

## Prospects for BIMSTEC Cooperation

by Mohit Musaddi



As BIMSTEC gets ready to hold its 4<sup>th</sup> summit in Kathmandu on August 30-31, it is worthwhile to look at the major themes of regional cooperation that will be in focus. Senior officials from BIMSTEC countries have identified 'regional connectivity' and 'poverty alleviation' as the two main themes for the summit.

*In toto*, BIMSTEC has 14 areas of cooperation. Individual BIMSTEC members have been designated as the 'lead country' for each of these 14 areas. Out of the two major themes to be discussed at the Kathmandu summit, Nepal is the lead country for poverty alleviation while India is the lead country for transport, communication and tourism, which form the crux of regional connectivity.



*The last BIMSTEC Summit was held in Nay Pyi Taw, Myanmar on March 3-4, 2014. Former Prime Minister Dr. Manmohan Singh is seen along with the leaders of six other member states of BIMSTEC. Source: Erewise.com*

### DPG's "Regional Conferences on Advancing BIMSTEC Cooperation"

The Delhi Policy Group (DPG), organized three "Regional Conferences on Advancing BIMSTEC Cooperation" over a five-month period from April to August, 2018 in Delhi, Yangon and Colombo. Discussions at the three conferences were held in four thematic areas: Trade and Economic Integration; Transit and Multimodal Connectivity (Roadways, Waterways, Railways and Aviation); Energy, Water, Environment,

### IN THIS ISSUE

## "Prospects for BIMSTEC Cooperation"

**Author:**  
**Mohit Musaddi,**  
**Research Associate**

DPG Event Brief is produced by the Delhi Policy Group, an independent and autonomous, not for profit think tank which focuses primarily on strategic issues of critical national interest.

In keeping with the growing dynamism of India's foreign and security policy, the DPG has expanded its focus areas to include India's broader regional and global role and the strategic partnerships that advance India's rise as a leading power. To support that goal, the DPG undertakes research and organizes policy interactions across a wide canvas, including strategic and geo-political issues, geo-economic issues and defence and security issues. DPG does not take specific policy positions; accordingly, all views, positions, and conclusions expressed in this publication should be understood to be solely those of the author(s).

© 2018 by the Delhi Policy Group (DPG)



**Ambassador Hemant Krishan Singh**  
Director General

and other Issues; and People to People Connectivity through Multi-sectoral Engagement which encompassed all 14 areas of BIMSTEC cooperation. Further, concrete two-year action plans were developed for each of the thematic areas apart from an additional theme focusing on 'Advancing Gender Issues in the BIMSTEC Region'.

The idea of BIMSTEC as a regional grouping has been gaining a lot of traction in the recent years particularly at the Track 1 and Track 2 levels. Geopolitical developments related to deteriorating India-Pakistan relations and the consequent impasse within SAARC have given an impetus to BIMSTEC cooperation. On a more positive note, the positive outcomes within BIMSTEC are being built upon the solid foundation of good bilateral relations between the seven countries and their desire to push forward with regional integration initiatives. Equally important has been the China factor. To counter China's growing footprint in the region, India feels it must step up its engagement with regional countries.



*The Regional Conference on "Advancing BIMSTEC Cooperation" was held in New Delhi on April 26-27, 2018. It was the first of the three conferences to be organized by DPG. The Secretary General of the BIMSTEC Secretariat, Ambassador M. Shahidul Islam (left) delivered the Keynote Address during the valedictory session of the conference. The Director-General of DPG, Ambassador H.K. Singh is seen on his left. Source: Delhi Policy Group*

The three Conferences on Advancing BIMSTEC Cooperation organized by DPG, received significant traction and interest at both the Track 1 and Track 2 levels. For example, the recently concluded Colombo Conference was addressed by Dr. Indrajit Coomaraswamy, the Governor of Sri Lanka's Central Bank, Mrs. Grace Asirwatham, the State Secretary in the Foreign Office and Ambassador Sumith Nakandala, former Secretary General of BIMSTEC. Similarly, official dignitaries addressing the Yangon Conference included the Permanent Secretary in the Ministry of Agriculture, Livestock and Irrigation Dr. Khin Zaw and Deputy

Director General in the Ministry of Commerce, Mrs. Naw Mutakapaw. Further, the head of partner think-tanks, MISIS and CESD also addressed the gathering. The Delhi Conference was addressed by the heads of missions of Thailand, Bhutan, Nepal and Bangladesh apart from the serving Secretary-General of BIMSTEC Mr. M. Shahidul Islam. India's Heads of Mission in Colombo and Yangon addressed the Conferences held in the two capitals respectively. The Joint Secretary (BIMSTEC & SAARC) in the Ministry of External Affairs, Government of India, Shri Piyush Srivastava delivered Special Addresses in Delhi and Yangon. Close to 130 scholars, experts, media persons and civil society representatives from more than 55 think tanks and universities in BIMSTEC member countries participated in the Delhi, Yangon and Colombo conferences.



*DPG's Regional Conference on "Advancing BIMSTEC Cooperation" was held in Yangon on June 14-15, 2018. Seen in this photo from L-R are Ambassador Vikram Misri, Ambassador of Republic of India to the Republic of the Union of Myanmar, Ambassador H.K. Singh, Director-General, Delhi Policy Group, New Delhi, Ambassador Nyunt Maung Shien, Chairman, Myanmar Institute of Strategic and International Studies (MISIS), Myanmar. Source: Delhi Policy Group*

### Action Plans and Recommendations

Originally established in 1997, BIMSTEC is the only regional organization that acts as a bridge between South Asia and South East Asia. Myanmar and Thailand have the potential to serve as a crucial link between the BIMSTEC and ASEAN. Myanmar is particularly important as it is the designated lead country in two of the most important areas of Energy and Agriculture.

Deliberations at the conferences revealed nuanced differences in approach. For example, in the Yangon conference, the two priority areas that were identified in the Energy sector were developing green, sustainable and climate resilient projects and infrastructure for the

BIMSTEC region apart from having a BIMSTEC strategic inclusive partnership to mobilize global investment and funding.

In Colombo, DPG discovered that more focus was put on establishing an integrated optimum water resource utilization plan besides combatting climate change and facilitation of energy trade. The priorities identified in the Delhi Conference on the same issue were on integrating coastal zones with river systems and leveraging the diversity of BIMSTEC Energy sources besides including the water transport system in the connectivity master plan.



*The DPG's Regional Conference in Colombo was well attended. Dignitaries present included H.E. Taranjit Singh Sandhu, the High Commissioner of the Republic of India to the Democratic Socialist Republic of Sri Lanka, and the Governor of Central Bank of Sri Lanka, Dr. Indrajit Coomaraswamy. Source: Delhi Policy Group*

Similarly, on the regional connectivity front, discussions in each of the three capitals stressed upon different priorities. While the Delhi and Colombo conferences stressed upon the need for the conclusion of a BIMSTEC Motor Vehicle Agreement (MVA), the Yangon conference stressed on the completion of the missing links in the Thailand-Myanmar-India trilateral highway. The coastal shipping agreement as part of Regional Connectivity was stressed upon in all three countries as Sri Lanka is an island state and both India and Myanmar are also well connected via the sea. Other aspects of connectivity in terms of trade, people to people contacts, railways, passenger air-links, open skies for aviation and trade facilitation also have the potential for increasing cooperation in the region.

It is widely anticipated that an agreement for Coastal Shipping will be signed at the Kathmandu summit. Further, the BIMSTEC Grid Connectivity Agreement is also expected to be signed. These agreements will ultimately pave the way for a larger BIMSTEC Connectivity Master Plan in the future.

The sector which has received the most traction though, has been trade and economic integration. In 2016, the BIMSTEC intraregional trade stood at US \$ 72.6 billion while the intra-BIMSTEC cross border trade stood at US \$ 38 billion in 2014. One shortcoming in the area for the regional cooperation has been the failure to conclude the BIMSTEC Free Trade Agreement (FTA). While the Free Trade Framework Agreement was signed in 2004 and a Trade Negotiation Committee (TNC) set up thereafter, the fact that an agreement on the FTA has not yet been reached has proven to be a major impediment to the cooperation in this area. Other priority areas in trade and economic cooperation for BIMSTEC have been identified as value chain integration, adopting technology in trade and strengthening trade facilitation measures.

### Differing Priorities

What is apparent is that different BIMSTEC member nations have different priorities in terms of advancing the identified areas of cooperation. The main challenge for the leaders in the summit will be to address the differences in viewpoints that are bound to arise given the large population and uneven landscape in the region. The summit will then need to agree on pragmatic action plans that will be in alignment with all the member countries so as to ensure maximum benefits to each.

Poverty alleviation as a theme has not received much attention in regional cooperation initiatives amongst BIMSTEC countries and hence, this topic is timely given the acute problems of poverty in the region. The organization has held three ministerial meetings on poverty alleviation in twenty-one years, the latest one being in Colombo in December 2017. An eleven-point agenda, which included a commitment to the effective implementation of the Poverty Plan of Action (PPA) that was adopted in the second ministerial meeting in 2012 was agreed upon as the "Colombo Statement on Poverty Alleviation". Poverty reduction via skills transfer is also a methodology that can be adopted in the region as remarked by Mr. Thuta Aung, CEO of Hamsa Hub Consulting who presented a paper at the Yangon Conference. Skills transfer in terms of quantitative skills, negotiation ability and absorption capacity will help the smaller nations to develop skills that can assist them in alleviating poverty in the region. Education too can serve as a major determinant of poverty alleviation in the BIMSTEC region.



## Challenges

BIMSTEC has to primarily deal with four key challenges. First, a lack of media coverage and public awareness about the grouping acts as a major impediment for the growth of BIMSTEC. The initiative has not been a household name unlike SAARC, and there is a need to incorporate information about BIMSTEC in the school and university curriculums.

Second, BIMSTEC's top-down approach has been problematic. For the initiative to become an enabler of regional cooperation, it will have to evolve as an organization that works through a bottom-up rather than a top-down approach. BIMSTEC lags behind ASEAN and other regional organizations with regard to people to people contact and hence, it must work towards adapting a people-centric approach.



*The summit in Kathmandu will be Prime Minister Modi's first summit since assuming office. Earlier in October 2016, at PM Modi's initiative, the BIMSTEC convened for a leader's retreat in Goa on the side-lines of the BRICS Summit. Source: Tribune India*

Third, there is a lack of focus in the initiative. Through the projects that BIMSTEC has undertaken over the years, the areas of cooperation have been broadened but there is a lack of closure. Hence, the organization needs to focus on fewer priority areas for the purpose of better implementation. Further, it also needs to undertake projects that are economically feasible and result-driven.

Finally, for the organization, the so-called 'national interests' of member countries stand in the way. Even though there are plenty of opportunities in the region, the fiscal checks and balances mean that a reprioritisation of sectors is required for a more efficient implementation. Hence, the member states need to build on the regional synergies and work towards utilizing the available resources in a more optimal manner. This would help build a stronger and a more dynamic BIMSTEC.

### Delhi Policy Group

Core 5A, First Floor, India Habitat Centre  
Lodhi Road, New Delhi 110003  
Phone: +91 11 48202100  
Website: [www.delhipolicygroup.org](http://www.delhipolicygroup.org)  
Email: [dg@dpg.org.in](mailto:dg@dpg.org.in); [dgooffice@dpg.org.in](mailto:dgooffice@dpg.org.in)

DPG EVENT BRIEF  
Volume III, Issue 13  
August 2018