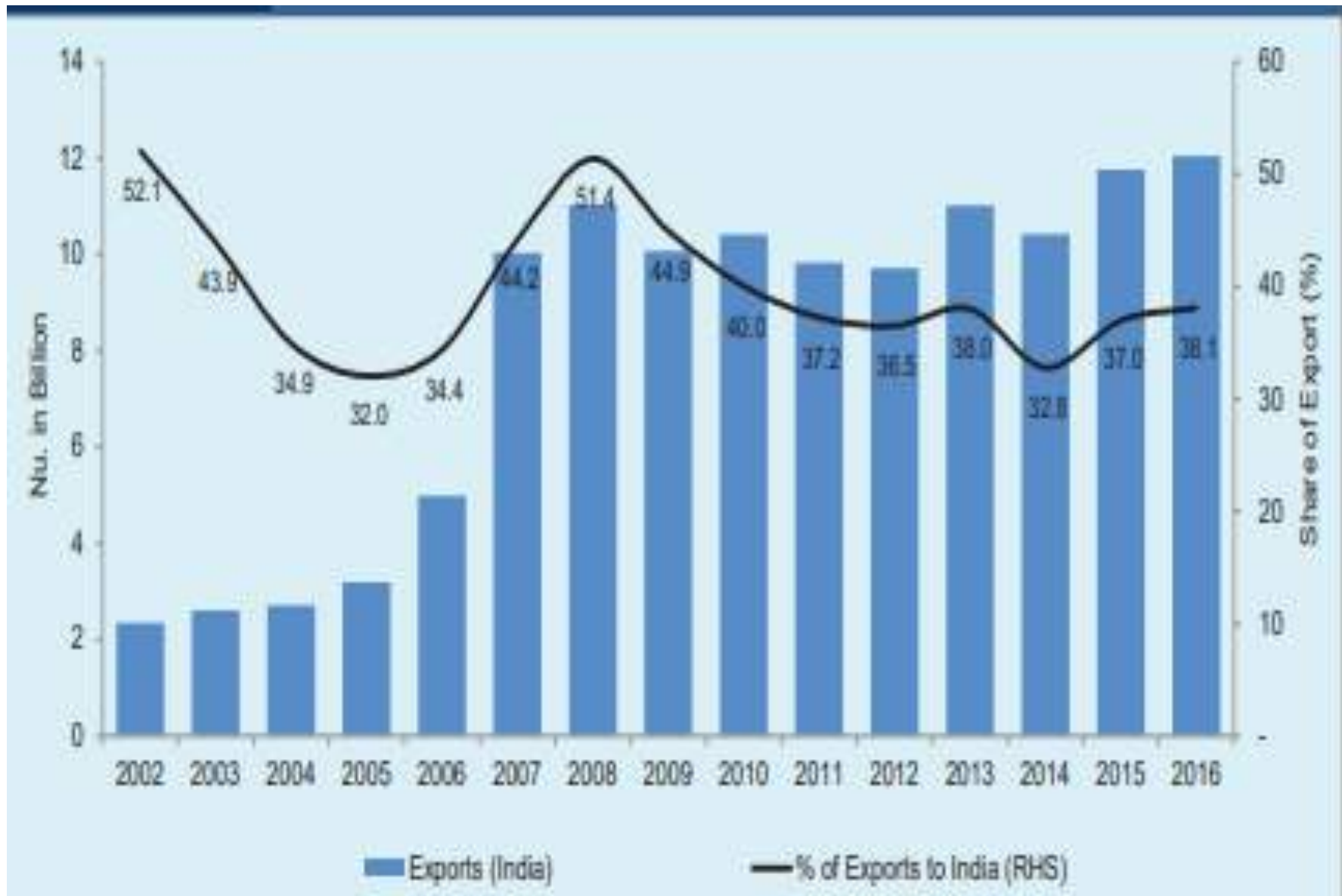
Progress in developing power grid integration

- In BIMSTEC, progress in developing power grid integration has been uneven:
 - Some progress has been made through bilateral interconnections and the ensuing power trade;
 - The power trading arrangements realized to date are between Nepal-India, Bhutan-India and India-Bangladesh;
 - In the near future, Bhutan-Bangladesh power trade will commence, using India as a transit country.
 - Often these interconnections have been built to connect new hydropower capacity to markets (Nepal and Bhutan to India).
 - Also transmission lines constructed to transmit energy from specific fossil fuel plants or to provide peak load support (as in the case of India to Bangladesh);
 - No electricity trade exists between India and Sri Lanka, a feasibility study has been completed for a submarine connection linking

Energy Exchange

- The exchange of power may be two-way, based on seasonality. For example, in addition to exporting to India in the wet season, Nepal has also benefitted from India's dry season support for its power grid.
- Power interconnection may be assisted by two areas of new technology. First, the emergence of new power generation technologies, notably wind and solar power,
- Solar and wind are emerging as the sources of lowest cost in new generation capacity:
 - Despite the low cost, the locations with these resources may be distant from load centres, while solar and wind output also has daily and seasonal variations that need to be managed with other forms of generation or storage in order to meet demand;
 - India will see the implementation of 60 GW of wind and 100 GW of solar power generation by 2022.
 - Renewable is affordable, it may not be applicable at utility scale in all BIMSTEC countries. For example, the rugged geography of Nepal and Bhutan as well as the pressure on land use in Bangladesh & Thailand prevent large-scale exploitation of wind and solar power generation.

Bhutan: Electricity Exports & Contribution



Bhutan: Production & earnings from existing hydropower projects

Sl.No	Unit	1988	2002	2005	2007	2012	2013	2014	2015	2016
Installed Capacity	MW	336	420	460	1,480	1,480	1,480	1,480	1,480	1,606
Production	Million Unit	1,470.50	2,162.62	2,499.25	6,397.35	6,810.73	7,536.50	7,147.35	7,735.27	7,942.39
CHP	Million Unit	1,470.50	1,802.80	1,831.26	1,788.06	1,744.54	1,910.11	1,797.95	1,867.40	1,931.01
KHP	Million Unit		228.88	366.22	379.71	380.93	378.60	368.03	381.89	383.97
BHP	Million Unit		130.94	301.77	310.72	299.78	333.20	306.34	312.75	328.67
THP	Million Unit				3,918.86	4,405.48	4,914.59	4,675.03	4,823.63	4,924.51
DHP	Million Unit					-		-	349.61	374.23
Export Earnings	Million Nu.	337.30	2,347.40	3,194.00	10,034.32	9,714.53	11,011.42	10,420.53	11,758.74	12,041.71
CHP	Million Nu.	337.30	1,983.10	2,665.03	3,749.14	3,215.28	3,597.91	3,682.02	3,973.16	4,563.64
KHP	Million Nu.		364.30	528.98	392.12	274.30	301.39	201.55	238.74	144.80
THP	Million Nu.		-		5,893.06	6,224.95	7,112.11	6,536.96	6,577.10	6,143.86
DHP	Million Nu.						-	-	969.74	1,189.42
Domestic Earnings	Million Nu.	9.10	246.75	586.50	960.03	763.28	1,091.79	1,994.47	1,969.05	1,987.72
CHP	Million Nu.	9.10	149.46	243.15	58.71	54.27	129.86	264.94	290.61	568.17
KHP	Million Nu.		6.21	17.95	131.14	196.66	204.00	390.85	356.77	198.12
BHP	Million Nu.		91.08	325.39	372.87	356.49	410.59	406.47	429.90	450.73
THP	Million Nu.				397.32	155.87	347.34	932.22	891.77	770.69
Exports Tariff										
CHP	Nu./kWh	0.24	1.50	2.00	2.00	2.00	2.25	2.25	2.25	2.25
KHP	Nu./kWh		1.75	1.75	1.80	1.98	1.98	1.98	1.98	2.12
THP	Nu./kWh		-	-	1.80	1.98	1.98	1.98	1.98	2.12
DHP	Nu./kWh									2.96

Note: Export tariff for KHP and THP was revised to Nu.2.12/unit with effect from December 1, 2016

Prospects of Power trading

- India is importing around 1,450MW from Bhutan & exporting around 500MW to Bangladesh and 300MW to Nepal.
- Informed estimates point towards greater possibilities of trade by 2036, with India importing more from Bhutan and Nepal and exporting around 2,000MW to Bangladesh and 1,000MW to Sri Lanka.
- Need for creation of a uniform framework for cross border trade.
- At present, the cross-border transactions in electricity between India and the neighbouring countries of Bhutan, Bangladesh, Nepal and Myanmar are taking place essentially through long-term, medium-term and short-term contracts under bilateral memorandum of understanding (MoU)/power trade agreements (PTA).

Sample national power supply and distribution efficiency target

- **Bangladesh:** Reduce system loss from 13 per cent (Seventh Five Year Plan FY2016 – FY2020 “Accelerating Growth, Empowering Citizens)
- **China:** Average coal consumption per kilowatt-hour is kept below 310 grams in existing power plants and below 300 grams in new power plants. Total energy consumption will stay below five billion metric tons of standard coal to 9 per cent (The 13th Five-Year Plan For economic and social development of the People’s Republic of China (2016-2020)).
- **India:** Reduce losses to 15 per cent (Committee on Energy statement);
- **Sri Lanka:** Reduce the technical and commercial losses of the electricity transmission and distribution network from 11 per cent to 8 per cent by 2020 (Sri Lanka Energy Sector Development Plan for a Knowledge-based Economy 2015-2025).

Global Initiatives for Green Energy

- The Paris Agreement's central aim is to strengthen the global response to the threat of climate change by “holding the increase in the global average temperature to well below 2 degrees Celsius above pre-industrial levels and pursue efforts to limit the temperature increase to 1.5 degrees Celsius.” The Agreement also aims to make “finance flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development.” According to the Agreement, countries shall publicly outline nationally determined contributions (NDCs) that they intend to achieve for reductions in greenhouse gas emissions. The Paris Agreement was agreed by 197 Parties during the 21st Conference of the Parties (COP 21) of the UN Framework Convention on Climate Change in Paris in December 2015, and entered into force in November 2016.

Global Initiatives for Green Energy

- **The Sustainable Energy for All (SEforALL)** initiative, launched by the UN Secretary-General Ban Ki-moon in September 2011, has three objectives it seeks to meet by 2030: ensure universal access to modern energy services; double the share of renewable energy in the global energy mix; and double the global rate of improvement in energy efficiency. The initiative was launched to coincide with the UN General Assembly Resolution 65/151 of 20 December 2010 that declared 2012 the International Year of Sustainable Energy for All.
- **The 2030 Agenda for Sustainable Development** is a set of 17 aspirational “Sustainable Development Goals” with 169 targets, developed under UN auspices and involving 193 UN Member States and global civil society. The goals are contained in paragraph 54 of the UN General Assembly Resolution A/RES/70/1 of 25 September 2015. One of those goals, Sustainable Development Goal 7 (SDG 7), calls for ensuring access to affordable, reliable, sustainable and modern energy for all by 2030

Functions of Adjudicatory Board

- <https://www.sp.edu.sg/ymac/documents/InfoRevised/Issue3-RenewableEnergy.pdf>
- [https://www.sadc.int/files/1514/7496/8401/SADC Energy Monitor 2016.pdf](https://www.sadc.int/files/1514/7496/8401/SADC_Energy_Monitor_2016.pdf)
- <http://www.mrcmekong.org/assets/Publications/conference/MRC-intl-conf-publ-2014.pdf>
- http://unctad.org/en/docs/itcdtsb9_en.pdf
- <http://www.irade.org/Bhutan%20Working%20Paper.pdf>
- Developing a Regional Roadmap on Energy Connectivity
- http://www.unescap.org/sites/default/files/Raod%20map_Re2%20Developing%200a%20Regional%20Roadmap%20on%20Energy%20Connectivity_Mr.Rao_.pdf
- Google
- <https://www.google.co.in/search?q=challenges+in+energy+cooperation+ppt&dcr=0&ei=GcLWWvGKI4PyvATq3Z6ACw&start=100&sa=N&biw=1366&bih=613>
- http://www.unescap.org/sites/default/files/Integrating%20South%20Asia%E2%80%99s%20Power%20Grid%20for%20a%20Sustainable%20and%20Low%20Carbon%20Future_WEB.pdf

THANK YOU

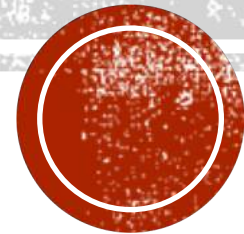
**DPG Regional Conference
on Advancing BIMSTEC
Cooperation, New Delhi,
April 26-27, 2018**

**Presentation by Ms. Lydia Powell,
Head, Centre for Research
Management, Observer Research
Foundation**

ARE TECHNO-ECONOMIC RATIONALITIES SUFFICIENT TO DRIVE ENERGY COOPERATION?

Advancing BIMSTEC Cooperation, Delhi Policy Group

New Delhi, 26 April 2018



APPEAL TO MARKETS

- **Primary energy resource complementarities**
 - E.g., Hydro power in Nepal and Natural Gas in Myanmar
- **Demand complementarity**
 - E.g., Climatic, seasonal, spatial, temporal, commercial
- **Economies of scale**
 - E.g., Transmission or transportation network (regional gas grid/electricity grid etc)
- **Market response inadequate despite projected expansion of market size, gains in efficiency and prospects for cost reduction**
 - Market failure to promote energy security through regional integration (risk exceeds benefits)
- **Strategic and intellectual drivers necessary for co-operation(e.g. European Coal & Steel Community)**



CLEAN ENERGY MAY ALTER BALANCE OF POWER

- Electricity is the vector of clean energy
- Hard to monopolise renewable resources
- Will reward cooperation more than traditional resources (intermittency, complementarity)
- Demand rather than supply will drive choice
 - Consumers as controllers of the quality and quantity of electricity flows will matter more than the producers of energy
 - As the dominant holder of grid capacity as well as electricity demand India could potentially control regional grid with adequate balancing and storage capacity



CONCEPTUAL ISSUES

- Techno-economic logic highlights benefits of cooperation but sovereignty/territorialism looks at risks and uncertainties
- **Rephrased:** Capitalism (markets or commerce) has an uneasy relationship with borders but sovereign power requires borders for its perpetuation
- **Rephrased:** Regions (Integrated economic spaces) are bad masters (power/sovereignty) but good slaves (markets/capital)
- **Dani Rodik's Trilemma:** Capitalism (Globalisation/regionalisation), Democracy and Sovereignty cannot co-exist
- Thank you



**DPG Regional Conference
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**Abstract of Presentation by Dr.
Chandan Mahanta, Professor, Indian
Institute of Technology, Guwahati**

Dr. Chandan Mahanta

Dr. Chandan Mahanta began by identifying technical and R&D issues as obstacles to the issue of stalled hydropower projects. Thus, he called for a BIMSTEC R&D initiative. He mentioned the importance of SDZs and the opportunities of development it presents for north-east India. He said, that owing to culture and environment, India's northeast is closer to Southeast Asian countries than it is to South Asia, thus he called for the development of a regional environmental management model. He further mentioned that despite the wealth of resources in the region, the problem is that the BIMSTEC member nations are exploiting the resources, instead of building sustainability around the existing resources.

He stressed the urgent need to inspect the hydro-disastrous situation in the region which is making all other initiatives futile. He mentioned that a lot of financial and infrastructural investment that goes into environmental upgradation, initially looks like a loss but can reach break-even in a decade and can eventually deliver profit. He called for integrating social costs of environmental developmental activities in a way that they are materialized, recognized and eventually converted into economic sense. He also emphasized that the sustainable development model does not only imply long-term sustainability but also the importance of sustainable happiness.

As an example, to stress the importance of application of appropriate knowledge, prudence, pragmatism and adherence of morality into sustainability models, Dr. Mahanta took the example of the construction of India's longest bridge, the Dholasadiya bridge to highlight the negative impacts of infrastructural development. Due to the construction, Sadiya suddenly became a tourist attraction and people started visiting it. But, the largely small and remote hamlets across the bridge were devastated by the onslaught of people as it did not have the capacity to either accommodate the crowd, or vehicle parking options. Infrastructure wise the bridge lacks night lighting, toilet-facility among others. So, infrastructure development is a lot more than just construction of a road or a bridge. There is a need of sensitivity about infrastructure development.

Dr. Mahanta called for a 'bio-regional model' for the BIMSTEC region. He talked about the cultural similarities between India's north-east and the peripheral BIMSTEC regions and the potential this connectivity bears for local economy, employment, and trading. He said that the bio-regional model is also relevant due to its relevance for local enterprise. Dr. Mahanta introduced the idea of environmental labelling to integrate sustainability into trade. He took the example of Assam Tea which, being from a very pristine environment, can be repositioned using the sustainability angle, to increase the value of the product in markets like Europe. He also called for a 'regional environmental information system' to look at regional environment management and its sustainability aspect. Importance should be given to occupancy, utility and the creation of vibrant economic activity to create an economic corridor along the connectivity channels.

**DPG Regional Conference
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**Abstract of Presentation by Dr.
Smruti S. Pattanaik, Research
Fellow, Institute for Defence Studies
and Analyses**

Smruti S. Patnaik
Research Fellow, IDSA

She focused on the crucial issue of ‘water sharing’ amongst the BIMSTEC countries and its associated issues, like the supply of drinking water, poor sanitation standards, production of hydro-electricity etc. She discussed the disputes between BIMSTEC countries concerning water-sharing even though there were enough water resources in the region. Further, she mentioned that agriculture was the backbone of the BIMSTEC economy and had direct stakes in water-related issues. Dr Patnaik identified drinking water and sanitation as matters of health and survival and thereby crucial to discussions about non-traditional security and the other 14 BIMSTEC identified sectors.

She particularly focused on the escalating issue of river water pollution across the region and the problems it posed for people directly dependent on rivers for drinking water and agriculture. Expressing concern over the general apathy in the region concerning matters of water and environment, Ms. Patnaik pondered the possibility of a standardized framework to tackle industrial pollution, with strict parameters for the treatment of industrial effluent that is released into rivers. Acknowledging the existence of some domestic laws in each country, she spoke of the need for an overarching BIMSTEC law backed by a BIMSTEC fund for conservation and biodiversity issues. She suggested the inclusion of certain enforced standards for river water quality and industries functioning next to rivers. Ms. Patnaik was of the opinion that the key to establishing such a framework is through the harmonization of domestic laws, the overarching water and environment laws.

**DPG Regional Conference
on Advancing BIMSTEC
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April 26-27, 2018**

**Presentation by Ms. Aayushi
Awasthy, Associate Fellow, TERI**

Modelling Mid century strategy



Creating Innovative
Solutions for a
Sustainable Future

Aayushi Awasthy
Associate Fellow
Earth Science and Climate Change division
TERI

The process of INDC decision making

- Modelling group was setup, tendering process
 - Uniform assumptions were taken for all the models
 - GDP and population
 - Scenarios were developed
 - Organizations:
 - » TERI – Energy system model
 - » IRaDe – I-O based model
 - » IEG – CGE model
 - NITI Aayog joined in and recalibrated IESS 2047
- Working groups were formed within different ministries
 - » Sub group on steel
 - » Sub group on transport
 - » Sub group on power
- Bi-lateral consultation
 - » MSME, Industry groups
 - » Individual experts



Creating Innovative
Solutions for a
Sustainable Future

Process for the mid century strategy

➤ Modelling group (tendering process)

- Expert group has been set-up
- assumptions and scenarios
 - » TERI
 - » Center for Science, Technology, Environment and Policy
 - » Observer Research Foundation



Creating Innovative
Solutions for a
Sustainable Future

Results from Project: CD-LINKS*

- Linking Climate and Development Policies- Leveraging International Networks and Knowledge Sharing
- Objectives:
 - To explore national and global transformative strategies for climate change
 - To synergize climate actions with Sustainable Development Goals (SDGs)
 - To develop coherent national and global low carbon development pathways

*This project has received funding from the EU horizon 2020 grant



Creating Innovative
Solutions for a
Sustainable Future



Scenario Description

- No Policy Scenario: Counterfactual scenario to chart the development path in the absence of climate policies
- National Policies Implemented (NPi): Scenario representing climate policies rolled out till 2016
- INDC: Scenario representing all climate policies and targets formulated in India's INDC submission
- INDC-high: Scenario incorporating additional climate and development strategies beyond NDCs
- INDC-low: Scenario depicting deep decarbonization development pathway towards a WB2DC world
- NPi-high: Early action scenario pertaining to mid century strategies beyond NDCs
- NPi-low: Early action scenario for deep decarbonization development pathway towards a WB2DC world



Creating Innovative
Solutions for a
Sustainable Future



Carbon Budgets (Bt CO₂)

Scenarios	Global Models	India MARKAL
No Policy	108 - 153	282
NPi	99 - 147	251
NPi-high	37 - 114	212
NPi-low	25 - 86	191
INDC	88 - 136	227
INDC-high	88 - 117	211
INDC-low	32 - 91	187

National model budgets are higher than global models because:

India MARKAL assumes aspirational growth rate (7.8%)- higher than global models

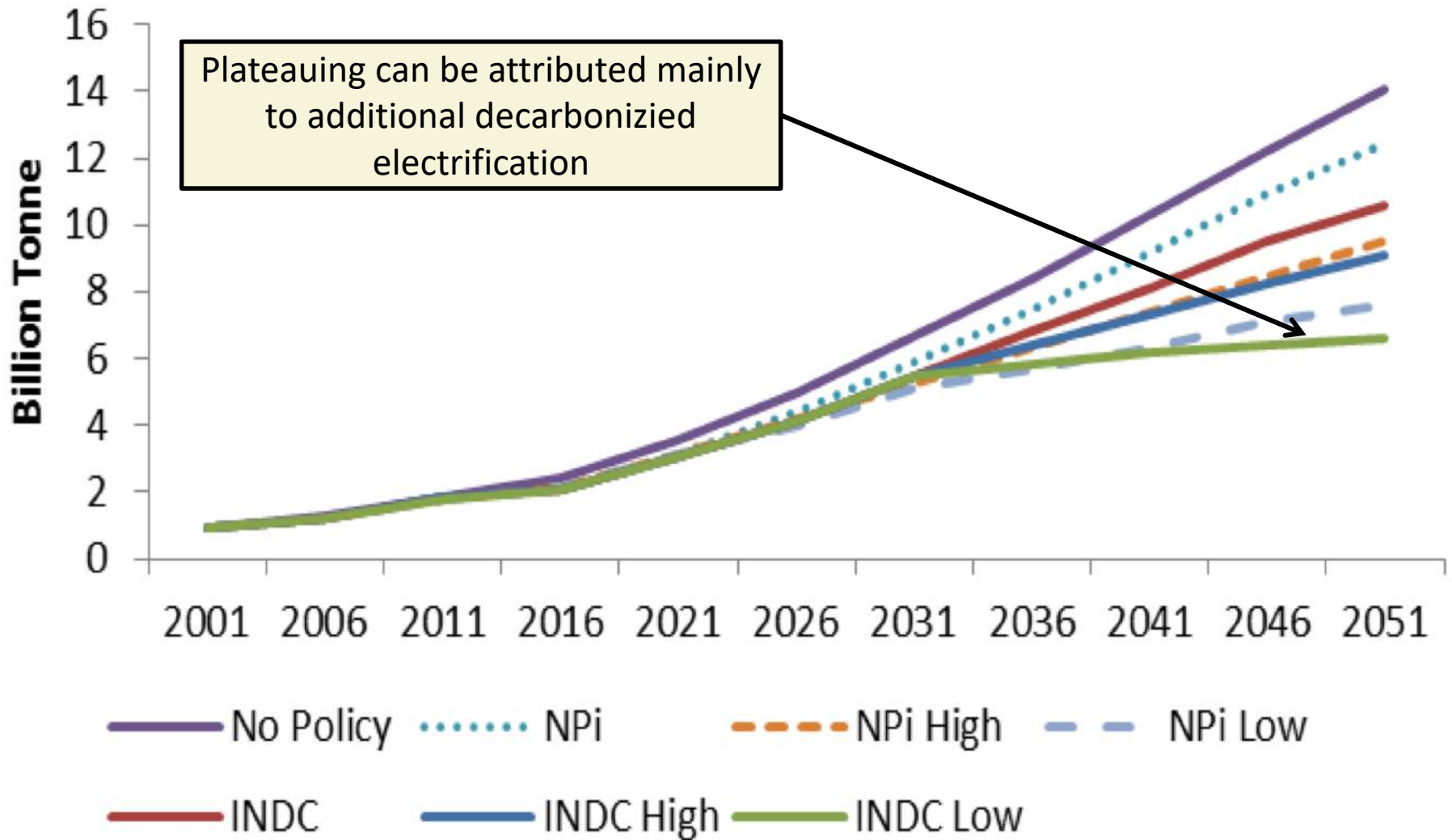
Inter-temporal & Inter-regional optimisation in global models shifts bulk of mitigation actions to developing countries



Creating Innovative Solutions for a Sustainable Future



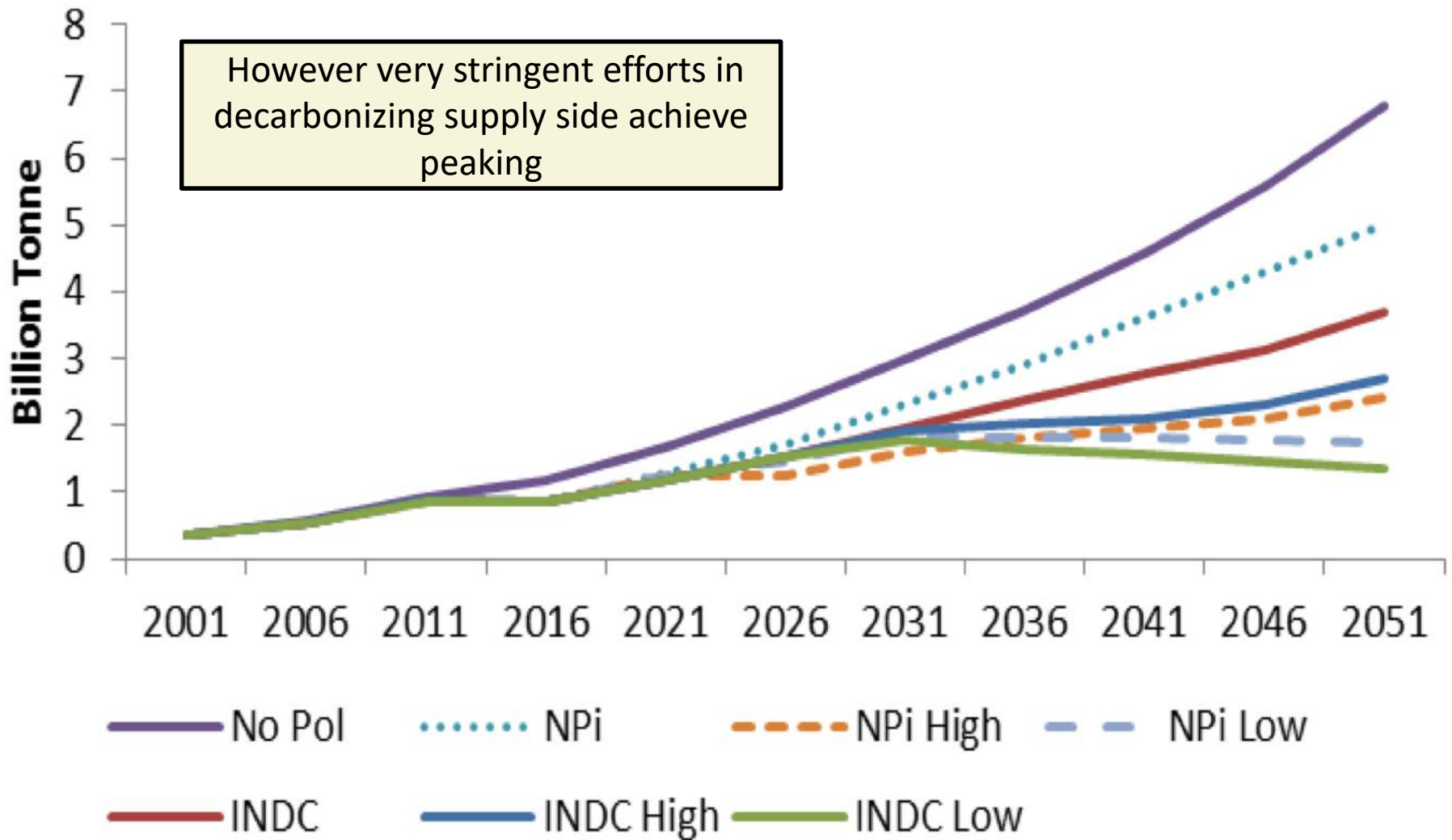
CO₂ Emissions (Total)



Solutions for a Sustainable Future



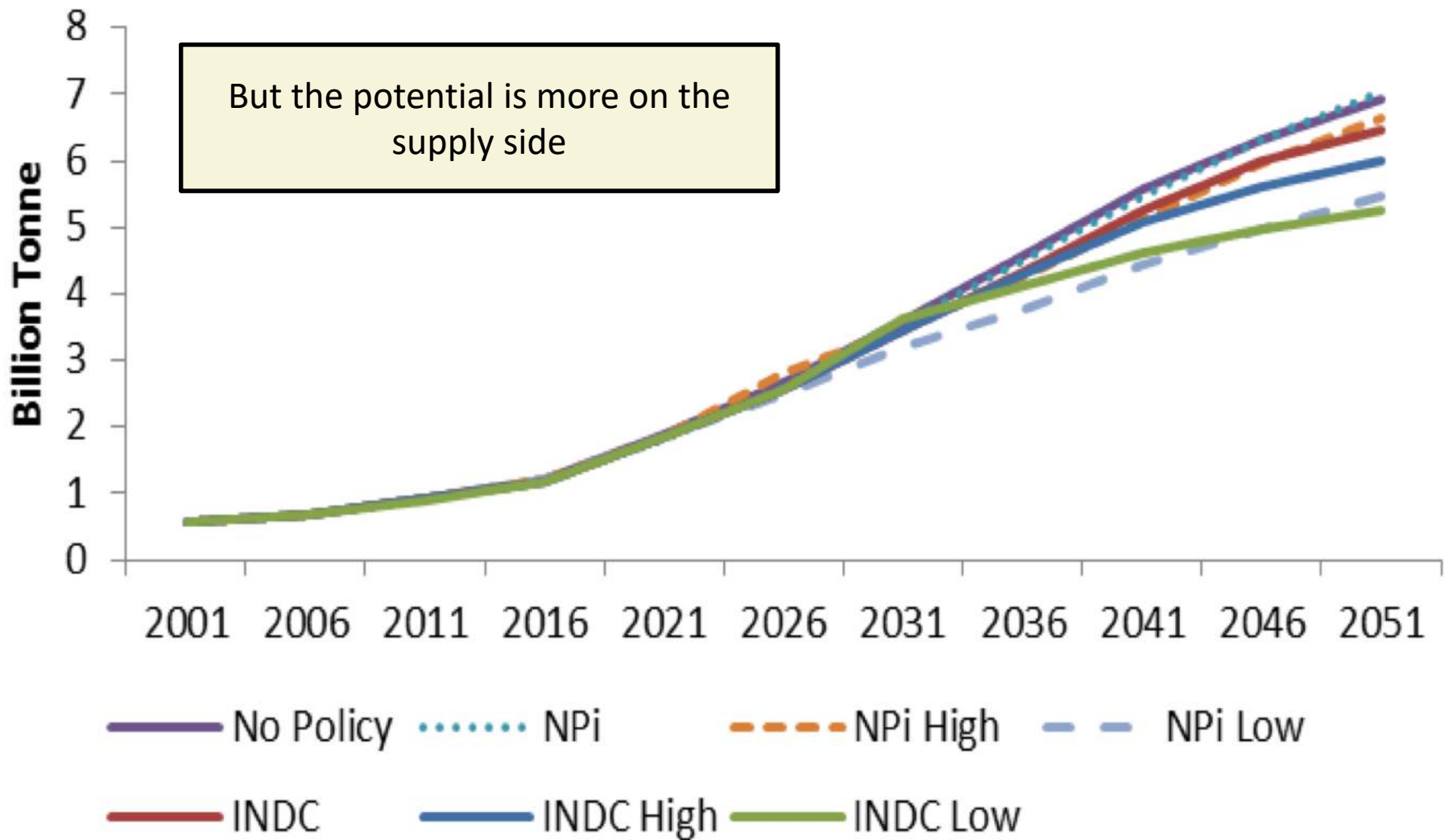
CO₂ Emissions (Supply)



Solutions for a Sustainable Future



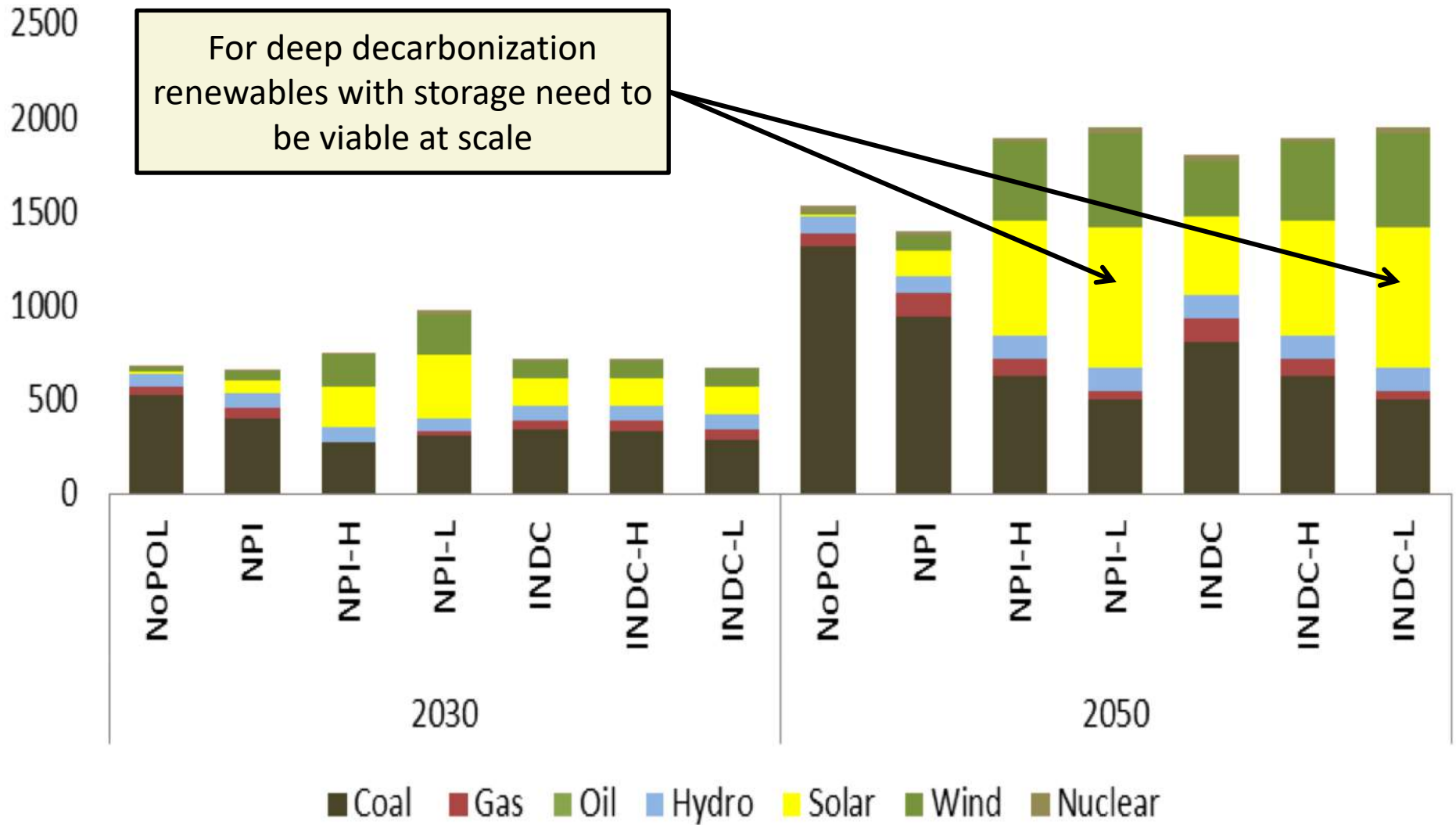
CO₂ Emissions (Demand)



Solutions for a Sustainable Future



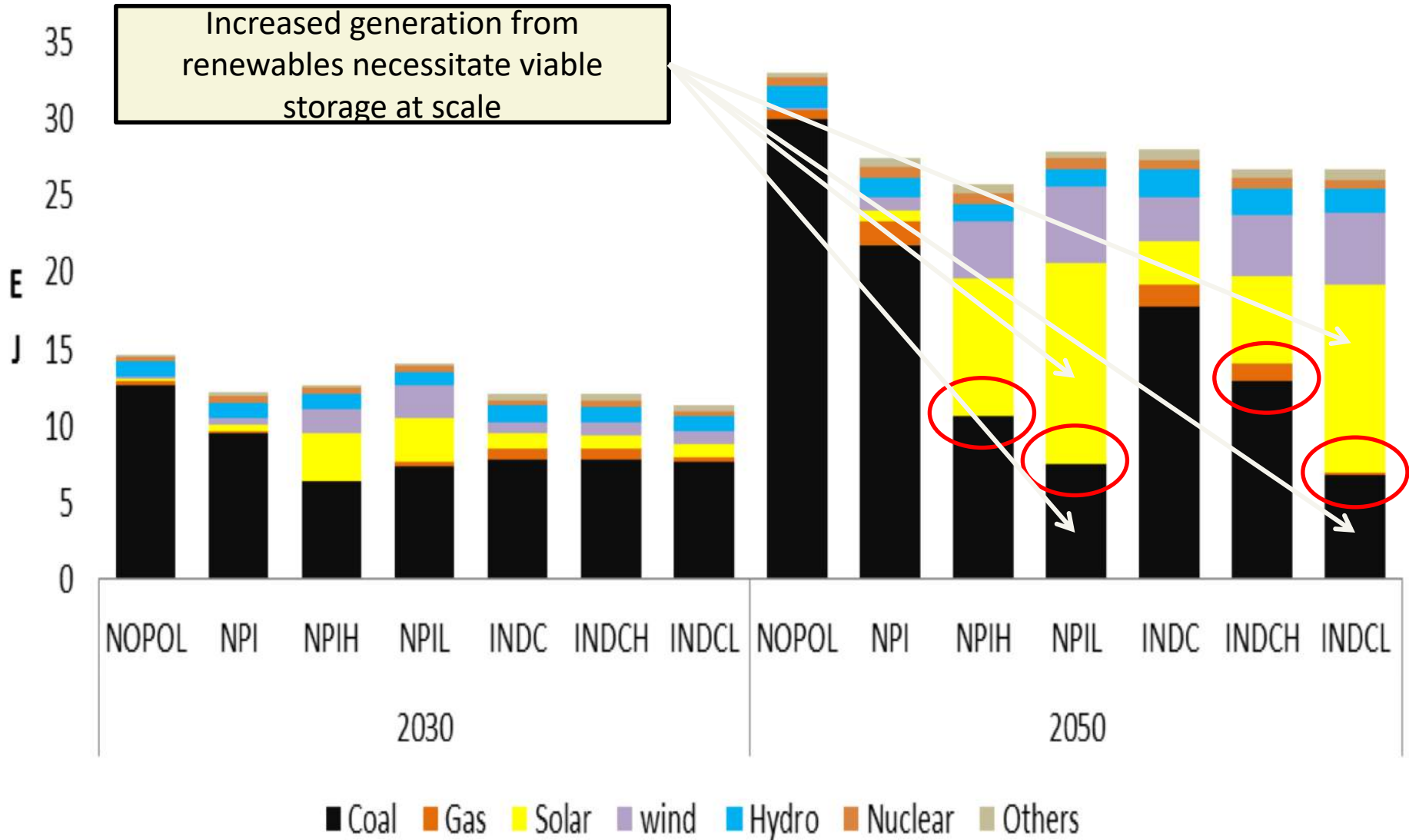
Power generation capacity, GW



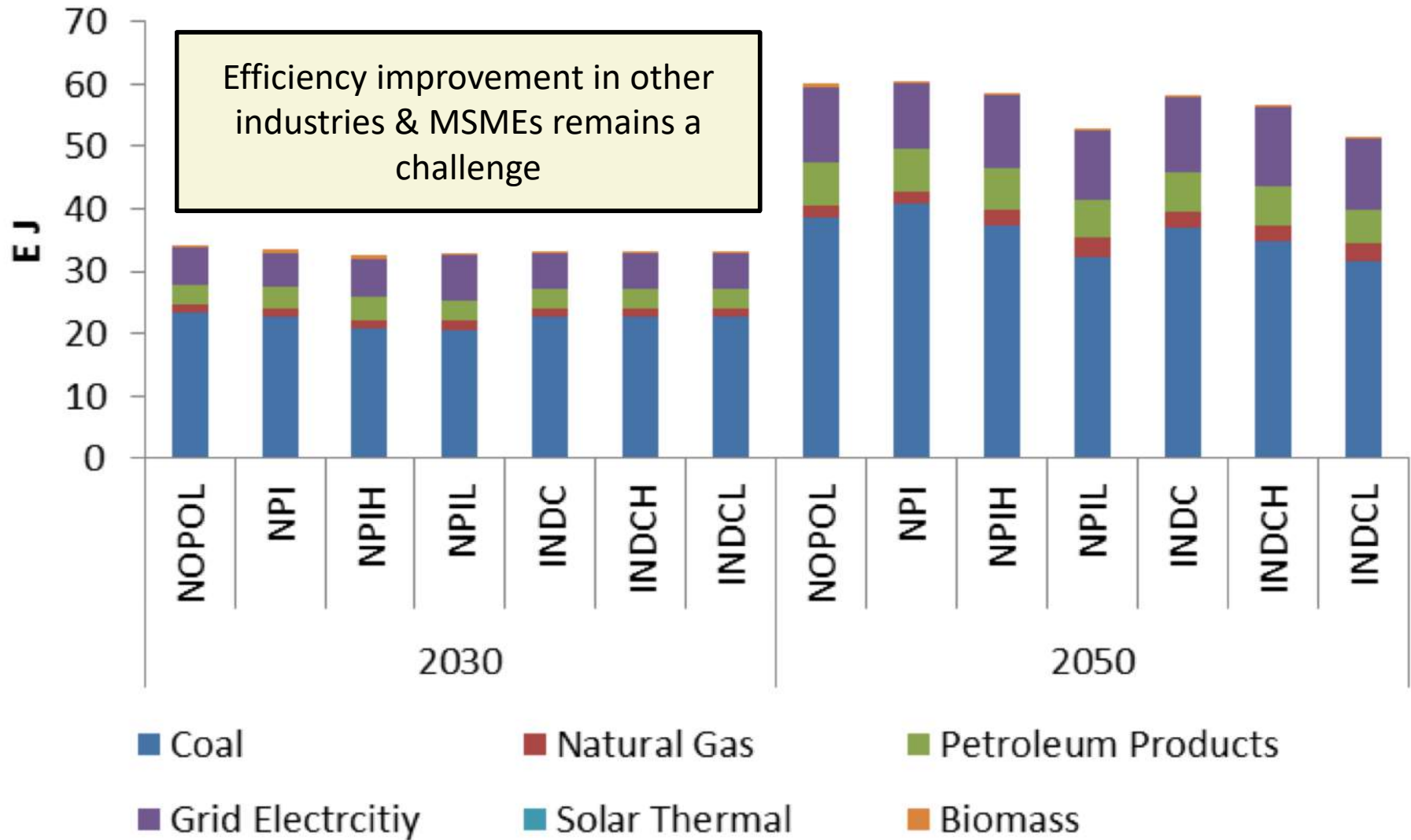
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Power generation, EJ



Final Energy: Industry

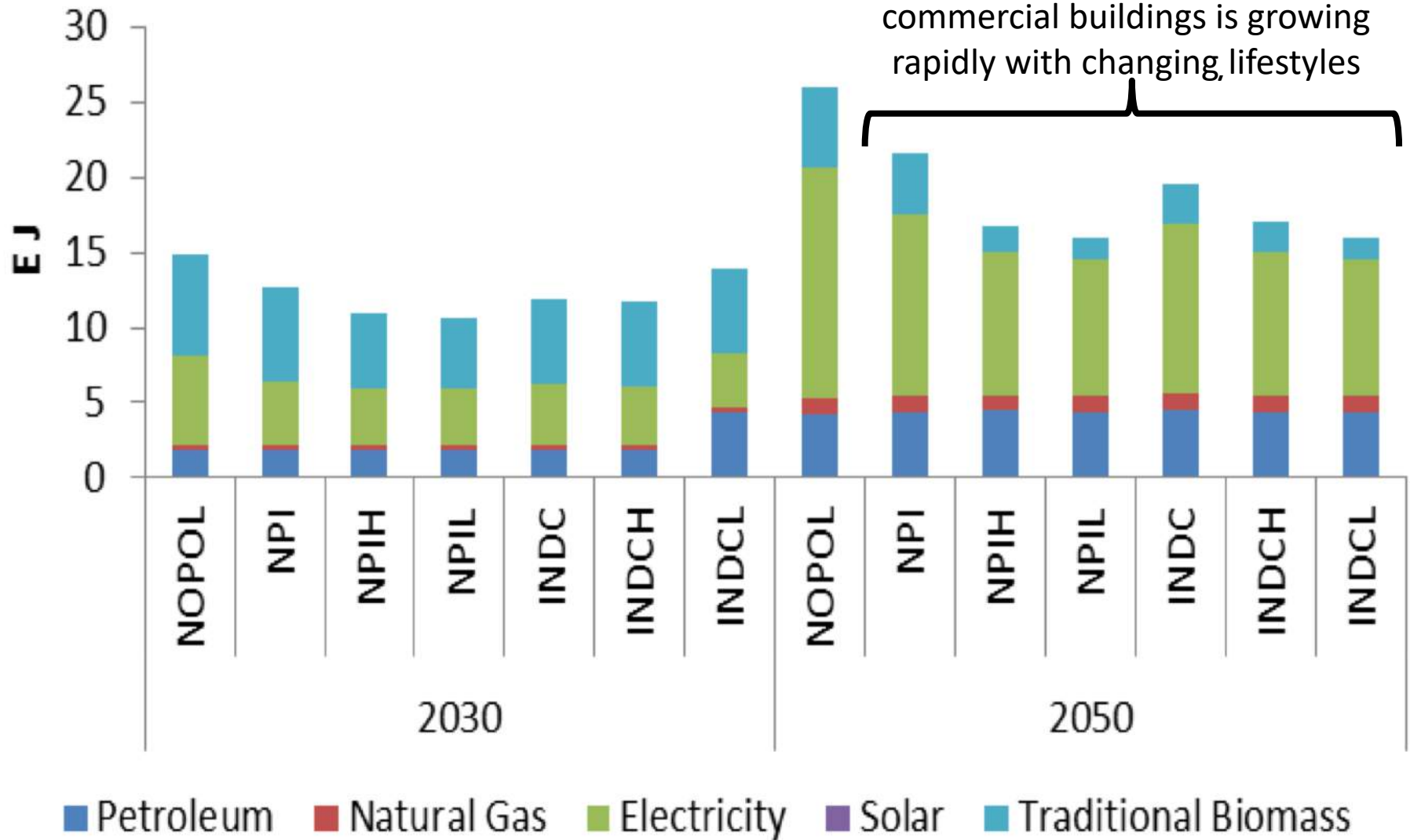


Creating Innovative Solutions for a Sustainable Future

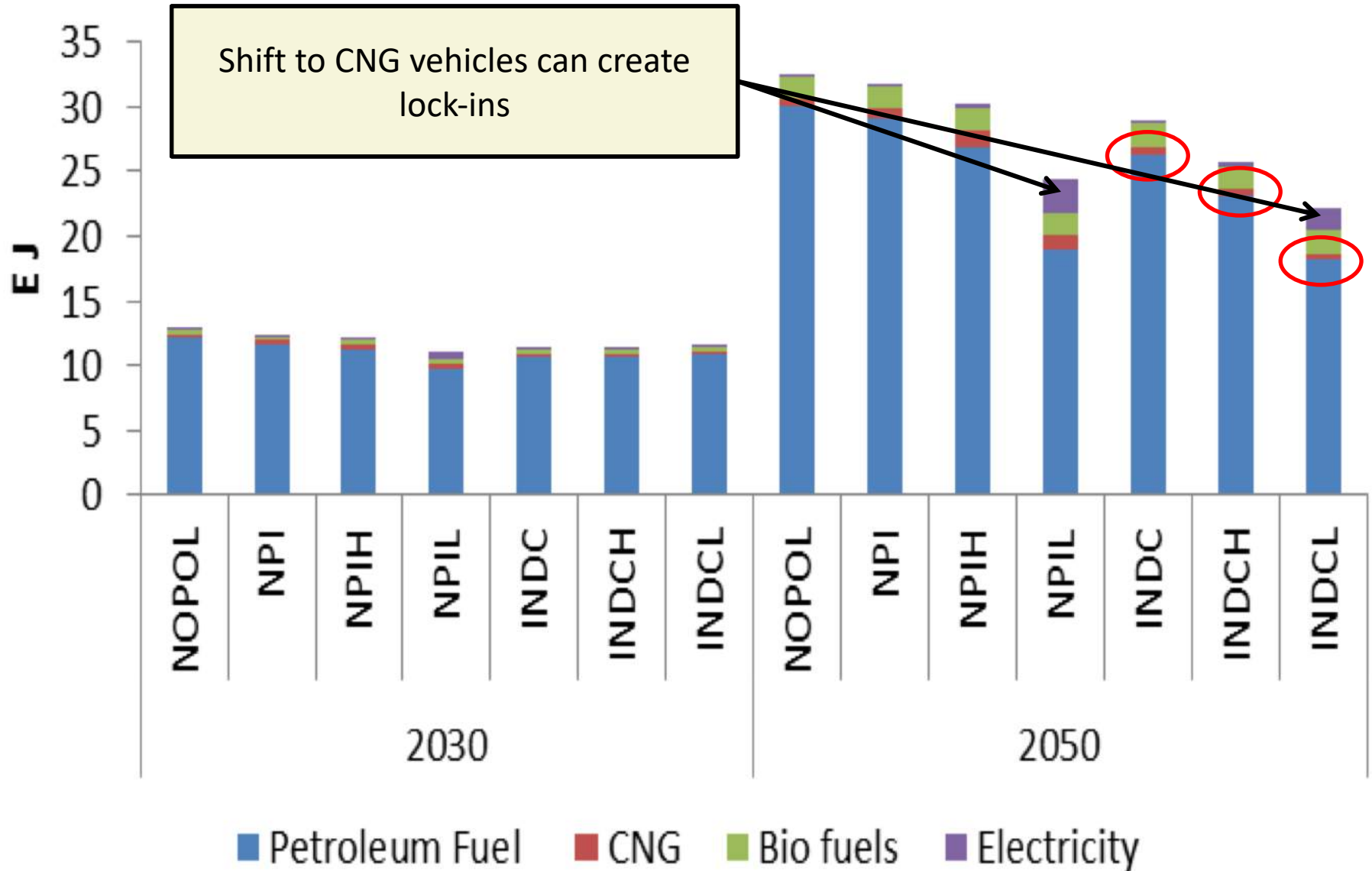


Final Energy: Residential & Commercial

But electricity demand in commercial buildings is growing rapidly with changing lifestyles



Final Energy: Transport



Key Takeaways

Decarbonized electrification across end-uses must for deep decarbonization in India

Transformative & behavioural changes like electric cooking & elimination of secondary market

Need for efficient management of existing fossil based capacities and preventing lock-ins

Major infrastructure requirements for reliable grids, sustainable cities, charging station for EVs etc.

Innovative strategies & business models necessary to realise such transformations



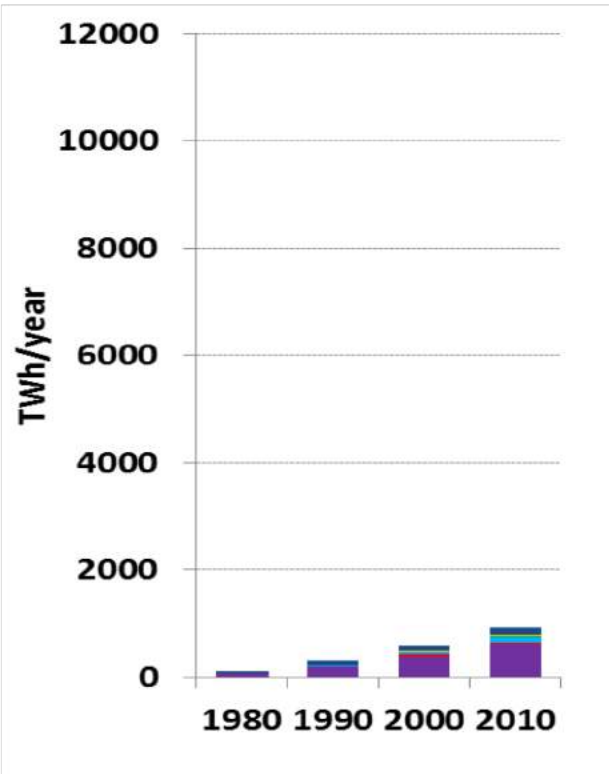
A note on co-benefits



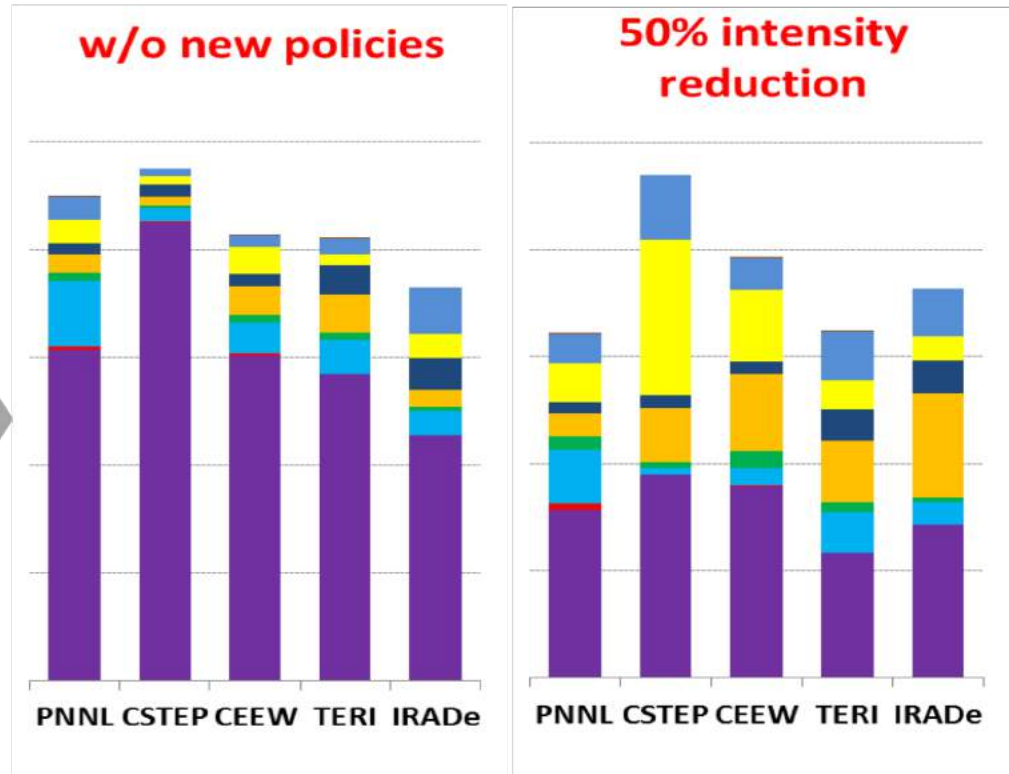
Creating Innovative
Solutions for a
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Water-Energy Nexus

Historical electricity generation

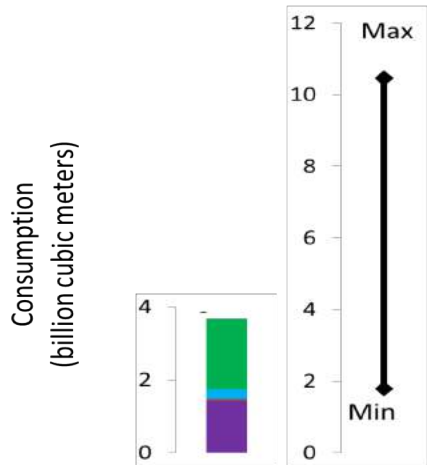
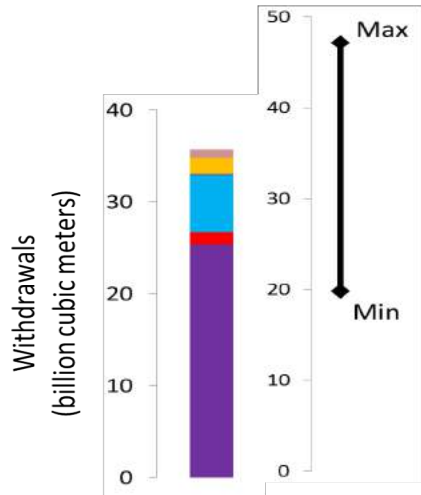


Electricity generation in 2050



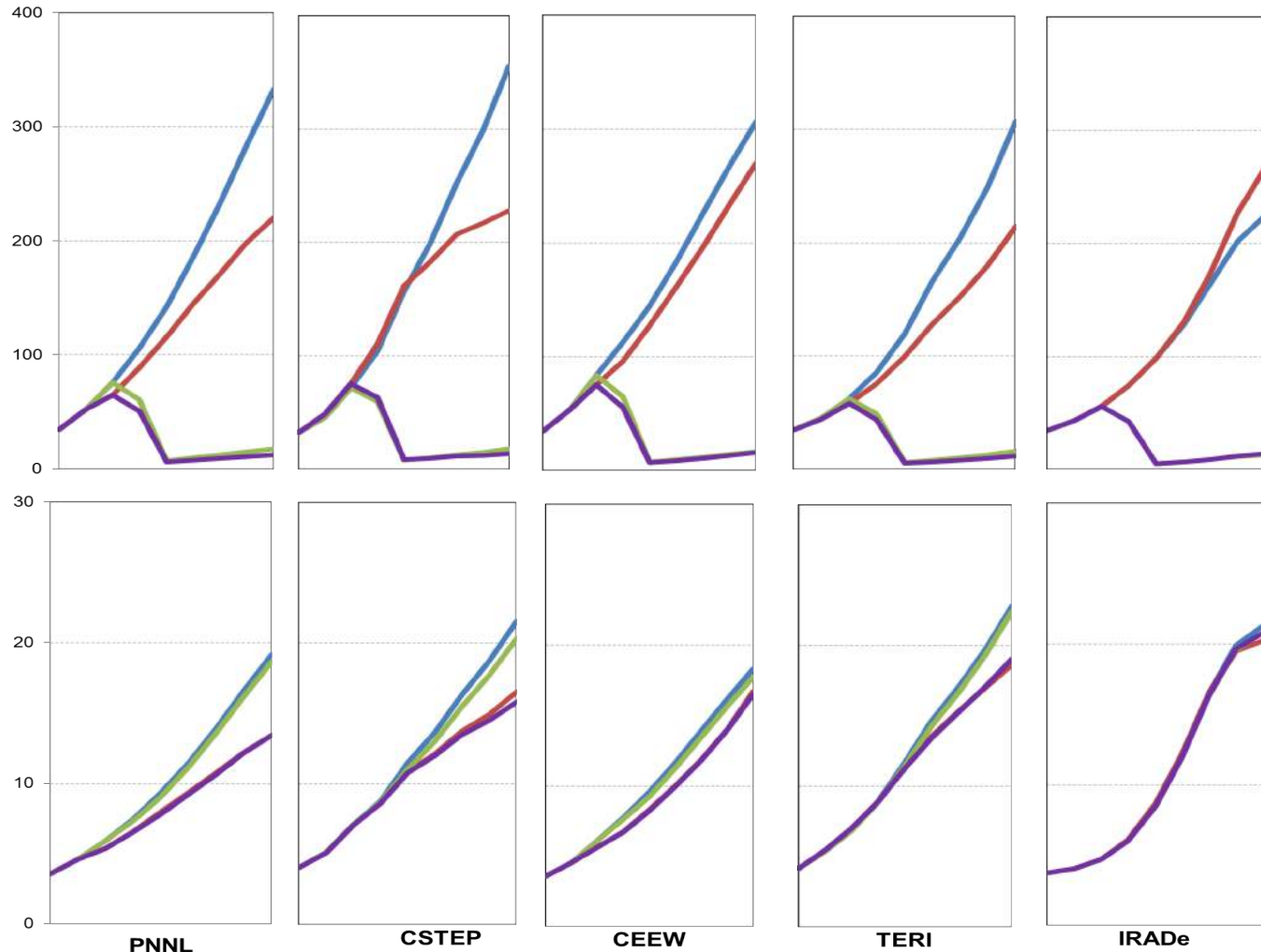
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Estimated withdrawals and consumption in 2010



■ Coal ■ Oil ■ Gas
■ Nuclear ■ Hydro

Projected water withdrawals and consumption from 2010 through 2050



— No New Policies — 50% Intensity Reduction — Cooling Water Policies — Combined Policies



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CO-benefits of mitigation

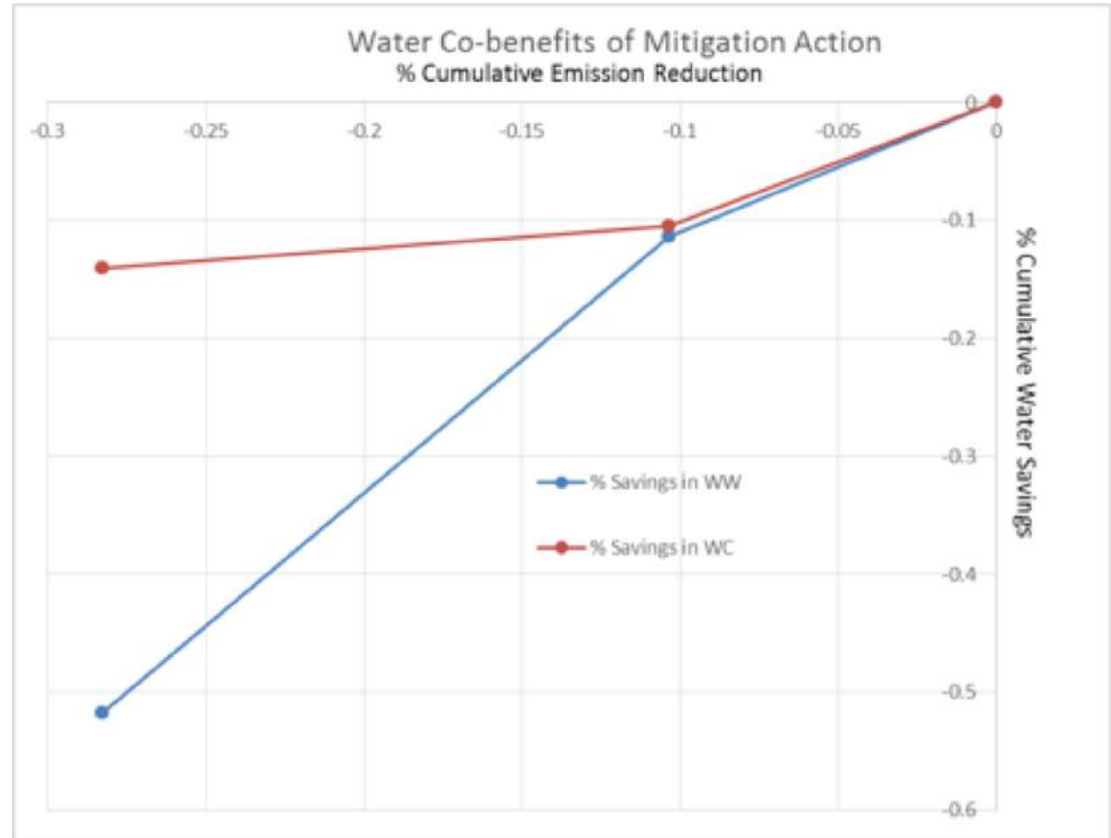
Mitigation Water Saving

As compared to Reference Scenario

- Mitigation Scenario : Fall of 16% WW, 10% WC
- Ambition Scenario: Fall of 84% WW, 20 % WC

Emission Reduction Co-benefits:

- 10% cumulative (2011-2051) CO2 reduction : ~11% cumulative WW and a 10% cumulative WC reduction.
- 28% cumulative CO2 reduction: ~51% cumulative WWI and ~14% cumulative WC reduction, respectively.



Creating Innovative
Solutions for a
Sustainable Future

Thank you

aayushi.awasthy@teri.res.in



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**DPG Regional Conference
on Advancing BIMSTEC
Cooperation, New Delhi,
April 26-27, 2018**

**Abstract of Presentation by Mr.
Thuta Aung, CEO, HamsaHub
Consulting, Myanmar**

Thuta Aung
CEO, HamsaHub Consulting

Mr. Thuta Aung began by talking of the disparate effects of climate change between city dwellers and rural farmers, pointing out that the former is less affected than the latter. He identified India's insurance system in agriculture and Myanmar's high smartphone penetration as two sectors whose models if integrated, could be used specifically to target climate change-hit farmers. Mr. Aung concluded by calling for cooperation in connecting innovations to better tackle the effects of climate change on the disadvantaged sections of society.

Session 4:
People to People
Connectivity through Multi-
sectoral Engagement

**DPG Regional Conference
on Advancing BIMSTEC
Cooperation, New Delhi,
April 26-27, 2018**

**Abstract of Chair's Remarks by Mr.
Sabyasachi Dutta, Director, Asian
Confluence**

Sabyasachi Dutta
Director, Asian Confluence

Mr. Dutta explained that the 'Implementation' of agreements, plans and treaties will only come through once trust is established between the people of the region, be it at the community level, the institutional level or cross-border. While action-plans and framework are being designed by the governments according to geo-politics and geo-economics, they have to be nurtured by the bonds of heart and mind.

He further mentioned that as the BIMSTEC region enjoyed a unique geography, a one stretching from the mountains to the sea, the countries in the region had their own set of dependencies. Every nation in the region was dependent on another whether for disaster management, livelihood opportunities and sustainability, management of natural resources and pollution and garbage control from higher altitudes to the sea. In such an integrated economy, it is essential for people to talk to each other. The common ecology and a common history will reinforce the movement of people around the region, coupled with a growing tourism industry.

**DPG Regional Conference
on Advancing BIMSTEC
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April 26-27, 2018**

**Abstract of Presentation by Dr. K.
Yhome, Senior Fellow, Observer
Research Foundation**

K. YHOME

Senior Fellow, ORF

K. Yhome's presentation focused on the need for building a BIMSTEC Community. He insisted that the sustainability of the regional group is dependent on how the people of the region relate to it rather than the government. He emphasized on a long term, 'bottoms-up' approach for community development as the future of the community depends on active people participation in the BIMSTEC projects. To make the grouping more people-approachable, he identified three focus-areas crucial for community building, namely, awareness, participation, and ownership, specifically targeted at the youth of the BIMSTEC countries. He underlined that the awareness process will draw the young population to the organization and lift it out of its current state of relative obscurity. School textbooks focusing on interconnected histories, maps, and culture coupled with student exchange programs and excursions were some prescribed measures to inculcate awareness about the organization and its relevance at an early age.

He emphasized that awareness would lead to active participation of people in BIMSTEC affairs. For that, BIMSTEC Youth Festivals and inter-university collaborations and technical and vocational training systems similar to the ASEAN universities network model was suggested. He further added that scholarships and BIMSTEC student delegations routed through the BIMSTEC secretariat could be an effective incentive to spread awareness about the organization beyond the BIMSTEC countries. His presentation further focused on establishing an easier visa regime between the BIMSTEC countries and creating a common education certification either via, distance learning programs or by establishing a BIMSTEC university. He concluded by highlighting that awareness and active participation of youth in the BIMSTEC region will ensure that the ownership of BIMSTEC is vested in the hands of the people, which will further ensure durability and effectiveness in the region in the long run.

**DPG Regional Conference
on Advancing BIMSTEC
Cooperation, New Delhi,
April 26-27, 2018**

**Paper by Ms. Sampa Kundu,
Research Assistant, IDSA**

Paper submitted for People to People Connectivity through Multi-Sectoral Engagement, Roundtable: Advancing BIMSTEC Regional Cooperation

Submitted to Delhi Policy Group, New Delhi

26-27 April 2018

Title of the paper: Creating a 'Brand' BIMSTEC and Making it Work

By: Dr. Sampa Kundu, IDSA, New Delhi

The members of the Bay of Bengal Initiative for Multisectoral and Technical Economic Cooperation (BIMSTEC) share geographical proximity, several common social norms as well as a historical connection with each other. This creates a base for enhanced people-to-people contacts within BIMSTEC where mutual understanding and trust subdue political tensions and rivalry. Besides, increased people-to-people contacts also have the potential to popularise the aims and objectives of BIMSTEC. To reiterate the significance of people-to-people contacts, at the 15th BIMSTEC Ministerial Meeting in Kathmandu, on August 11, 2017, India's External Affairs Minister Smt Sushma Swaraj mentioned that, people-to-people contact, along with trade, investment and innovation, would 'enhance the visibility of Brand BIMSTEC'.¹

¹ Statement by External Affairs Minister at the 15th BIMSTEC Ministerial Meeting in Kathmandu (August 11, 2017), Ministry of External Affairs, Government of India, at <http://www.mea.gov.in/Speeches-Statements.htm?dtl/28849/statement+by+external+affairs+minister+at+the+15th+bimstec+ministerial+meeting+in+kathmandu+august+11+2017>, accessed on April 5, 2018.

One major problem with the BIMSTEC sub-region is the lack of a common identity. To create the unique identity within BIMSTEC member countries, BIMSTEC has taken several steps.

At the second BIMST-EC Ministerial Meeting, concluded in Dhaka in December 1998, it was mentioned that people-to-people contacts within the sub-region need to be strengthened and intra-regional tourism was specified as one of the ways to cultivate it. In the joint declaration of the BIMST-EC MM, the need to remove constraints in people-to-people contacts was reiterated and identified as one of the future directions for BIMSTEC.² On 18-19 December 2005, at the 8th Ministerial Meeting of BIMSTEC, seven new areas for cooperation were evolved as its priority sectors including people-to-people contact. In this meeting, held in Dhaka, 6 June was designated as BIMSTEC Day with the aim to create linkages within the common people.³ Thailand is the lead country for people-to-people contact within BIMSTEC. In fact, Thailand took an early initiative to augment people-to-people contact within BIMSTEC which was a youth football match, arranged in Phuket, in 2004. In 2005 and in the following years, Thailand has taken four projects to advance people-to-people contact within BIMSTEC including Exploring BIMSTEC Cultural Ties (February 2005), BIMSTEC Young Ambassador Programme (2005, 2006), BIMSTEC Week Exhibition: 10 Years of BIMSTEC Friendship and Cooperation (2007) and BIMSTEC Exhibition (2008). In the meanwhile, at the second Summit of BIMSTEC, held in India in 2008, a proposal for a BIMSTEC Network of Policy Think Tanks was accepted and adopted which culminated into its present form in India, headed by an Indian think tank. During the third Summit of BIMSTEC, organised in Nay Pyi Taw in 2014, the leaders spoke about BIMSTEC Business Visa Scheme and BIMSTEC Visa Exemption Scheme to facilitate seamless

² 2nd BIMST-EC Ministerial Meeting, Dhaka, 19 December, 1998, Joint Statement of the BIMST-EC Ministerial Meeting, at <https://drive.google.com/file/d/0B8Fv9wDGJqx2QIJvR2IOaUh1RGs/view>, accessed on March 27, 2018.

³ The 8th BIMSTEC Ministerial Meeting, Dhaka, 18-19 December 2005, Joint Statement, at <https://drive.google.com/file/d/0B8Fv9wDGJqx2YIBZRXXVWdnZtSiQ/view>, accessed on March 27, 2018

movement of people across the region.⁴ In December 2017, India hosted the Bodhi Parva: BIMSTEC Festival of Buddhist Heritage in New Delhi which aimed at augmenting the Buddhist tourism within the sub-region. It also celebrated 20 years of BIMSTEC.⁵

Within BIMSTEC, people-to-people connectivity has been identified as a separate sector for cooperation. However, this is closely related to various other priority areas, especially tourism. Hence, there is a need to create synergy between people-to-people connectivity and tourism within BIMSTEC and view it as an integral part of regional cooperation process. The piecemeal approach taken by BIMSTEC in this regard has so far been proved unsuccessful. Despite the potential of tourism, within BIMSTEC, the intra-regional tourism has remained nominal over the years. Data from tourism ministries of three major BIMSTEC countries, namely, India, Thailand and Sri Lanka, which are popular international tourism destinations, show that the percentage share of intra-regional tourist arrivals are negligible when compared to their total number of international tourist arrivals. For instance, in India's international tourist arrivals, Thailand's share was 1.36 percent; similarly, tourists from Myanmar contributed only 1.05 per cent in Thailand's total international tourist arrival in 2017. (For details, see Table 1) This has happened despite some of the BIMSTEC countries' improvements as tourist destination and continued improvements in their tourism industries. For instance, Myanmar and Sri Lanka experienced 34 per cent and 21 per cent annual growth in their respective tourism receipt in 2015.⁶

⁴ BIMSTEC web, People to People Contact, <http://bimstec.org/sectors/people-to-people/>, accessed on March 27, 2018.

⁵ Bodhi Parva-BIMSTEC Festival of Buddhist Heritage, Ministry of External Affairs, Government of India, December 8, 2017, at <http://www.mea.gov.in/press-releases.htm?dtl/29162/bodhi+parvabimstec+festival+of+buddhist+heritage>, accessed on 5 April 2018.

⁶ Asian Economic Integration Report 2017, Asia Regional Integration Center, at https://aric.adb.org/pdf/aeir/AEIR2017_5_remittances-and-tourism-receipts.pdf, accessed on 5 April 2018.

By value, Thailand was the second largest economies in tourism receipt in Asia in 2015.⁷

According to the study by NEAT, intra-regional tourism can be enhanced in many ways including promoting cultural bonding through projects like East Asian Cultural City, launched by China, Japan and South Korea aiming at enhancing awareness on each other's cultural practises. Promoting such an initiative within BIMSTEC may include choosing cities like Mandalay/Gwalior/Guwahati/Kandy as BIMSTEC Cultural Cities and promote intra-regional tourism in those particular places. Other ways to augment intra-regional tourism may include involving the youths from the region in projects like green tourism, study tours, rural tourism etc. In the context of BIMSTEC, a common Buddhist pilgrimage tourism or history/archaeology tourism can also be of immense interest to the youths of the region.

Table 1

Tourist Arrivals (Number) in Select BIMSTEC Countries and Percentage Share in Their International Tourist Arrivals						
Destination Country (across)	India (2016)	percentage share in total international tourist arrivals	Sri Lanka (2012)	percentage share in total international tourist arrivals	Thailand (2017)	percentage share in total international tourist arrivals
Country of origin (below)						
Bangladesh	1380409	15.68	5,748	0.57	13,703	0.54
Bhutan	20940	0.24	NA		NA	
India			1,91,281	19	1,15,551	4.52
Myanmar	51376	0.58	NA		26,726	1.05
Nepal	161097	1.83	984	0.1	4,138	0.16
Sri Lanka	297418	3.38			5,309	0.21
Thailand	119663	1.36	7,904	0.79		

⁷ Ibid.

Source: data collected and calculated from Ministries of Tourism of India, Sri Lanka and Thailand.⁸

There are various other instances of people-to-people contact initiatives taken by other multilateral organisations which can be adopted by BIMSTEC. BRICS International Art School, a major initiative of BRICS International Forum (BIF), supported by International Federation of Indo Russian Youth Clubs (IFIRYC) is one such initiative aiming at promoting young artists from BRICS member countries and provide basic training on art to different schools within BRICS. BRICS Business Incubator (BRICS-BI) is another such instance which supports the young entrepreneurs from BRICS, SCO and other countries. It acts as a platform to provide opportunities in trade, investment, joint venture, employment and research and development by offering information and building capacity. BRICS-BI maintains partnerships with various organisations including chambers of commerce, business councils and business forums from various countries and offer direct and indirect service to the young entrepreneurs.

⁸ Data on India collected from India Tourism Statistics, 2017, Ministry of Tourism, Government of India, at <http://tourism.gov.in/sites/default/files/Other/INDIA%20TOURISM%20STATISTICS%202017.pdf>, accessed on 5 April 2018. Data on Thailand collected and calculated from International Visitor Arrival, Tourism Statistics 2017, at http://www.mots.go.th/mots_en57/more_news.php?cid=336, accessed on April 4, 2018. Data on Sri Lanka collected and calculated from Research and International Relations Division, Sri Lanka Tourism Development Authority, Government of Sri Lanka, at http://www.sltda.lk/sites/default/files/Annual_Statistical_Report-2012_new.pdf, accessed on 5 April 2019.

**DPG Regional Conference
on Advancing BIMSTEC
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**Abstract of Presentation by Mr.
Thuta Aung, CEO HamsaHub
Consulting, Myanmar**

Thuta Aung
CEO, HamsaHub Consulting

Mr. Thuta Aung began by acknowledging women's issues in Myanmar and deliberated how the increased number of women in positions of power didn't always translate into an increased representation of them in lower positions. He emphasized on the 'natural connection opportunity' between the people of Myanmar and Indians from the north-eastern states as an important avenue for people to people connectivity between the countries. Mr. Aung discussed projects impacting India-Myanmar relations like the BRI, tourism in the Buddhism circuit and road connectivity.

He acknowledged the impact on Indian interests concerning BRI in the region but pointed towards China's advancements and massive investment in the project that could result in the region's prosperity. Mr. Aung also identified potential areas where the Buddhist tourist circuits could be improved to facilitate people-to-people contact between the BIMSTEC countries. For this, he singled out Air India's 'Nirvana trail' magazine, the possibility of bus tours between Myanmar and Bodh Gaya, and honey business which is known to have cultural importance among some Buddhist communities in the region.

Coming to road connectivity he talked about how Eastern Myanmar was better connected to China and Thailand, then it was to the BIMSTEC countries. Mr. Aung concluded by saying that the real obstacle to people-to-people contact is the power distance between people in power and the masses. He urged people in positions of power, like government officials and experts to take up the initiative of removing barriers in people-to-people cooperation.

**DPG Regional Conference
on Advancing BIMSTEC
Cooperation, New Delhi,
April 26-27, 2018**

**Abstract of Valedictory Address by
His Excellency M. Shahidul Islam,
Secretary General, BIMSTEC
Secretariat**

H.E. M. Shahidul Islam
Secretary General, BIMSTEC Secretariat

He began his address by expressing his deep gratitude to the DPG for its interest in the activities of the BIMSTEC organization and for inviting him to the conference. He went on to say that although BIMSTEC was established 20 years ago, the visibility of the organization remained low. However, now tourism and other activities in the region are developing, he expressed the hope that BIMSTEC was poised to soar as a powerful regional grouping. He said that one achievement of BIMSTEC was that it was able to set-up a permanent Secretariat in Dhaka in 2014. He further mentioned that BIMSTEC cooperation received a strong impetus from the leader's retreat held in Goa, India on 16th October 2016, wherein the leaders of the member nations pledged to work collectively to make BIMSTEC a stronger, effective and result-oriented organization.

He said that it was encouraging to see that the renewed commitment of the Indian political leadership to the BIMSTEC process was being enthusiastically supported by the business leaders, think-tanks and civil society of India as evident from the participation in the event of DPG. He said that we should acknowledge that despite the low visibility of BIMSTEC, the last twenty years have not gone in vain as the heads of the governments of the member states met four times, foreign ministers met fifteen times, senior officials (level of foreign secretaries) met eighteen times and the national security chiefs met twice. In addition, experts at the working-group level and sub-group level met many hundreds of times to deliberate on the subject of regional cooperation to supplement national efforts of respective member states in order to improve the economic prosperity and social progress of the 1.7 billion people residing in the Bay of Bengal region.

During the last 20 years, the membership of BIMSTEC increased from four to seven countries and the organization identified 14 areas of immediate cooperation. In the meantime, the organization has also broadened the scope of cooperation from the purely technical and economic cooperation to include such areas as counter-terrorism and transnational crime. At the same time the grouping that started as a sub-regional cooperation and was seen primarily as a bridge between South and South-east Asia has now shifted towards becoming a distinct regional group in itself with a strong geographical reference to the Bay of Bengal. Also, as a group which was meant to enhance cooperation based on developmental projects, it shifted its focus to developing a legal framework for long-term regional cooperation. With the establishment of the permanent Secretariat in Dhaka, the organization's capacity to follow up on the BIMSTEC leaders directives and record-keeping significantly increased.

He said that we should now build upon the solid bases of cooperation, structure and legacy of BIMSTEC which has been established in the last twenty years. He highlighted a few areas in which immediate steps needed to be taken to advance BIMSTEC cooperation further. Firstly, the political commitment that was expressed at the Goa Retreat should be sustained. The political statement of commitment needs to be translated in the allocation of more resources to support BIMSTEC activities. Secondly, there was a need to hold regular meetings of political

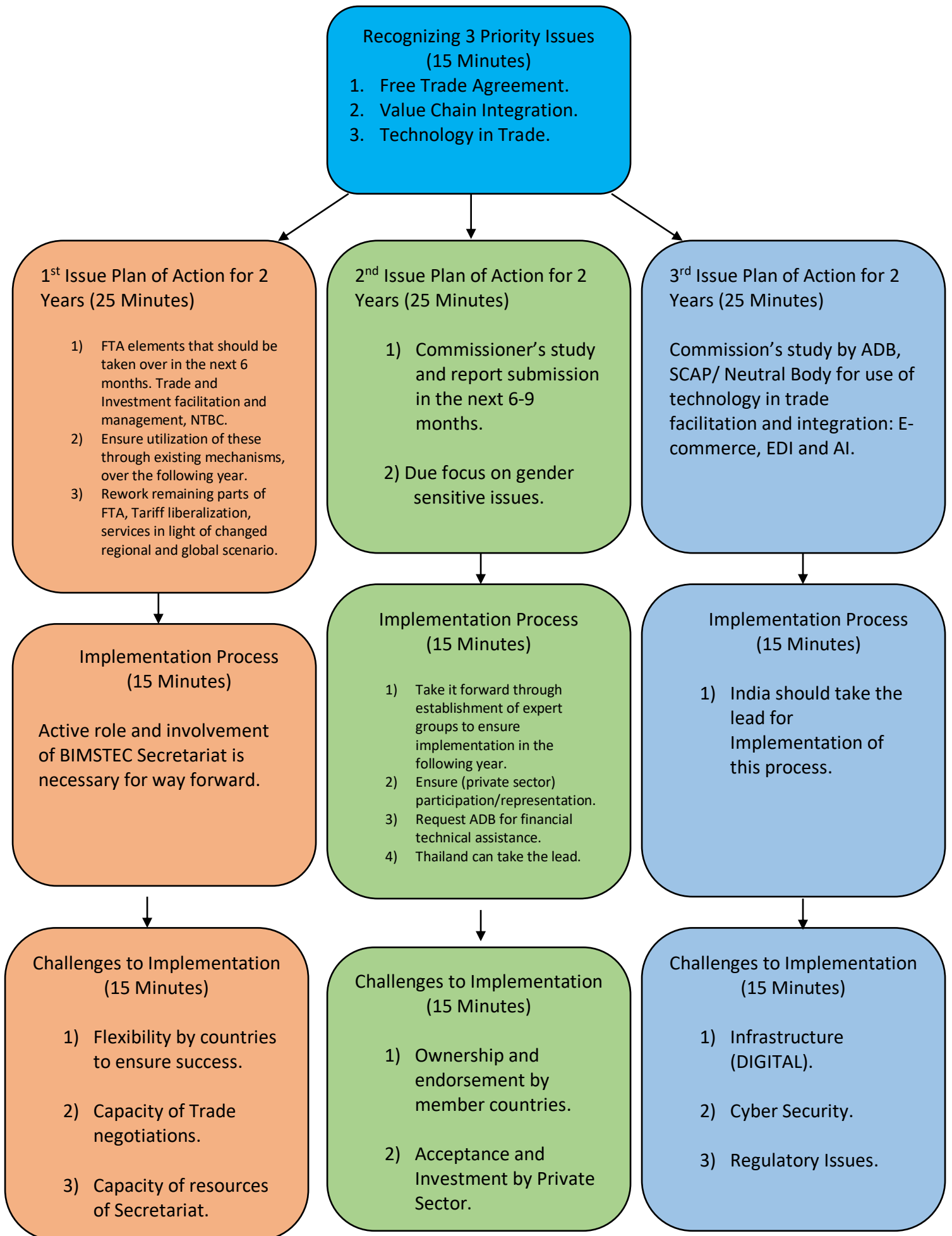
leaders and officials of the BIMSTEC member states. Thirdly, we need to bring the focus back on the work of BIMSTEC by identifying a small number of priority areas of cooperation. Trade, investment, tourism and cultural exchange will automatically thrive with an enhanced connectivity in the Bay of Bengal region. Enhanced people to people contacts and security cooperation to fight counter-terrorism and organized-crime will create an atmosphere of trust and confidence, thereby contributing to regional cooperation and support. In addition to the BIMSTEC network of policy think-tanks and the BIMSTEC business forum, the BIMSTEC Parliamentary Forum and BIMSTEC University Network should be established.

Fourthly, attention should be given to complete the unfinished undertakings in particular, the BIMSTEC FTA needs to be completed as soon as possible. Fifthly, BIMSTEC needs to be adequately financed to carry out the projects to create short-term incentives for our member states and ensure its visibility. It should also continue norm-setting for longer term cooperation. Additionally, he suggested that we should bring back BIMSTEC's development partners like the ADB to support BIMSTEC development projects. Sixthly, we must bring back the private sector, think-tanks and the civil society of BIMSTEC member states to reinforce the process of carrying out the tasks of BIMSTEC Cooperation. Easing of visa procedures would be very important for the unhindered movement of business-men and scholars within the BIMSTEC region. Although BIMSTEC was based on the principle of equal sovereign equality of member states, there was no denying that India was the most important country in the region in terms of population, size and economy and thus has a greater role to play to move forward BIMSTEC Cooperation.

Recommendations of Break Out Sessions

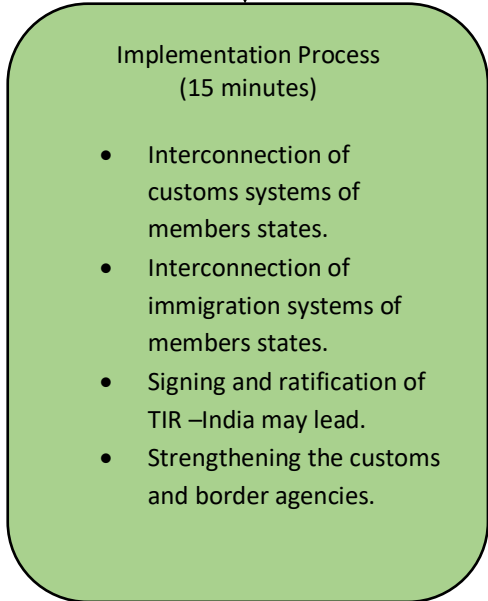
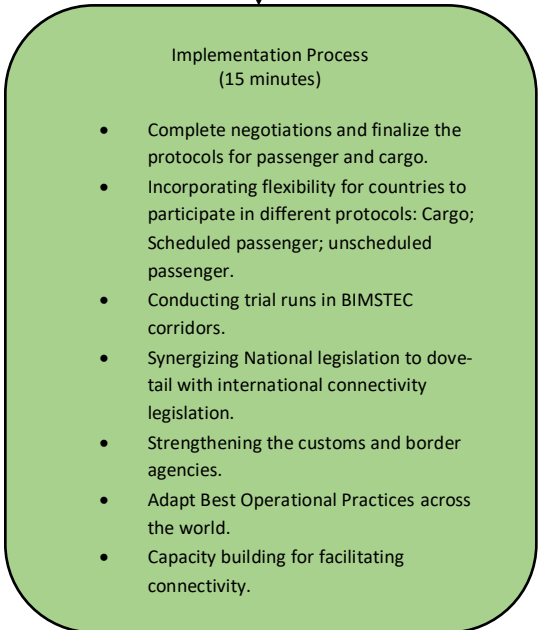
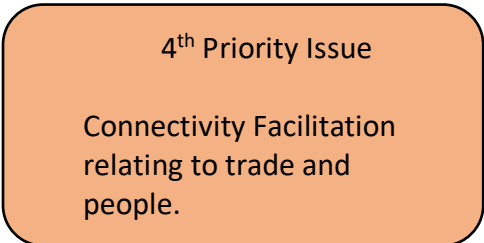
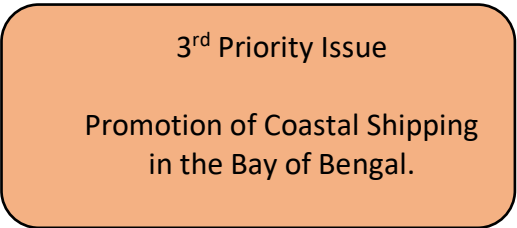
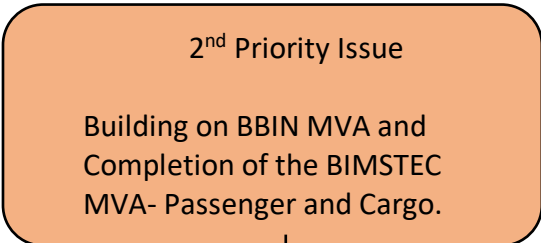
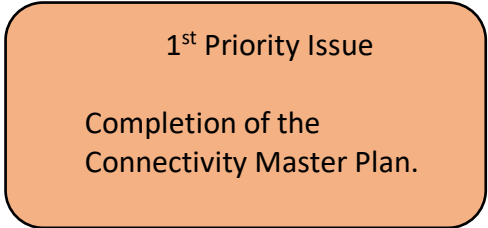
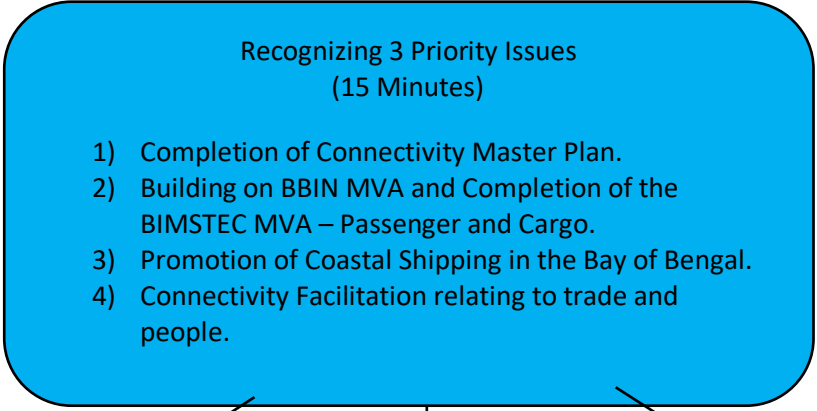
Breakout Session: Trade and Economic Integration

Policy Recommendations for 2 years Plan of Action



**Breakout Session: Transit
and Multi-modal
Connectivity (Roadways,
Waterways, Railways and
Aviation)**

**Policy Recommendations for
2 years Plan of Action**



Challenges to Implementation
(15 Minutes)

- Prioritization of implementation of Master Plans.
- Identifying resources to implement the master plan.
- Political ownership.
- Balancing out ecological concerns.
- Imagining the future – convincing stakeholders of future potential.

Challenges to Implementation
(15 Minutes)

- Ratification process – time taking.
- Interlinking the customs and immigration electronic systems.
- Lack of capacity of Border, Road-transport and Police Personnel.
- Language
- Signage
- Driving systems- left and right hand.

Challenges to Implementation
(15 Minutes)

- Funding for starting and sustaining the service in the short term.
- Concluding the negotiations.
- Ratification of agreement.
- Finding effective solutions for issues such as insurance.

Challenges to Implementation
(15 Minutes)

- Funding and deploying resources.
- Cultural and language issues.

**Breakout Session: Energy,
Water, Environment,
Climate Change and other
issues**

**Policy Recommendations for
2 years Plan of Action**

Recognizing 3 Priority Issues
(15 Minutes)

- 1) Integrating Coastal Zones to River Systems (IRCZM).
- 2) Leverage diversity of BIMSTEC Energy sources.
- 3) Inducting Water Transport System in Connectivity Master Plan.

1st Issue Plan of Action for 2
Years (25 Minutes)

- 1) Produce a compendium IRCZM knowledge and practice.
- 2) Integrate all hydro-disaster institutions.
- 3) Develop hydro prosperity framework for BIMSTEC (Initiative Baseline Study).

2nd Issue Plan of Action for 2
Years (25 Minutes)

- 1) Initiate multi-level BIMSTEC-wide Dialogue on energy charter.
- 2) Develop BIMSTEC GRID Integration Plan.
- 3) Update BIMSTEC Energy Outlook.

3rd Issue Plan of Action for 2
Years (25 Minutes)

- 1) Add waterways.
- 2) Layer on BIMSTEC Connectivity Master Plan.
- 3) BIMSTEC-wide classification of waterways.
- 4) Develop protocols and standards.

Implementation Process
(15 Minutes)

- 1) Develop long-term investment plan with multi-lateral agencies/ other donors.
- 2) BIMSTEC Consortium of knowledge institutions (Convene).
- 3) Conduct capacity assessment of disaster agencies (BIMSTEC) Example: War Games.

Implementation Process
(15 Minutes)

- 1) Include Energy Charter in the agenda for Kathmandu Summit.
- 2) Integrate Climate Commitments with generation (energy mix).

Implementation Process
(15 Minutes)

- 1) Convene BIMSTEC Waterways meeting to chart out course of action.
- 2) Integrate National Investment Plans.

Challenges to
Implementation
(15 Minutes)

- 1) No regional institution.

Challenges to
Implementation
(15 Minutes)

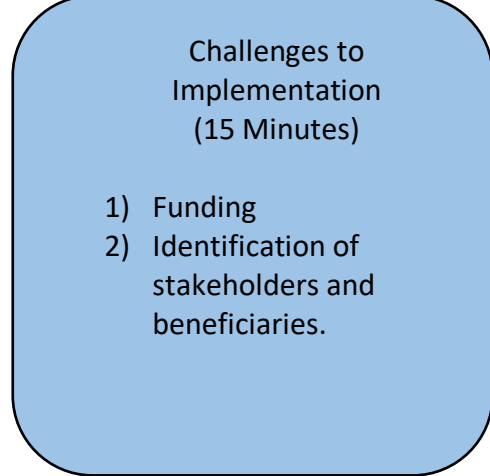
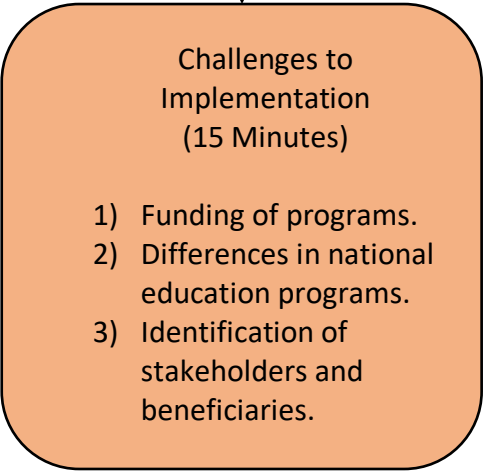
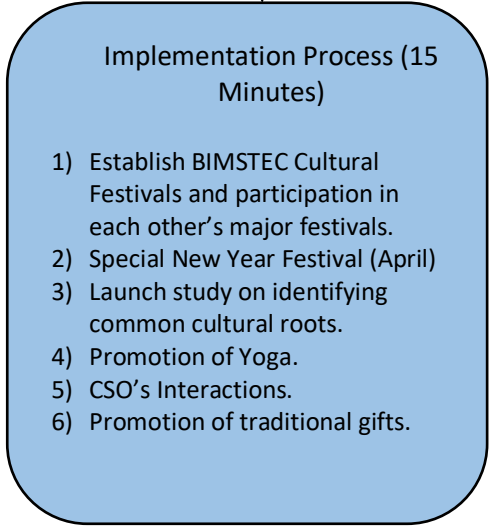
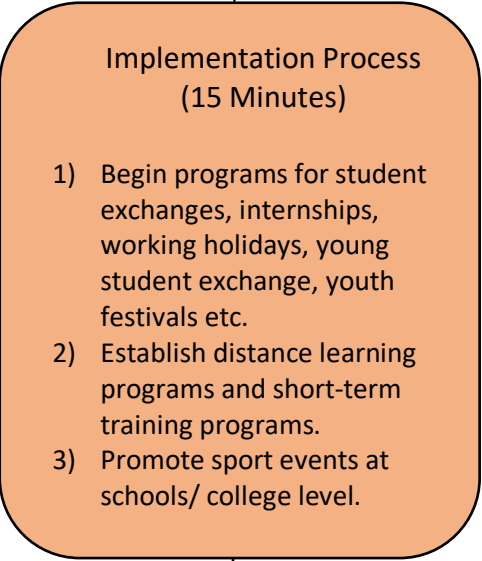
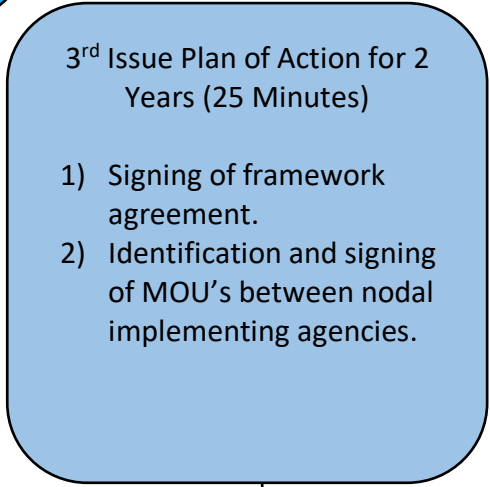
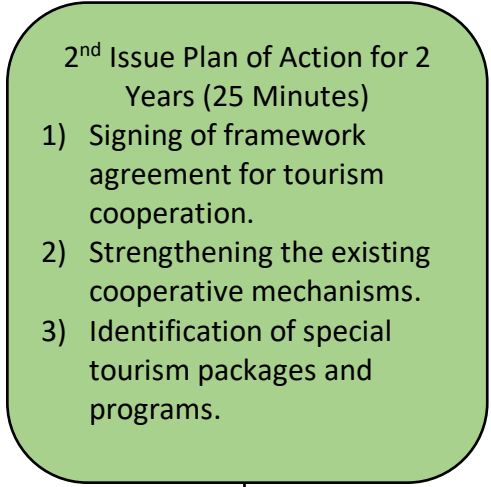
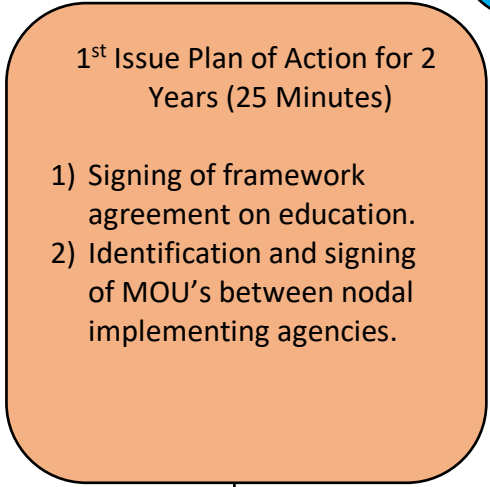
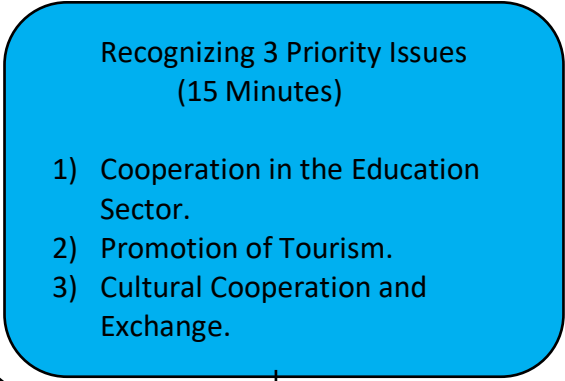
- 1) Harmonizing Standards is a problem.
- 2) Finance Gap is large.

Challenges to
Implementation
(15 Minutes)

- 1) Asymmetric Institutional capacities in BIMSTEC Countries.

**Breakout Session: People to
People Connectivity through
Multi-sectoral Engagement**

**Policy Recommendations for
2 years Plan of Action**



**Breakout Session:
Advancing Gender Issues in
BIMSTEC Regional
Cooperation**

**Policy Recommendations for
2 year Plan of Action**

Recognizing 3 Priority Issues (15 Minutes)

- 1) BIMSTEC member countries should develop a formal gender framework along the lines of the APEC gender framework.
- 2) Building capacity of experts and institutions working on gender and cross cutting issues – regional / trade / connectivity.
- 3) Promote women-led enterprises in the BIMSTEC countries to engage in cross-border trade.
- 4) Create a BIMSTEC Women's Community.

1st Priority Issue

BIMSTEC member countries should develop a formal gender framework along the lines of the APEC gender framework.

2nd Priority Issue

Building capacity of experts and institutions working on gender and cross cutting issues – regional / trade / connectivity.

3rd Priority Issue

Promote women-led enterprises in the BIMSTEC countries to engage in cross-border trade.

Implementation Process (15 Minutes)

- 1) Develop a profile of socioeconomic indicators pertaining to gender for BIMSTEC countries.
- 2) Culling out gender disaggregated data.
- 3) Conduct studies on existing frameworks elsewhere.

Implementation Process (15 Minutes)

- 1) Introduce such courses in universities.
- 2) Develop training programs.
- 3) Introduce BIMSTEC led symposia, roundtables, workshops, etc. around the theme of trade / trade facilitation, and gender.
- 4) Encourage media and experts to write regularly about cross-cutting issues and host conferences / workshops / field work on this.

Implementation Process (15 Minutes)

- 1) Border areas need to be made more women-friendly (i.e. sanitation, lighting, safe transport, healthcare facilities).
- 2) Increase the visibility of women in border agencies (customs / immigration / BSF / SSB).
- 3) Mapping of sectors.
- 4) Human resource capacity building to build awareness on gender sensitivity.
- 5) Training women led enterprises on trade procedures and financial literacy.

Challenges to Implementation (15 Minutes)

- 1) Convincing stakeholders that a gender framework is necessary.
- 2) Availability of gender disaggregated data.
- 3) Need to get funding and resources.

Challenges to Implementation (15 Minutes)

- 1) Availability of funding and resources.
- 2) Rigidity in altering curriculums.
- 3) Facing resistance towards gender and cross-cutting issues, resistance to include the gender-dimension to the BIMSTEC agenda.

Challenges to Implementation (15 Minutes)

- 1) Overcome cultural barriers and lack of awareness and sensitivity towards gender issues.
- 2) Lack of market information on regional trade (BBIN / BIMSTEC).
- 3) Need to convince the stakeholders / enterprises of benefits of trading in BIMSTEC region.

**DPG Regional Conference
on Advancing BIMSTEC
Cooperation, New Delhi,
April 26-27, 2018**

**Speakers' Profile and Participants
List**



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DPG Regional Conference on Advancing BIMSTEC Cooperation

Venue: India Habitat Centre, New Delhi

26th – 27th April 2018

Profile

Delhi Policy Group



Ambassador Hemant Krishan Singh

Director General, Delhi Policy Group

Ambassador Hemant Krishan Singh served in the Indian Foreign Service from 1974-2010 and is a distinguished former career diplomat with extensive experience of geo-strategic and geo-economic issues as well as multilateral institutions, which underpin international law and commerce.

He has been India's longest serving Ambassador to Japan (2006-2010), Ambassador to Indonesia and Timor Leste (2003-2006), Ambassador to Colombia, Ecuador and Costa Rica (1999-2002), and India's Deputy Permanent Representative to the UN in Geneva (1995-1999). He has held several significant assignments during his career, dealing with the United States, West Europe and the European Union and India's immediate neighbours.

Ambassador Singh has contributed to the forging of the India-Japan strategic and global partnership, the intensification of India's relations with Indonesia and ASEAN, the evolution of India's revitalised Look East Policy and the shaping of India's policy towards key neighbours and strategic partners.

From 2011-2016, Ambassador Singh was Professor for Strategic Studies at ICRIER, a leading think tank in New Delhi. In June 2016, Ambassador Singh assumed responsibilities as Director General, Delhi Policy Group, which is among India's oldest independent think tanks focused on strategic issues of critical national interest. He has been associated with several public policy initiatives and Track II / Track 1.5 strategic dialogues involving major Think Tanks of India, US, Russia, Japan, and Asia. He has written and worked extensively on the on-going transformation of India's relations with the United States and Japan and



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their growing convergences in shaping Asia's emerging economic and security architecture.

An alumnus of St. Stephen's College, Delhi, where he studied (1967-72) and later taught (1972-74), Ambassador Singh holds an M.A. degree from the University of Delhi. His varied interests include civilisation and culture, the natural environment and sports.



Ambassador Biren Nanda

Senior Fellow, Delhi Policy Group

Ambassador Biren Nanda served in the Indian Foreign Service from 1978 to 2015 and is a distinguished former career diplomat with extensive experience of working in East Asia.

He has been India's High Commissioner to Australia (2012-2015); Ambassador to Indonesia, Timor Leste and the ASEAN (2008-12); India's Deputy Chief of Mission in Tokyo (2000-2004) and Consul General in Shanghai (1996-2000). Ambassador Nanda has also served in Indian Missions in Beijing, Washington DC and Singapore. He spent a total of ten years in China during his three terms as a diplomat in that country. His entire career as a diplomat was spent in East Asia with the sole exception of his Washington posting.

During 2004-2008 Ambassador Nanda was posted in the Ministry of External Affairs in New Delhi as Joint Secretary (South) and was responsible for India's relations with Southeast Asia and the Pacific. Ambassador Nanda contributed to the strengthening of the strategic partnership between India and Indonesia, the strengthening and diversification of India's relations with Australia and helped reinvigorate India's Look East Policy and the intensification of India's ties with ASEAN and Pacific countries.

Ambassador Nanda retired from the Indian Foreign Service in January 2015. He has since participated in several Track 2 dialogues involving major Think Tanks of Japan, Australia and China. In July 2016, he joined the Delhi Policy Group as a Senior Fellow. The Delhi Policy Group is amongst India's oldest independent think tanks focussed on strategic issues of critical national interest.



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He was the co-Chair of the India Indonesia Eminent Person's Group which prepared a report and a Vision Statement 2025 for the Strategic Partnership between the two countries. An alumnus of the St Stephen's College, New Delhi, (1971-74) Ambassador Nanda holds an MA degree from the Delhi School of Economics (1974-76). His interests include travel, listening to Indian Classical Music and reading.



Shulagna Pal

Research Associate, Delhi Policy Group

Shulagna Pal holds a Master's in 'Politics' with a specialization in International Relations from Jawaharlal Nehru University, New Delhi and a Bachelor's in History from Jadavpur University, Kolkata. She has worked at the Delhi Policy Group from February 2017 on DPG's Bangladesh, Bhutan, India and Nepal (BBIN) project and the DPG-IDSA West Asia in Transition Project among others.

She has previously worked as Research Assistant and Programme Officer at the Forum for Strategic Initiatives, New Delhi. Recently, she was part of the Indian delegation of Young scholars in the NGO exchange programme of the BRICS sponsored by Chinese People's Association for Peace and Disarmament, Beijing, China. In the past, she has actively worked and organized national and international seminars, workshops and was also granted the Ryoichi Sasakawa Young Leaders Fellowship.



Mohit Musaddi

Research Associate, Delhi Policy Group

Mohit Musaddi is currently a Research Associate at the Delhi Policy Group. He has completed a Masters in International Relations from the War Studies Department of King's College London in September 2017. His Master's thesis focused on the difference in narratives of the Al Jazeera's English and Arabic media network. Prior to this, he had completed a Bachelor's degree in Political Science (Hons.) in 2016 from Kirori Mal College, Delhi University. He was previously an intern at the Delhi Policy Group from October – December 2017 and worked on the organisation's Bangladesh, Bhutan, India and Nepal (BBIN) project.



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Dr. Sagar Prasai

Country Representative, India
The Asia Foundation

Sagar Prasai is The Asia Foundation's country representative in India. He was formerly the deputy country representative in Nepal. His current work involves regional cooperation in South Asia with focus on water, trade, and migration; transnational political economy; urban governance and women's security.

Prasai has worked with governmental as well as multilateral organizations on urban management, local governance, conflict, and political processes. He previously served as a programming advisor to the National Planning Commission of Nepal, and as a district development advisor to the United Nations Development Program in Nepal.

He has led several political economy analysis studies for The Asia Foundation including Drivers of Legitimacy in Nepal (2007), Political Economy of Local Governance in Nepal (2012), and Political Economy Analysis and Stakeholder Mapping of the Teesta Basin (2012). His articles have appeared in South Asian and global journals, portals and blogs. He is the author of the book Revisiting Transnational Migration-Development Nexus: Using Capability Approach in Migration Research.

Education: Bachelor's degree in Architecture from Nagpur University; master's degree in Urban and Regional Planning from the University of Hawaii; and doctor of philosophy degree in Regional Planning from the University of Illinois at Urbana-Champaign.



Ms. Diya Nag

Senior Program Officer, India
The Asia Foundation

Diya Nag came to The Asia Foundation in 2009 as a junior associate with the Governance, Law, and Civil Society Program in San Francisco, and then joined as a program officer in the India office in 2012, working on regional trade, and managing grants in the areas of women's security and open and accountable governance. She rejoined the Foundation once



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again in 2015, focusing more deeply on women's security and regional trade.

Prior to this, Diya worked with the United Nations Development Program (UNDP), engaging closely with the Department of Justice in India, on strengthening justice delivery and access to justice for marginalized groups. She has also spent three years working with the Commonwealth Human Rights Initiative (CHRI), an international human rights organization based in New Delhi. Her work at CHRI involved advocating for police reforms and increased police accountability in South Asia. Before relocating to India, Diya practiced consumer law in New York City.

Education: Bachelor's degree in Human Rights and Sociology from Barnard College, Columbia University; Juris Doctor with a specialization in Global Law and Practice from the Syracuse University College of Law. Diya is a member of the New York Bar, First Appellate Division.



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Day I: Thursday, 26th April 2018

Venue: India Habitat Centre, New Delhi

Welcome Address: **Ambassador H.K. Singh,**
Director General, Delhi Policy Group

Special Address:



Shri Piyush Srivastava
Joint Secretary, BIMSTEC & SAARC

Shri Piyush Srivastava is a career diplomat. He joined Indian Foreign Service (IFS) in 1998. He is presently working as the Joint Secretary (BIMSTEC & SAARC) in the Ministry of External Affairs, Government of India.

Shri Srivastava has earlier served in PAI (Pakistan, Afghanistan, Iran) and Southern Divisions of Ministry of External Affairs. He has served at senior positions in Indian Embassies in Germany, Bhutan, Nepal and in Indian High Commission in Ghana in different Wings - Political, Commercial & Economic Cooperation, Information and Media, to name a few. He has acquired rich experience and knowledge of India's neighbourhood, extended neighbourhood (South East Asia and Pacific) and economic diplomacy.

During his tenure as the Deputy Chief of Mission at the Embassy of India, Kathmandu, he coordinated Government of India's relief and rescue efforts in wake of the major earthquake in Nepal in April 2015. Prior to taking charge of Joint Secretary (BIMSTEC and SAARC), Shri Srivastava served as Joint Secretary in the country's premier foreign policy think tank, Indian Council of World Affairs. He holds B.Tech. and M.Tech. degrees in Materials & Metallurgical Engineering from IIT Kanpur.



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H.E. Mr. Rokebul Haque

Deputy High Commissioner of Bangladesh High Commission in New Delhi.

Mr. Rokebul Haque presently serves as the Deputy High Commissioner of Bangladesh High Commission in New Delhi. Before coming to New Delhi he served as Minister in the Permanent Mission of Bangladesh to United Nations in New York. He used to cover gender issues, Human Rights and other social issues like youth and children. He was the designated Election Officer of Bangladesh Mission during his stint in New York.

Mr. Haque was elected as the Vice Chair, presenting the Asia Pacific Group, for Commission for Status of Women (CSW)62. He successfully facilitated UNGA resolutions entitled " Follow up to the declaration and programme of action on a culture of peace' and " Interaction between United Nations, National Parliaments and IPU (Inter Parliamentary Union)' which were adopted with consensus at the General Assembly, United Nations. He arranged High Level Event at the United Nations on Autism and Culture of Peace.

Mr. Haque is a career diplomat and got bachelors and Master degree in Economics.



H.E. Mr. Bharat Kumar Regmi

Chargé d'Affaires, Embassy of Nepal in India

Mr. Regmi has had a distinguished Government Service career which he began as Section Officer in the Ministry of Foreign Affairs, Govt. of Nepal in February 1996. He served as First Secretary/Second Secretary in Permanent Mission of Nepal to the United Nations in New York, USA from June 1998 to June 2002. After completing his tenure in New York he worked in the Ministry of Foreign Affairs, Government of Nepal and served there from June 2002 to February 2005. Mr. Regmi served in the Consulate General of Nepal in Lhasa, Tibet, China as Consul from February 2005 to May 2008. After that he worked as Private Secretary to the Minister of Foreign Affairs, and served there from May-2008 to February 2010. He was posted as Minister Counsellor/Counsellor in Embassy of Nepal, Pretoria, South Africa and served there from February 2010-2014.



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Returning from South Africa, he worked as Under Secretary in SAARC Division and served there from April 2014 to September 2014. Then he was posted to Embassy of Nepal in Muscat, Oman and served the nation in the position of Charge d' affaires from September 2014 to June 2015. After completing his tenure in Muscat, he worked as Private Secretary to the Deputy Prime Minister of Nepal and Minister of Foreign Affairs, Government of Nepal and served there from June 2015-August 2016. Mr. Regmi became Head of Europe America Division in Ministry of Foreign Affairs, Government of Nepal in August 2016 and worked in that capacity until June 2017. Mr. Regmi joined the Embassy of Nepal in New Delhi in June 2017 as Minister/Deputy Chief of Mission. Now he is serving as charge d' affaires.



H.E. Major General Vetsop Namgyel

The Ambassador of the Kingdom of Bhutan to the Republic of India

Major General Vetsop Namgyel was educated in St. Joseph's College in Darjeeling and commissioned from the Indian Military Academy in December 1972. He was selected for the Royal Body Guards in 1973 and was appointed as Aide-de-Camp to His Majesty Jigme Singye Wangchuck, the Fourth King of Bhutan during the Royal Coronation in June 1974. Since then, he worked as a member of the Royal Secretariat as well as an officer of the Royal Body Guards. After his promotion to the Rank of Colonel in 1989, he functioned both as Military Secretary and Principal Aide-de-Camp to His Majesty the King.

He was awarded the highest military decoration, the Druk Yugyel Medal on 17th December 2004 and promoted to the Rank of Major General on 4th November 2005. He was conferred the prestigious national award, the Druk Thuksey Medal, on 17th December 2010 by His Majesty the King. Major General Vetsop Namgyel presented his credentials as Ambassador of Bhutan to India on 16 January 2009.



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H.E. Mr. Chutintorn Gongsakdi

The Ambassador of the Kingdom of Thailand to the Republic of India

Chutintorn Gongsakdi is the appointed Ambassador of Thailand to India since 5 March 2017. His objective is to strengthen the Thailand-ASEAN-India relationship in all its dimensions: political and security; economic; and, people-to-people because he believes this to be a truly virtuous partnership for the future. At the day to day level, his objective is to convince Thai citizens to see the "New India" in its fullest potential as an emerging power. At the same time, Indian citizens should also see the "New Thailand" in its fullest potential at the centre of the ASEAN Community. His past professional experience has mostly been in multilateral and regional economic diplomacy, including BIMSTEC, Asia Cooperation Dialogue, APEC and OECD. Prior to being appointed Ambassador to India, he was the Director-General at the Department of International Economic Affairs, Ministry of Foreign Affairs of Thailand for four years.

Chairs:

Session I: Trade and Economic Issues



A Didar Singh

Former Secretary , Government of India & Former Secretary General, FICCI

Dr. Alwyn Didar Singh, author and former civil servant (IAS from 1976 - 2011) served as Secretary to Government of India (2009-11) and was Secretary General (2012-17) of India's largest apex business chamber, FICCI (Federation of Indian Chambers of Commerce and Industry). He is a Senior Fellow at Delhi Policy Group (DPG) from March 2018. Dr. Singh has been a member of the Global Agenda Council on Migration (2011-15) of the World Economic Forum (WEF). He also served as a Member on the India-Indonesia Eminent Persons Group (EPG) nominated by the Ministry of External Affairs, Government of India (2016-17). Dr Singh functions as Chair of the Diaspora group of KNOMAD (Knowledge Network on Migration), World Bank and in 2017 was named as Global Fellow at IC2 Institute of the University of Texas at Austin, USA. He has served on the International Working Group on Financing



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Pandemics Preparedness (IWG) established by the World Bank and is presently member of the ILOs 'Global Commission on the Future of Work'.

Dr Singh has been conferred an Award for his service to the Indian Diaspora by GOPIO International (Global Organization of People of Indian Origin). He was named as Distinguished Alumnus of St. Stephen's College in 2012 and in July 2014 was awarded an Honorary Doctorate (DUniv) by the University of Birmingham, UK. Dr. Singh is an expert in e-Commerce, Trade and Migration issues and has authored several studies for international agencies, including the World Bank, International Trade Centre, World Health Organization, and South Centre, Geneva as well as the Commonwealth Secretariat, London.

Dr. Singh holds a Bachelors and a Masters from St. Stephens College, University of Delhi; a Masters in Development Administration from Birmingham University, UK; and a PhD on the Policy and Administration of e-Commerce (Panjab University, 2006). Dr. Singh has authored four books and several publications and has delivered talks and lectures at over 30 Institutions and countries around the world.

Session II: Transit and Multimodal Connectivity (Roadways, Waterways, Railways and Aviation)

Ambassador Sanjay Singh

Former Secretary, Ministry of External Affairs, India



Sanjay Singh is an alumnus of Delhi University, from where he obtained a Masters in Physics. He joined the Indian Foreign Service in 1976 and served in Indian Missions in Mexico, Germany, Ghana and France and in the Ministry of External Affairs, New Delhi. He was Director in the Office of the External Affairs Minister and Joint Secretary and Head of Division dealing with Latin American Countries. From October 1997 to June 2001, he was India's Consul General in Ho Chi Minh City and from July 2001 to August 2004, Deputy Chief of Mission in Paris. He held charge in the Ministry as Joint Secretary and Additional Secretary (Gulf) from March 2005 to March 2009. He was India's Ambassador to Iran from March 2009 to March 2011. He took over as Secretary (East) in the Ministry of External Affairs in March 2011 and retired in April 2013.



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Session III: Energy, Water, Environment, Climate Change and other issues

Dr. Sagar Prasai,

Country Representative, Asia Foundation, India

Session IV: People to People Connectivity through Multi-Sectoral Engagement



Mr. Sabyasachi Dutta

Director, Asian Confluence, Shillong

Sabyasachi Dutta is the Founder-Director of the ‘Asian Confluence’, India East Asia Centre. Born in Shillong, a social entrepreneur, educationist, artist and a student of Indian history and international relations, Sabyasachi has had a successful career spanning 12 years in the Silicon Valley, California USA in cutting edge technology, innovation and entrepreneurship in large corporations such as SONY Corp as well as several successful start-ups, and holding several patents. He left that to start several social innovation projects in India. He pioneered a unique leadership program for rural youth of India; a unique model of youth led rural development which was lauded by the World Bank; set up a chain of eighty primary schools using the model of community participation propelled by youth leadership and introduced several innovations in the education.

In his current avatar, Sabyasachi continues to facilitate cultural programs, exchange programs, talks, discussions and symposia with scholars and leaders of culture and thought, from India and abroad. He holds a Master’s Degree in Electrical Engineering with special paper in Media and Communication from Arizona State University, USA.



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Session I: Trade and Economic Integration



Dr. Professor Amita Batra,

Professor of Economics, Centre for South Asian Studies, School of International Studies, JNU

Professor (Dr.) Amita Batra is Professor of Economics in the Centre for South Asian Studies, School of International Studies, Jawaharlal Nehru University (JNU), New Delhi. Previously, she was the Senior Fellow, Indian Council for Research on International Economic Relations (ICRIER), New Delhi, and prior to that, Reader, University of Delhi.

Prof. Batra was the first holder of the ICCR Professorial Chair in Contemporary Indian Studies at the Centre for South Asian Studies & Edinburgh-India Institute, University of Edinburgh (January-May 2013). In 2008, Prof. Batra was Visiting Professor at the Indian Institute of Management (IIM)-Ahmedabad, where she taught a course on ‘International Economic and Political Environment’. She has worked extensively in the area of regional trade and economic integration with a special focus on Asia.

Her most recent Book on the subject is titled ‘Regional Economic Integration in South Asia: Trapped in Conflict?’ (London: Routledge, 2013). She also has to her credit two other books – Preferential Trading Agreements in Asia: Towards an Asian Economic Community (ed), 2008 and India and the Asian Corridor (Co-authored, 2007) – and several research papers published in national and international refereed and other journals, books etc. She has also worked as consultant on research assignments including for the Sigur Centre for Asian Studies, George Washington University, Washington DC; Samsung Economic Research Institute, Seoul, Korea; and the World Bank’s New Delhi Office, among others. Prof Batra is M.A., M.Phil., Ph. D. in Economics from the Delhi School of Economics, University of Delhi, India.



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Mr. Purushottam Ojha

Former Commerce Secretary, Government of Nepal

Mr. Purushottam Ojha started his career in the Nepal Administration Service of the Government of Nepal since November 1979 as Section Officer and gradually moved up the career ladder as Under Secretary in December 1989; Joint Secretary in March 1997; Acting Secretary in April 2007 and to the position of Permanent Secretary in October 2007. Mr. Ojha served for almost 14 years in the Ministry of Commerce in the senior positions of Joint Secretary and Secretary and contributed as well as mentored the team of expert in formulation of Trade Policy-2009 and the Nepal Trade Integration Strategy-2010. Mr. Ojha also led the Nepalese team in the bilateral negotiations with India, Bangladesh, China and United States of America. He also took lead in negotiating the bilateral trade and transit agreements with India and the preferential trade agreements with China and Trade and Investment Framework Agreement (TIFA) with USA and also the Nepalese delegations in the Committee of Expert (COE) of SAFTA.

Mr. Ojha holds Master's Degree in Public Administration from Tribhuvan University of Nepal. He has participated in several international training courses related with trade, transport and trade facilitation including the Trade Policy course at Harvard Kennedy School, at Boston. Mr. Ojha is also a prolific writer on the economic issues, particularly on trade, transit, transport and investment and authored numerous Articles and Research Papers, also published in the local Journal and Newspapers as well as in the international journals.

After his retirement from the government service, Mr. Ojha is working as a freelance consultant in the areas of trade, transit, investment, private sector and institutional development. He is also working as Senior Consultant to South Asian Watch on Trade Economics and Environment (SAWTEE) Nepal.



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Dr. Dushni Weerakoon,
Executive Director, IPS, Sri Lanka

Dushni Weerakoon is the Executive Director and Head of Macroeconomic Policy Research at the IPS. She has over 23 years of experience at the IPS, and functioned as its Deputy Director from 2005 to 2017. Her research and publications cover areas related to macroeconomic policy, regional trade integration and international economics. She has extensive experience in the arena of public policy through her research and direct engagements in policy formulation. These have included serving as a member of the Macro and Trade Policy Steering Committee of the Ministry of Policy Development and Implementation (2002-04), an official delegate to the Committee of Experts to negotiate the South Asian Free Trade Agreement under the Ministry of Trade and Commerce (2004-05) and member of the Trade and Tariff Committee of the National Council for Economic Development (NCED) of the Ministry of Finance (2004-2010) amongst others.

She has worked as a consultant to international organizations such as the ADB, World Bank, UN-ESCAP, UNDP and ILO, and served as a resource person on the Asia-Pacific Regional Trade Policy Course conducted jointly by the World Trade Organization (WTO) and University of Hong Kong (2003-06), and serves on the Editorial Board of the Journal of South Asian Development and as Editor of the IPS' annual flagship report Sri Lanka: State of the Economy. She also served as an Independent Non-Executive Director on the Board of the Nations Trust Bank (2007-2016), and Centre for Poverty Analysis (2008-2014) and functions as a Director of the Gamani Corea Foundation.

Dushni Weerakoon holds a BSc in Economics with First Class Honours from the Queen's University of Belfast, U.K., and an MA and PhD in Economics from the University of Manchester, U.K. She is a recipient of the Arts Faculty Scholarship from the University of Colombo, the McKane Medal and Scholarship from the Queen's University of Belfast, a Postgraduate Scholarship from the University of Manchester, an Overseas Research Scholarship (ORS) from the Government of the UK, and the Drummond Frazer Research Studentship from the University of Manchester.



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Dr. Selim Raihan

Professor, Department of Economics, University of Dhaka and Executive Director, South Asian Network on Economic Modeling (SANEM)

Dr. Selim Raihan is Professor at the Department of Economics, University of Dhaka and the Executive Director of the South Asian Network on Economic Modeling (SANEM). He holds a PhD from the University of Manchester, UK.

Dr. Raihan possesses vast expertise in research on international trade and trade policy issues related to the WTO, regional trading agreements and domestic trade policies. He has worked quite extensively on applied economics, especially assessing impacts of trade and economic policies, using country specific Computable General Equilibrium (CGE) models, GTAP models, Social Accounting Matrix (SAM) techniques, WITS/SMART partial equilibrium models, and dynamic stochastic general equilibrium (DSGE) model.

He has the experience in research on poverty and labour market dynamics using household survey data and micro- and macro econometric modeling and estimation techniques. His research interests also include analysis of economic growth and political economy analysis of growth and development. He has a long experience in teaching international trade, economic modeling, quantitative economics, econometrics, development economics and poverty dynamics at the Dhaka University. Dr. Raihan has worked for several national and international organizations including the Asian Development Bank, the World Bank, UNDP, UNESCAP, UNCTAD, IFPRI, the Commonwealth Secretariat, FAO, European Commission, ILO, IDRC, DFID.



Mr. Achyut Bhandari,

Consultant and Former Director General of Trade, Bhutan

Mr. Achyut Bhandari is an Independent Consultant and Former Director General of Department of Trade, Ministry of Economic Affairs, Bhutan. Mr. Bhandari has worked with many International organizations and held high-level positions in Government of Nepal through out his four-decade long career. Most recently he has been affiliated with Asian Development Bank as Manila region Cooperation Specialist in SASEC trade facilitation from September 2013 to March 2017. Previously, he worked with organizations such as UNCTAD (Geneva), UNDP, World Intellectual



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Property Organization (WIPO), Vision RI Connexion Services Pvt. Ltd. and DANIDA in capacity of being National and International Consultant for trade and development. He has also provided his expertise in various government projects with Ministry of Labour & Human Resources, and Ministry of Agriculture & Forest. Mr. Bhandari started his career with the Ministry of Foreign Affairs in 1976 after graduating from University of Western Australia with Bachelors of Economics. He also holds a Masters in Social Change and Development from University of Newcastle, Australia. He held various positions in the Ministry in Thimphu, Geneva and New York including being Director of SAARC division from 1986 to 1992. Mr. Bhandari was Director of Policy and Planning Division, Ministry of Economic Affairs from 1992 to 1999. He was the Director General of Trade, Ministry of Economic Affairs from 2000 - 2005 and CEO & Managing Director of Bhutan Postal Cooperation Limited from 2007-2009.

Session II: Transit and Multimodal Connectivity (Roadways, Waterways, Railways and Aviation)



Professor. Prabir De

Research and Information System for Developing Countries (RIS)

Prabir De is a Professor at the Research and Information System for Developing Countries (RIS), New Delhi. He is also the Coordinator of ASEAN-India Centre (AIC). De works in the field of international economics and has research interests in international trade and development. He was a Visiting Fellow of the Asian Development Bank Institute (ADBI), Tokyo; and Visiting Senior Fellow of United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP), Bangkok. He has been conducting policy research for the Government of India and several international organisations.

De has a PhD in Economics from the Jadavpur University, Calcutta. He has contributed several research papers in international journals and written books on trade and development. His recent publications as an editor and author include “ASEAN-India Development and Cooperation Report 2015” (Routledge, New Delhi, 2015) and ‘Celebrating the Third Decade and Beyond: New Challenges to ASEAN-India Economic Partnership’ (Knowledge World, New Delhi, 2016). He is also the Editor of the South Asia Economic Journal, published by Sage.



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Ambassador Rajeet Mitter

Former High Commissioner to Bangladesh

Ambassador Rajeet Mitter was educated at the Universities of Calcutta and Cambridge, and joined the Indian Foreign Service in 1977. His early career included postings in the Indian diplomatic missions in Iraq, UK, Yugoslavia and Singapore. He also served as Director, Department of Economic Affairs, Joint Secretary (Gulf), Ministry of External Affairs and Joint Secretary (Trade Policy), Department of Commerce. He was appointed High Commissioner to Botswana in 1998, Ambassador to the Philippines in 2006 and High Commissioner to Bangladesh in 2009. He retired from the IFS in 2011 and now lives in Delhi.



Dr. Pritam Banerjee

Senior Director – South Asia, Corporate Public Policy, Deutsche Post DHL Group

Pritam Banerjee is Senior Director for Policy, South Asia. In this role he is responsible for the Deutsche Post DHL group businesses engagement with governments and its agencies on regulatory affairs and policy, and developing solutions for group businesses and their clients. Dr. Banerjee was previously heading Confederation of Indian Industry's (CII) Trade Policy Division. In that capacity he was responsible for industry engagement with the government on all issues related to bilateral trade agreements, WTO related issues, issues related to dumping and safeguard measures, and intellectual property.

Prior to CII, Pritam Banerjee was with the World Bank in Washington DC, where his work focused on issues related to Trade Facilitation and Trade in Services. Dr. Banerjee is a member of the National Trade Facilitation Steering Committee, and was most recently a special invitee to the Committee on Ease of Doing Business Reforms constituted under the Ministry of Commerce as a part of Prime Minister Modi's initiative on reforms. He serves as the executive member of FICCI Logistics Taskforce, and led FICCI's interaction on GST related issues relevant to the transport and logistics sector focusing on operational aspects of GST implementation.

Dr. Banerjee has been engaged with Asian Development Bank as a logistics expert on issues related to development of efficient logistics corridors in India, and regulatory reforms in the road freight and coastal shipping sectors. He also serves as a guest faculty at Indian Institute of



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Foreign Trade (IIFT), Foreign Services Institute (FSI), and NACIN (National Academy of Customs, Indirect Taxes and Narcotics).

Dr. Banerjee has a Ph.D in Public Policy, and Masters and undergraduate degrees in Economics. He has been extensively published on issues related to international trade, regional integration, regulatory reforms, logistics, and trade facilitation.



Mr. Prithviraj Nath

Associate Director, CUTS International Kolkata

Prithviraj Nath is Associate Director at CUTS International, an Indian think-tank. He has research interests in the areas of regional connectivity, trade and development. His recent and current research focuses on physical and institutional connectivity in the Bay of Bengal region, with particular emphasis on political economy of cross- border trade and its impact on regional integration parameters and local economic development. He is also engaged as a consultant with the Asian Development Bank working on border infrastructure development for regional connectivity. His other work spans energy governance, renewable energy and sustainable development issues. Before joining CUTS, he worked with the Department of Municipal Affairs, Government of West Bengal. He did his master's in Business Management after graduating in Economics from University of Calcutta and has published several research papers and articles. Prithviraj likes birding, trekking and exploring new cultures and cuisines.



Dr. Joyeeta Bhattacharjee

Senior Fellow, South Asia Programme, Observer Research Foundation

Dr Joyeeta Bhattacharjee is a Senior Fellow at the South Asia Programme of Observer Research Foundation (ORF), New Delhi. Her research interest includes- India's neighbourhood policy, and especially the eastern arch; Bangladesh's domestic politics and foreign policy; Border Management, Conflict resolution, ethnic conflict and security scenarios in India's northeast.

Dr Bhattacharjee joined ORF in October 2006 and has been pursuing research on South Asia. Dr Bhattacharjee regularly contributes op-ed articles in major daily newspapers in India like- The Pioneer, The Financial Express, The Hindustan Times, The Economic Times, The Hindu Business Line on issues including India's relationship with



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Bangladesh, state of politics in Bangladesh, terrorism in South Asia, ethnic conflicts, sub-regional cooperation etc. She has also presented papers in national and international seminars and published articles in many academic journals.

Dr. Bhattacharjee holds a Ph.D. from Assam University, Silchar. The title of her Ph.D. thesis is “Conflict Resolution and Peace: New Dimensions in Applied Ethics”. She completed her Master of Arts in Philosophy from the same University in 1999. She was awarded a Junior Research Fellowship by the Indian Council for Philosophical Research.



Dr. Nisha Taneja

Professor, Indian Council for Research on International Economic Relations

Nisha Taneja is Professor at Indian Council for Research on International Economic Relations. Her broad areas of interest include WTO issues, regional trade, industrial economics, and institutional economics. In recent years, she has worked on tariffs, non-tariff barriers, and transport issues related to India-Nepal, India-Sri Lanka, India-Pakistan, India-Bhutan, India-Korea, India-Japan, India-China and sub-regional cooperation between India, Bangladesh and Myanmar.

She has served on committees set up by the Government of India on Informal Trade, Rules of Origin and Non-Tariff Barriers and was recently appointed as Transshipment Adviser to the Government of Nepal. Her research papers have been published in several journals and have been disseminated widely in India and abroad. She has worked as a Consultant with the Asian Development Bank, The United Nations and The World Bank on a range of issues which include supply chain analysis, regional integration in South Asia, informal trade and non-tariff barriers in South Asia.

Session III: Energy, Water, Environment, Climate Change and other issues



Dr. Mahendra P Lama

School of International Studies, JNU

Prof. Lama had been Chairperson, Centre for South, Central, Southeast Asia and South West Pacific Studies at the School of International Studies, Jawaharlal Nehru University, New Delhi, a Ford Foundation Fellow at Notre Dame University, USA, and a Visiting Professor



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in Hitotsubashi University, Japan. He also served as a Vice Chancellor of the Central University in Sikkim, India and also served as the chief economic adviser to the Chief Minister of Sikkim for seven years (2002-2009). Lama is a Member of the National Security Advisory Board of the Government of India, India –China Fellow at the New School University, USA. In 1997, he was nominated by the Indian government to serve in the independent expert group set up by the South Asian Association for Regional Cooperation (SAARC). He was also a member of the National Committee of the Revamping of the North Eastern Council in 2004, and the national steering committee for the North East Vision document. Lama is an author. He has written and edited several books and scholarly articles and some of this works have been translated into Japanese, French and German Language.

Mr. Arvind Kumar

Advisor, The Energy and Resources Institute (TERI)

Dr. Lydia Powell

Head, Centre for Research Management, Observer Research Foundation



Ms. Powell has been with the Observer Research Foundation for over 16 years working on policy issues in energy, water and the environment in the Indian context. Her current interests include energy security, energy access, carbon constraints and its impact on India's energy security, clean coal for energy and environmental security, regional cooperation for environmental security (India and Bangladesh) and Federalism and its impact on Indian energy policy. She contributes commentary and analysis on the Indian energy sector regularly. Her most recent paper was a book chapter on India's Energy Transitions. Ms. Powell has also worked for Norsk Hydro and for Orkla, two of Norway's largest conglomerates whose interests include energy. Ms. Powell has three Post Graduate Degrees - two on Energy from Norway and one in Solid State Physics from India.

Dr. Chandan Mahanta

Professor, Indian Institute of Technology, Guwahati, Assam



Prof. Chandan Mahanta Dean, Students' Affairs and Professor, Centre for the Environment Professor, Department of Civil Engineering Indian Institute of Technology – Guwahati Dr. Chandan Mahanta is currently the Dean of Students' Affairs and Professor in the Centre for the Environment at IIT Guwahati. He has served as the Head of the Centre for the Environment. He is also a BOG member of NIT Nagaland and Khelhoshe



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Polytechnic at Zunheboto, Nagaland. He has been an ASCE-EWRI visiting fellow at the Utah Water Research Laboratory of the Utah State University, USA and has been EurIndia visiting fellow to the University of Applied Sciences, Karlsruhe, Germany; he was in the Monash Sustainability Institute of Monash University under the Australian Leadership Award Fellowship Programme.

He was part of a Hydro Diplomacy programme jointly hosted by MIT, Harvard University and Tufts University in 2014. Prof Mahanta has served in various national and international committees including the Planning Commission of India. Prof Mahanta has carried out projects funded by national bodies and international agencies including MHRD, MoUD, MoEF, DST, SIDA, EURINDIA, UNICEF and IUCN. Prof. Mahanta has authored more than fifty technical publications in peer reviewed journals, proceedings and books.

He has organised trainings, workshops, conferences and has lectured to a cross section of professionals in USA, Australia, Canada, France, Italy, Germany, Sweden, Netherlands, China, Taiwan and Southeast Asian countries including Nepal, Bangladesh and Sri Lanka and had collaborations with several US and European universities. He has been advisor to eighteen PhD and more than fifty Masters Students. One of his major projects on Digital Brahmaputra has attempted to leverage IT applications in building robust hydrological information system. Several of his current research engagements are focused on sustainable drinking water and sanitation, and urban river restoration and management. Prof Mahanta has been part of past TERI events including DSIDS.



Dr. Smruti S. Pattanaik

Research Fellow, IDSA

Dr. Smruti S Pattanaik is a Research Fellow at the Institute for Defence Studies and Analysis (IDSA), New Delhi. She joined the IDSA in 1998. She holds PhD in South Asian Studies from the School of International Studies, JNU. Her area of specialization is identity politics, security issues and civil-military relations in South Asia. Her current research focuses on India's Neighbourhood Policy: Role of States.

She received Asia Fellowship and was a visiting Asia Fellow at the Department of International Relations, Dhaka University in 2004. She also received follow up grant from Asian Scholarship Foundation in 2007 to research the Jamaat Islami and the politics of identity in Bangladesh. She



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was earlier a Kodikara fellow at the Regional Centre for Strategic Studies; Colombo, postdoctoral fellow at Centre for International Relations and Research (CERI) in Paris in 2008 and visiting fellow at International Peace Research Institute Oslo (PRIO) in 2011. She was Visiting Professor on ICCR's India Chair in the Centre for Contemporary Indian Studies, Colombo University in 2013. She has lectured on India's foreign policy and South Asia at the Colombo University, Sir John Kotelawala Defence University, Asia Centre in the University of Melbourne, University of Karachi, University of Peshawar, Jahangirnagar University and University of Dhaka. She was a member of IDSA taskforce on neighbourhood.

Dr Pattanaik has published more than 50 articles in various journals, has contributed more than 40 chapters in edited books, and delivered lectures on security issues both in India and abroad. She is the author of "Elite Perception in Foreign Policy: Role of Print Media in influencing Indo-Pak relations, 1989-99" (RCSS and Manohar, 2004) and has edited two books, "South Asia: Envisioning a Regional Future" (2011), "India-Bangladesh relations: Historical Imperative and Future Direction" (2012).

Ms. Aayushi Awasthy

Associate Fellow, TERI

Mr. Thuta Aung

CEO, HamsaHub Consulting, Yangon, Myanmar



Having founded HamsaHub Consulting in 2012, the firm has emerged as a pioneer in designing CSR projects within a Myanmar context and in reforming local firms for international partnerships. Thuta has represented Myanmar at ASEAN and South Asia Regional fora in the area of inclusive business and MSME Development. He still continues his academic career started from England by regularly giving lectures as a Senior Fellow at Myanmar Institute of Strategic and International Studies and Central Institutes of Civil Service where he curates a programme on Leadership and Coordination.

He is also actively involved in start-up development, having set up the first PPP operated Incubation Centre with the Department of SME Development of the Myanmar Ministry of Industry. With his artist wife Shwe Thiri Khit, Thuta is part of an initiative to build the fashion brand AmaraKhit in addition to a new spin off on forestry products. Thuta's latest book, "The Bumblebee Takes Flight" was a best seller on [Amazon.com](https://www.amazon.com) in 2017.



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Session IV: People to People Connectivity through Multi-Sectoral Engagement



Dr. K Yhome,
Senior Fellow, ORF

K. Yhome is a Senior Fellow with ORF's Neighbourhood Regional Studies Initiative. His research interests include India's regional diplomacy, regional and sub-regionalism in South and Southeast Asia, the Bay of Bengal region and China's southwest provinces. Of late his research has focused on developments in Myanmar and the evolving geopolitics in the Bay of Bengal. Before joining ORF he worked as an Editorial Assistant for Indian Foreign Affairs Journal.

Yhome has a PhD and an MPhil from Jawaharlal Nehru University, New Delhi, and an MA (Political Science) from Hyderabad Central University. He is the author of Myanmar: Can the Generals Resist Change? and has contributed chapters in edited books and articles in national and international journals/magazines.



Dr. Sampa Kundu,
Research Assistant, IDSA

Dr. Sampa Kundu joined the Southeast Asia and Oceania Centre on December 16, 2013 as a Research Assistant. She completed her PhD on 'India and Myanmar in BIMSTEC: Implications for Northeast India' from the Centre for Indo-Pacific Studies, School of International Studies, Jawaharlal Nehru University in 2014.

Dr. Kundu's research interests include India's bilateral relations with Southeast Asian nations, India's Act East Policy and Southeast Asian regional affairs. Her job responsibilities include analysing the regional affairs in Southeast Asia with a focus on geo-politics and foreign relations, writing for the institution on a regular basis, editing the centre's newsletter '*Insight Southeast Asia*' and assisting in organising various events including the Delhi Dialogue, a Track 1.5 dialogue between India and ASEAN partners.



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Mr. Thuta Aung,
CEO, HamsaHub Consulting, Yangon, Myanmar

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H.E. M. Shahidul Islam
Secretary General, BIMSTEC Secretariat

M Shahidul Islam is the current Secretary General of BIMSTEC since September 2017. He started his career in 1988 as Assistant Secretary at the Ministry of Foreign Affairs in Dhaka.

He was the Ambassador to Romania (2012-2015), Ambassador to Algeria (2015-2016), Ambassador to Ivory Coast (2015-2017) and Ambassador to Cameroon (2015-2017). He was also the Ambassador to South Korea, stationed at the Embassy of Bangladesh, Seoul, Republic of Korea (2008-2012). He was the Director General of the Americas, Pacific and Counter Terrorism Wing, Europe Wing at the Ministry of Foreign Affairs in Dhaka (2006).

He has also held the positions of the Direction of the Ministry of Foreign Affairs, Dhaka (1999), the Counselor of the Embassy of Bangladesh in Washington DC (2001) and the Deputy head of Mission of the Embassy of Bangladesh in Washington DC (2004). He was appointed the Counsellor to the Bangladesh Permanent Mission to the UN in Geneva, Switzerland (1996). He has held the designation of Second Secretary (1992) and First Secretary (1994) at the Bangladesh Deputy High Commission in Kolkata, India. He holds a Master's in International Relations (1987) from the University of Dhaka and a Post-Graduate Diploma in International Relations (1991) from the International Institute of Public Administration, Paris.

Ambassador H.K. Singh
Director General, Delhi Policy Group

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Delhi Policy Group

Core 5A, First Floor, India Habitat Centre

Lodhi Road, New Delhi-110003

Ph. +91-11-48202100

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