

## **Motor Vehicles Agreement is Key for Prosperity in the BBIN Region**

Kolkata, 17<sup>th</sup> February, 2017: The Motor Vehicles Agreement (MVA) signed between Bangladesh, Bhutan, India and Nepal (BBIN) can be a game changer especially for land-linked countries like Nepal, Bhutan and states in the North East part of India. However, for effective implementation, it has to address a number of challenges to set the wheel rolling. For example, the National Council of Bhutan is yet to ratify the MVA raising concerns pertaining to environment pollution, lack of road and infrastructure capacity to handle huge volumes of cargo and passengers.

Two of the key challenges include lack of facilitating infrastructure coupled with lack of financial capacity of the countries in the BBIN region to support development of infrastructure and harmonisation of procedures for border crossing (transit). In addition, there are also significant challenges pertaining to land acquisition, concerns of transport operators, gender concerns, and differences in mind sets of people.

However, the need of the hour is to get over the “Big country and small country syndrome”, move forward and implement the MVA which will have tremendous implication for growth and development of the countries in the BBIN region.

These were discussed at the two day meeting organised in Kolkata by CUTS International under the project titled “Bangladesh-Bhutan-India-Nepal Motor Vehicles Agreement: Facilitating implementation and stakeholder buy-in in the BBIN region”.

Welcoming the delegates, Pradeep Mehta, Secretary General, CUTS International mentioned that the MVA can be instrumental in poverty reduction by creating investment opportunities, developing regional value chains and creation of new jobs. According to Craig Hall, U.S. Consul General, Kolkata, there is the need for enhancing intra-regional trade among countries in the South and Southeast Asian countries by sharing resources and removing various trade barriers. He further added that the meeting is a continuation to the deliberations that took place during an earlier meeting on Indo-Asian Connectivity for shared prosperity held in Kolkata during December, 2016.

Bipul Chatterjee, Executive Director, CUTS International, said that the MVA can yield concrete benefits for the common man. He mentioned that the MVA is not only significant in terms of improvement of land ports but also from the point of view of development of economic corridors which is indispensable for trade facilitation. A D James, Deputy Secretary, Ministry of Road Transport & Highway, Government of India mentioned some of the initiatives that the Government of India is presently undertaking to facilitate effective implementation of the MVA which includes expansion of road networks, development of logistical hubs with state of art facilities along major economic corridors.

Sandeep Raj Jain, Economic Affairs Officer, Transport Facilitation and Logistics Section, Transport Division, United Nations Economic and Social Commission for Asia and the Pacific highlighted the need for the use of Information Technology to strengthen connectivity among the land linked countries in the BBIN region. Atiur Rahman, Professor, Dhaka University and Former Governor, Bangladesh Bank, emphasised need to develop regional financial institution and chalk out other strategies such as public-private partnership models to facilitate funding for developing facilitating infrastructure.

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Badrul Hassan Babul, Joint Secretary, Ministry of Commerce, Government of Bangladesh underlined the need for greater trade facilitation among countries in the BBIN region through the MVA. Bhupinder Singh Bhalla, Joint Secretary (SAARC/South Asia), Department of Commerce, Government of India emphasised on the need to look beyond economic benefits and consider the important role that BBIN MVA will play in mainstreaming development for the land linked states in the North East India once they get easier access to the maritime ports in Bangladesh. He echoed the benefits that the region can reap from seamless movement of cargoes and development of regional value chains.

Sandeep Kumar, Commissioner (Customs & Export Promotion), Department of Revenue, Ministry of Finance, Government of India, pointed out that the region can save \$2 billion by developing land ports and electronic cargo tracking system but issues like land acquisition, access to electricity, access to IT tools severely limit the options. Dasho Karma W Penjor, Secretary, Ministry of Information and Communications, Royal Government of Bhutan, expressed that in Bhutan, the political will is in favour of ratifying the MVA. He mentioned that steps were undertaken to demystify the various provisions of the MVA among different stakeholder categories in Bhutan.

Deliberations at the meeting included discussion on the available International conventions that can facilitate implementation of the MVA in the BBIN region. In this regard, Sandeep Raj Jain, Economic Affairs Officer, Transport Facilitation and Logistics Section, Transport Division, UNESCAP and Kazem Asayesh, Senior Adviser on TIR and Trade Facilitation, International Road Transport Union shared international experiences of countries following select international conventions. Abhishek Sharma, Director (Logistics), Trademark East Africa shared the East African Experience on the Development of Economic Corridors. This was followed by discussion on developing multimodal connectivity among countries in the BBIN region.

Overall, the participants agreed that there will be challenges while facilitating effective implementation of the MVA. While it is important to address the challenges, it is equally crucial to ensure that the challenges do not hamper implementation of the MVA.

To this end, the project that CUTS International will be implementing over a period of two and half years will aim at understanding the benefits of the BBIN MVA but will also help in addressing the concerns at the grassroots level which might act as a barrier against attaining the objectives that the BBIN MVA intends to. Therefore, CUTS International, along with its partners, will analyse the policies and its outcomes to facilitate trade and transit among the BBIN countries. It aims to facilitate connectivity and integration among these five countries through evidence-based advocacy, facilitating dialogues and capacity building.

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