

## Essay

# BIMSTEC and its Future: Connecting South and Southeast Asia

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It has been widely recognized for some time that regional cooperation in South Asia will best, and more pragmatically, be advanced by developing sub-regional frameworks, which will gradually open the way for larger regional buy-in and graduation to intra and inter-regional cooperation. SAARC, founded with high expectations and hopes, is now largely perceived as being in comatose. A graduated, organic evolution, focusing on sub-regional groupings first, trying to establish some examples of success that would compel interest and attention, appears to be a more realistic approach than a grand leap forward with risk of going into free fall. BBIN and BIMSTEC have both been chosen as the promising pathways and have become the current buzzwords.

### **Sub-regionalism: BBIN**

The BBIN, comprising Bangladesh, Bhutan, India and Nepal (from whom the acronym is derived) is a sub-regional cooperation process at intergovernmental level. An earlier incarnation of it was the South Asia Growth Quadrangle (SAGQ), comprising Bangladesh, Bhutan, northeastern states of India and Nepal, formed in 1997 after the SAARC Summit endorsed the idea of sub-regional project-based cooperation by three or more countries. The SAGQ had at that time formed a Council of Ministers comprising Foreign Ministers of the four countries and had identified trade and investment, communication, tourism, energy and natural resources development as the four core areas of cooperation. But then, almost immediately thereafter, it went into extended hibernation.

The BBIN process was initiated by Bangladesh and India under the provisions of the Framework Agreement on Cooperation for Development signed by the Prime Ministers of the two countries on September 6, 2011 in Dhaka. While this is strictly a bilateral

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agreement, it formalises joint initiatives undertaken by the two to initiate dialogue with neighbours for sub-regional cooperation. It has made remarkable progress since the first meeting was convened by Bangladesh in December 2012 (attended only by Bangladesh, Bhutan and India at that time). Disappointed at the failure of the SAARC Summit in Nepal in November 2014 to approve regional connectivity initiatives primarily because of objections of one country, the four countries in the Second intergovernmental meeting in New Delhi in January 2015 revived the earlier stymied SAARC MVA (Motor Vehicles Act) initiative and reincarnated it as the BBIN MVA. Wisely, having learnt from the earlier mistake in SAARC, it left it open for its signatories to operationalise it when three members were ready --leaving it open for others to join as and when they were ready.

The BBIN MVA was signed in May 2015. It has been fully ratified by Bangladesh, India and Nepal to date. However, Bhutan stopped short of complete ratification (its lower house in Parliament ratified it, but its Upper House has shied away from doing so till date). Bangladesh and India successfully conducted trial run of passenger and cargo vehicles from Kolkata to Agartala in December 2015. Similar trial run linking Bangladesh, India and Nepal, from Kathmandu (NP)-Kakarbita (NP)-Panitanki (IND)-Phulbari (IND)- Banglabandha (BD)- Mongla-Chittagong (BD) was also successfully completed the following year. The SOPs that would govern movement of cargo and passenger road vehicles have also been agreed upon by Bangladesh, India and Nepal, but they are unable to operationalise this game-changing agreement pending completion of ratification process by all four signatory states. The trial run for SAARC Corridor linking Bhutan (Thimpu (BH)-Phuentsoling (BH)- Jaigon (IND)- Changrabandha (IND)- Burimari (BD)- Mongla/Chittagong) remains incomplete. Bangladesh, India and Nepal have proposed to Bhutan that the latter need not operationalise this route until it is comfortable to do so. But unless Bhutan completes the ratification process, the entire agreement cannot be operationalised by the countries that have completed ratification. It is, therefore, imperative that the other three co-signatories all make concerted efforts to persuade Bhutan to complete ratification.

The third meeting of the senior officials of the four countries in Dhaka in February 2016 saw remarkable progress in terms of concrete goals having been identified in sub-regional connectivity, energy and water cooperation. Notably, inter alia, were the expression of interest in (a) arriving at a BBIN Rail Agreement (drawing on the SAARC Regional Rail Agreement as template, much as the BBIN MVA was done), and (b) establishing multi-modal connectivity using a combination of river, rail and road connectivity between Daikhawa (Bangladesh)-Dhubri (India)- Gelephu (Bhutan). This has since become functional, with

Bhutan sending its first heavy cargo to Bangladesh and Tripura using the river route that is operational between Bangladesh and India. Additionally, Bangladesh and India have been steadily forging forward towards road connectivity between West Garo Hills in Meghalaya at Dalu and Nakugaon in Mymensingh in Bangladesh – this would form a North-South connectivity corridor of great importance for Bhutan, Nepal and the NE state of Meghalaya (with India's NH 7 feeder highway to the North East) linking all overland to Bangladesh and its railway network, inland navigation channels and ports. The first container truck containing ready-made garments from Bangladesh-- destined for Marks and Spencer in New Delhi-- left Dhaka via Benapole and Petrapole on a trial run where it was sealed in accordance with the agreed SOP under the MVA and unloaded the cargo at destination point (across 1400 kilometers) in New Delhi two weeks later. This was a game-changing trip and marked the shattering of a glass ceiling that had leashed free movement of trade between the two countries for decades. But it was only a trial run that was successfully completed. Until completion of ratification process, all trucks still are hostage to the very cumbersome, time-consuming and inefficient method of unloading all goods at zero point of designated border and transferring same to another truck to carry it across the destination country.

In the meantime, pending operationalization of the BBIN MVA, commercial passenger bus services are already active, between Kolkata-Dhaka-Agartala and Dhaka-Sylhet-Shillong-Guwahati. Similar services between Dhaka-Kathmandu and Dhaka-Thimpu have also been announced but are yet to be operationalised. The BBIN Joint Working Group (JWG) has also agreed to upgrade and modernise some existing land ports/land customs stations that are crucial for promoting sub-regional trade and transit. It has also recommended the upgradation on a priority basis of their facilities and coordinated development. Integrated Customs Ports (ICPs) at Benapole-Petrapole, Dawki-Tamabil, and Agartala and Akhaura have already been inaugurated, though the services need to be modernised.

Pending formalisation of a formal BBIN Rail Agreement, daily passenger train services (upgraded from thrice weekly) are now operating seamlessly between Kolkata and Dhaka, with customs checking and immigration at point of embarkation and disembarkation. A similar thrice- weekly service is also operating between Khulna and Kolkata. Upgradation and linking up of other sectors identified are: Rohanpur-Singabad, Radhikapur-Birol, Akhaura-Agartala-- which is nearing completion. All other connections that had been disrupted by the 1965 war, including Jalpaiguri via Fulbari to Kolkata and Dhaka, are also being restored.

The BBIN JWG also decided to form a Joint Experts Group for sharing best practices of basin-wide water resources management and identified several potential hydropower projects for joint participation and development by the four countries. No progress has been made on this front after that. However, some commendable progress has been made in connectivity through Inland waterways and coastal shipping agreements. It is recognized that water-borne transportation of goods is much cheaper and environmentally friendlier than road or rail transportation. Using water transportation reduces logistics cost significantly. While it costs Rs. 1.25 per kilometer to carry cargo by road and Rs. 1/km by rail, it costs only 25 Paise by river transport. It also reduces carbon footprint by over 65%. River transportation will also boost river tourism, eco-and cultural tourism along waterways. India's Communications Minister had announced on March 14, 2016 that India is planning to harness 50,000 kms of sea riverfronts (including 116 rivers with 35,000 potentially navigable stretches) as waterways. This matched largely with Bangladesh's desire and efforts during the last eight years or more to revive all navigable inland waterways within Bangladesh that had been allowed to atrophy for six decades or more. There is also now increasing realization by BBIN countries of the importance of water-borne transportation, with Nepal and Bhutan also showing increased interest in reviving Inland water shipping that existed until after Partition. As mentioned earlier, multimodal connectivity between Bhutan, India and Bangladesh using inland river port at Dhubri (on Brahmaputra River) as junction has already been formally launched. In the meantime, following a bilateral agreement signed recently, passenger cruise ships have started operation between Kolkata and Dhaka, and the service is to be extended to Guwahati-Dhaka as well.

The above ambitious agenda will inevitably necessitate the need for collaborating in holistic river basin management. To restore and revive riverine connectivity, a slew of coordinated works will have to be undertaken, which will include, inter alia, dredging of identified stretches, to begin with (the accumulated silt so dredged can be used for land fill and embankment shoring); training the river and construction of geo-protected embankments on both sides (using the successfully tested Bangladesh model); building secondary roads along both banks for regular maintenance of the embankments (these roads will serve to connect villages with each other that dot both sides of the river). Each country's action plans must be charted collaboratively to harmoniously move forward along the course set. India as mid-riparian with largest stretches of both rivers and as the pre-eminent economy with much larger capacity, in its own larger interest should offer to help the smaller riparian states. Only thus can fiercely contested waters be transformed into waters of connectivity and collaboration.

These are all phenomenal developments, either completed or underway at various stages, considering what existed barely ten years ago. The BBIN, although within the larger SAARC ambit, is without any hard-institutional arrangement underpinning it. It does not have any organizational support either, because the SAARC Secretariat does not provide any support to it. It is therefore hostage to the limited attention spans and protean wills of the senior officials and political masters of the four participating countries finding time to synchronize their respective calendars and contriving to meet. Reflecting this constraint, the fourth meeting of the JWG on BBIN which was to have been held in New Delhi in July 2016, has not yet met. The BBIN, therefore, remains essentially a most promising process in search of an institutional arrangement to sustain meaningful progress and forward-movement.

### **New Regionalism: BIMSTEC**

The BIMSTEC, (initially BIST-EC, or Bangladesh, India, Sri Lanka and Thailand Economic Cooperation, which became BIMSTEC when Myanmar also joined) was formed in 1997, with Bangladesh, India, Myanmar, Sri Lanka and Thailand (from which the acronym is derived). Later, in 2003, it also embraced Bhutan and Nepal when a new definition was given to the acronym to denote it as the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation, identifying technical and economic cooperation covering trade, investment, technology, tourism, human resource development, agriculture, fisheries, transport and communication, textiles, leather, etc. Initially, it had a mobile secretariat, which was to have rotated with chairmanship of the organization (but became largely Thailand's baby) and held periodic meetings of senior officials (Foreign Secretaries), Foreign Ministers and Heads of States/Governments (very rarely). It graduated finally in 2014 to establishing a permanent secretariat in Dhaka. A BIMSTEC Free Trade Area Framework Agreement exists in incomplete draft form and is being negotiated (it has held over 22 meetings to date) in the Trade Negotiations Committee (TNC). One factor that may have caused this glacial progress would be that since its formation BIMSTEC has held only four Summit level meetings, reflecting lack of sustained political focus. The inertia has gravitated to the lower functional levels as well. BIMSTEC remains, therefore, still an institution in search of a meaningful agenda for sectoral cooperation, and its mandate lacks empowerment from its respective national leaders.

### **Subsuming BBIN – the way forward**

BBIN is effectively an integral part of BIMSTEC, comprising majority of the 7-member BIMSTEC. Home as it already is to the BBIN collaborative partners, the BIMSTEC-- currently

an institution without much substance-- could institutionally subsume the BBIN and its current dialogue process and offer institutional support to operationalize and further building upon its achievements. By offering an institutional platform for the BBIN countries' efforts at collaboration, it would also enable Sri Lanka, Myanmar and Thailand to buy into collaborative activities identified by BBIN partners to establish as well as expand multi-modal connectivity via road, railways, inland water transport, coastal shipping, maritime shipping, as well as ICT. Viable energy connectivity grid with interactive power exchanges may also be within the realm of the achievable. In doing so it would effectively be acting as a bridge straddling South and Southeast Asia and be a gateway to East Asia as well. In the process, it would ultimately connect the vast markets of South Asia, Southeast Asia and East Asia to each other. This would exponentially boost trade, investment, tourism and people-to-people interactions, engaging in a plethora of project-oriented activities and qualitatively transforming the lives of the huge multitudes of peoples inhabiting this vast stretch of geography.

India is understandably impatient to connect East and is pushing hard for fully make BIMSTEC a viable and smoothly functioning organization. However, a word of caution is suggested here. To proceed towards this goal, it needs to first do all it can, using its resources and political heft, to concretely bring already-identified BBIN goals (and endeavours) to fruition. This is necessary because on the eastern side, where South meets Southeast Asia, challenges have emerged. Bangladesh (of South Asia) and Myanmar (of Southeast Asia) form the western and eastern spans, respectively, of the bridge connecting the eastern South Asia landmass to the Southeast Asian region (extending to East Asia). Together, they must work in harmony, and cordiality, to render the bridge useable and viable. The problem is that the bridge is on fire where the two spans meet, because of the Rohingya refugee crisis, triggered by Myanmar's assault on its Rohingya citizens in Rakhine province adjoining Bangladesh. Unless this fire is doused quickly and the structural damage already done to the bridge is repaired and reconstructed swiftly, the fire will spread rapidly in both directions, adversely affecting both regions. The problems are beginning to assume serious political dimensions domestically in Bangladesh, forcing its Prime Minister to take it up forcefully at the UN General Assembly this year, as well as personally with Indian Prime Minister Modi and Chinese Leader Xi Jinping. Pending resolution of this highly inflammable issue, Bangladesh and India need to work together to demonstrate to BIMSTEC partners that BBIN is alive, viable and healthy, with compelling and demonstrable examples of successful ventures.