

**Creating an Enabling and Inclusive Policy and Political Economy Discourse for Trade,  
Transport and Transit Facilitation**  
*Facilitating implementation and stakeholder buy-in in the BBIN Region*

**16-17 February, 2017, Oberoi Grand, Kolkata, India**

**Executive Summary**

The event aimed to discuss connectivity issues in the BBIN region with focus on facilitating the implementation of the BBIN MVA. It also looked to fine tune the strategies and approach for the CUTS project aimed at facilitation implementation of the BBIN MVA with inputs from experts and stakeholders.

The BBIN-MVA represents a paradigm shift in terms of connectivity in the region. In this context it was shared that potentially the region could save an astronomical \$2 billion by developing land ports and electronic cargo tracking systems. The importance of appropriate use of media and modern information technology towards strengthening connectivity was flagged. It was also unanimously stressed that the implementation process can only be facilitated through a multi-stakeholder consultation approach that is participatory and recognises and addresses the concerns of all categories of stakeholders. It is very important that we are able to propose solutions which could aid regional value chains, address poverty concerns and create job opportunities because Trade facilitation would matter little if it did not simultaneously focus on poverty alleviation.

To move towards such solutions it will be imperative to overcome challenges pertaining to mobilisation of necessary financial resources; innovative regional funding arrangements; public-private partnership in addressing the objectives; preparation and adoption of protocols; coordination of stakeholder alignments with national plans; ensuring security and safety to both people and cargo. A related issue that will be unavoidable is that of land acquisition. All these concerns call for sustained and intense monitoring of the implementation of the BBIN-MVA.

The MVA is also likely to result into certain costs and hence it is important to closely analyse the benefits and also the costs for implementation of the BBIN MVA, including understanding the impact MVA will have on Small and Medium Enterprises (SME's) and women run small businesses bulk of which lies in the informal sector. It is important that we take into account the domestic preparedness of individual countries before they adopt the MVA and also work at developing an effective narrative around the BBIN MVA which will enable the respective national Governments and development partners to positively engage in the region to strengthen connectivity. The important role that the BBIN MVA can play in adjunct to factors like enabling Foreign Policies, FDI Policy etc. to lead to industrial development in the BBIN region was also discussed.

Experts stressed the importance of developing multi-modal connectivity in the region. They said that it is crucial to ensure that infrastructure development in roadways, railways and

waterways dovetail so that the cost of doing trade among countries in the BBIN region comes down. It was also observed that Bangladesh can play a major role in providing riverine and further maritime connectivity to the land linked countries like Nepal and Bhutan and also to North Eastern states of India.

Ideas and Recommendations that were put forward by experts to help in facilitating the BBIN MVA are as follows:

- Understand the cultural and political economic dynamics at the local level and address the livelihood concern of local communities to make the BBIN MVA sustainable in the long run. This is because the implementation of the MVA could lead to major reallocation of resource which in turn could lead to problems like unemployment. On the flip side, it was also pointed out that the MVA will go a long way in creating various support services viz. logistics, transport etc. which will create additional jobs in the BBIN region.
- Harmonisation of procedures or mutual recognition in 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 BBIN region.
- Harmonising various regional and bilateral agreements so as to prevent confusion and prevent it from acting as another Non Tariff Barrier (NTB)
- Development of an International Road Organization along the lines of maritime or air-traffic
- Involvement of researchers in the trials runs of the MVA to monitor the experience and subsequently disseminating outputs of trial runs on a public platform so that the bottlenecks can be could be brought forward for further assessment and discussion.
- Proactive engagement with the media to communicate the developments of the MVA with grassroots stakeholders and initiative a proper discourse around the tangible benefits for the people
- Creating a fund for various consumer organisations to facilitate greater awareness generation on BBIN MVA among different category of stakeholders
- Promoting off-border as opposed to on-border customs clearance. This will need creation of Integrated Container Depots (ICDs) near the 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 to act as a catalyst towards implementation of the BBIN MVA. 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
- Putting in place a system of getting online permits for trucks moving from one country to the other in the BBIN region

- 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
- Developing an application showing the alternative routes, key contact numbers etc. in regional languages to address the language barrier across different countries
- Developing an integrated portal where the stakeholders involved in the export and import business can post their concerns and get them redressed in a time-bound manner.
- Making the borders free from various cartels of rent seekers.
- Training custom officials on the various aspects of the MVA so that the whole process can be made smoother.
- Incorporating key learning from experiences around the world, e.g. the East African experience to develop the protocols for the BBIN MVA
- Look beyond trading of goods and take into consideration the aspect of trade in services.
- Understanding how the role and flow of finance to various intermediaries are going to change as a result of implementation of the MVA.
- Exploring the possibilities for developing a regional tourism circuit in the BBIN region.
- Stepping up the pace of implementation of connectivity projects in the BBIN region through Public Private Partnerships

Experts also gave inputs specifically for the study that CUTS is going to undertake on implementation of the BBIN MVA and the following recommendations emerged for the study:

- Selecting products that are of interest to countries in the region and particularly considering the livelihood and political economy implications
- Selecting products that have relatively less complicated supply chain for effective mapping of forward and backward linkages in terms of the Business Process Analysis Plus approach of studying corridors
- Identifying key nodes in a supply chain where significant value additions are taking place and skip intermediaries who do not add much value in the supply chain
- Looking at corridors based on products selected and collaborating with other agencies who have doing/already done similar corridor mapping exercises like UNESCAP
- Identifying potential Inland Container Depots (ICD) along the authorised BBIN MVA routes.
- Explore areas where effective use of Information Technology (IT) can be effective in facilitating smoother cargo movement across borders.
- Capturing the perceptions on possible implications and impact of the MVA on the Small and Medium Enterprises (SME's) and the large corporations as a segregated

exercise to effectively gauge the benefits and costs of the BBIN MVA. This is importance since the MVA is likely to affect the two differently.

- Factoring in the gender implications, particularly through livelihood linkages given the selected products and corridors
- Understanding the domestic preparedness of individual countries of the BBIN region through the political economy analysis of the study

## **Day 1: Thursday, 16<sup>th</sup> February, 2017**

### **Opening Session:**

The launch meeting of the project on implementation of the BBIN- MVA, February 16<sup>th</sup>, 2017 was flagged off by Pradeep Mehta, Secretary General, CUTS International. He drew attention to the fact that it is more expensive to do trade in the BBIN region than in other parts of the world. It was therefore imperative to highlight the problems and propose solutions which could aid regional value chains. Addressing poverty concerns and creating job opportunities is one of the prime objectives of this initiative. Trade facilitation would matter little if it did not simultaneously focus on poverty alleviation. To that end, knowledge sharing is imperative.

Craig Hall, US Consul General, Kolkata expressed concern over the fact that South Asia is one of the least integrated regions in the world. Intra-regional trade could increase immensely with the removal of barriers that frustrate trade in the region.

Bipul Chatterjee, Executive Director, CUTS International stressed the importance of road connectivity in the seamless movement of cargo and other vehicles in the region. Importance of this initiative can hardly be exaggerated for it can yield concrete benefits for the common man. It is not just with regard to improvement of land ports that this initiative is significant; it is also important for this initiative to probe the possibility of inaugurating economic corridors, which are indispensable to trade facilitation. Manufacturing units would emerge along such corridors which could in the process become vehicles of prosperity in the region. Policy making therefore needs to be informed, authentic and responsible.

A D James, Deputy Secretary, Ministry of Road Transport & Highway, Govt of India observed that all the countries are eagerly awaiting ratification of the MVA by Bhutan, while making massive investments towards expansion of road connectivity. Experiments like rallies and trial runs are under way, and these indicate reduction of associated costs in terms of both time and logistics. Setting up logistics hubs and parks equipped with state-of-the-art facilities along the economic corridors, especially in the north-east, is high on the agenda of the Ministry of Road Transport, Government of India. The achievement of the goals set up by this initiative can go a long way in complementing the objectives of the Government of India. The government always has its constraints and it will be up to the stakeholders to help remove misgivings and ensure that the positives outweigh the apprehensions. On the whole the project holds immense promise for a higher level of prosperity for all in the region.

Sandeep Raj Jain, Economic Affairs Officer, Transport Facilitation and Logistics Section, Transport Division, United Nations Economic and Social Commission for Asia and Pacific, observed that member countries realise the need for integrated and inter-modal transport for sustainable development of the region. Several agreements have been signed in the past, but it is the problem of implementation that needs to be focused. The major challenges that BBIN-MVA will face will be in the domain of implementation. Road transport plays a crucial role in the region and inadequate and inefficient connectivity can seriously retard overall prosperity of the region. One has to take leverage of information technology to strengthen

connectivity among the land-locked, rather land-linked countries in the region. Development of an International Road Organisation along the lines of maritime or air-traffic is the need of the day. Such an inter-governmental organisation is necessary to establish international standards in the area of road connectivity and road safety.

Atiur Rahman, Professor, Dhaka University and former Governor, Bangladesh Bank, pointed out that while trade facilitation benefits all stakeholders in a globalised world, South Asia continues to lag behind in regional trade compared to EU or ASEAN. A crucial deterrent is lack of connectivity. The importance of the BBIN-MVA lies in this context. Creation of a common platform that will address the concerns of all stakeholders is imperative. There are numerous ‘best practices’ to learn from across the world; although none is ideal, yet each offers food for comprehension and thought. Hurdles are many: mobilization of necessary financial resources; innovative regional funding arrangements; public-private partnership in addressing the objectives; preparation and adoption of protocols; coordination of stakeholder alignments with national plans; ensuring security and safety to both people and cargo. A related issue that will be unavoidable is that of land acquisition. All these concerns call for sustained and intense monitoring of the implementation of the BBIN-MVA.

Badrul Hassan Babul, Joint Secretary, Ministry of Commerce, Govt of Bangladesh harped on the overall objective of the project, namely, trade facilitation and transit in the BBIN region. In a fast moving globalised world, all countries are bent on trade facilitation, but intra-regional trade is rather poor in the BBIN region, which confirmed both the relevance and the urgency of pushing the project through.

At this point Pradeep Mehta, CUTS International intervened with the important reminder that while trade facilitation is important for prosperity, facilitation of services needs to be looked into as well, alongside. Besides, the current replacement of the concept of ‘land-locked’ states by the more positive nomenclature of ‘land-linked’ states also draws attention to the possibilities and potential for furtherance of trade and integration among them.

Bhupinder Singh Bhalla, Joint Secretary (SAARC/South Asia), Department of Commerce, Govt of India, drew attention to the fact that among the SAARC countries, only Bangladesh and Sri Lanka feature in the top 25 export destinations of India. The importance of the BBIN-MVA project cannot be overemphasized. For whatever reason, greater integration in the region has just not happened. Supply-side constraints are there, but trade connectivity and integration are also to be considered. Can we not look at a bigger canvas of economic integration in the region? Steps are being taken to improve physical infrastructure, but there is a lot of scope for further improvement as in the case of the Petrapole customs station. The economies of the north-eastern states of India would also open up immediately, for there is underutilisation of resources like fertile lands in the north-east. Significantly, it will buttress not only movement of goods and regional value chains, but also people-to-people connectivity. It will enable South Asia to act as a gateway. The buy-in that we desire across the borders is crucial right now and the BBIN-MVA will go a long way in that direction.

Sandeep Kumar, Commissioner (Customs & Export Promotion), Department of Revenue, Ministry of Finance, Govt of India, asserted that BBIN-MVA represents a paradigm shift. Potentially the region could save an astronomical \$2 billion by developing land ports and electronic cargo tracking systems. This means that cargo need not be tracked at the border, but at a station which has all the facilities, for maintaining heavy infrastructure at the border can be problematic. Besides, land acquisition, electricity and other resources are problems for these countries. Bureaucracy, if not simple and rational, can frustrate all efforts at strengthening connectivity and integration within the BBIN region.

Dasho Karma W Penjor, Secretary, Ministry of Information and Communications, Royal Govt of Bhutan, clarified that several private organizations and CSOs in Bhutan have expressed concerns and apprehensions about the negative impact of the BBIN-MVA. Besides, environmental concerns often stand in the way of several developmental projects, which get ultimately rejected. This, together with overcrowding as a result of international tourism, has generated worries and anxieties about the implementation of the MVA. The Lower House of the Bhutanese Parliament however has ratified the MVA and it is presently awaiting endorsement by the Upper House. The Govt otherwise seems committed to the MVA and acknowledges the benefits that are likely to accrue from the Agreement. It just wishes to carefully think through the eventualities so that once the implementation starts, there are minimal hindrances to transportation of people and cargo.

### **Session 1: Project Outline, Objectives and Methodology**

Bhupinder Singh Bhalla, Joint Secretary (SAARC/South Asia), Department of Commerce, Government of India, underlined the need for effective implementation of MVA across countries in the BBIN region and mentioned that it can lead to considerable savings in time and cost of cargo movement across borders and this can have significant benefits to the end consumers.

Surendar Singh, Policy Analyst, CUTS International made a presentation elaborating the objectives, modus operandi and the expected outcomes and outputs of the project titled “Bangladesh-Bhutan-India-Nepal Motor Vehicles Agreement: *Facilitating Implementation and Stakeholder Buy-in in the BBIN Region*”. He mentioned that over a period of 32 months, CUTS International will undertake evidence based advocacy to facilitate effective implementation of the MVA across all the countries in the BBIN region. He further added that the project will not only aim at estimating the potential gains from MVA, but will also take a step further to consult and address capacity gaps of various stakeholders in order to build consensus on the need to adopt MVA. In this regard, he also pointed out that CUTS will undertake a BPA plus analysis of Eight (8) agricultural products having relevance to sub-regional transit trade with a “*whole of supply chain*” approach. He underlined that two of the most crucial expected outcomes of the project would be to develop a comprehensive understanding of the existing bottlenecks in transit, transport, trade procedures and identify possible solutions; and creating greater political and stakeholder buy-in for the effective implementation of the BBIN MVA. He concluded by mentioning that, other than research reports and policy briefs, the project aims at coming out with a documentary film titled “1000

*km of a Truck Driver”.*

Nilanjan Ghosh, Senior Fellow, Observer Research Foundation, highlighted the need to closely analyse the benefits and also the costs for implementation of the BBIN MVA. He also suggested choosing commodities that do not have a very complicated supply chain. In this regard, he mentioned the need to identify key nodes in a supply chain where significant value additions are taking place and skip intermediaries who do not add much value in the supply chain. He further added that while analysing the benefits, it is important to take into account the changes that would take place on the bilateral trade balance among countries in the BBIN region. He pointed out that effective implementation of MVA, among others, will require strengthening the cross border road network, which in turn will have significant impact on the existing land use pattern and land cover and might adversely affect the most vulnerable section of the population who are dependent on the ecosystem. He concluded by underlining the need to take into account such costs that could act as major roadblocks in the implementation of the MVA.

Mona Shrestha Adhikari, Fellow, South Asia Watch on Trade, Economics and Environment, pointed out that the BBIN MVA will have significant impact on the womenfolk and hence the project need to have a gender analysis component built into the project framework to better understand the costs and benefits of MVA. In this regard, she underlined the need to take into account the impact MVA will have on women run small businesses bulk of which lies in the informal sector. She further added that since the project will aim at understanding and addressing various capacity gaps, it is essential to build capacities of men on how they can include women which will otherwise lead to increase in trade costs.

Sathish K Reddy, Consultant, Asian Development Bank emphasised the need for proper articulation of the benefits and costs of implementation of BBIN MVA which will help the policy makers to take informed decisions. He mentioned that the project can add significant value by identifying potential Inland Container Depots (ICD) along the authorised BBIN MVA routes. He further added that ICDs need to be located not at the ports (that can lead to congestion) but rather near the demand centres. He underlined the need to explore areas where effective use of Information Technology (IT) can be effective in facilitating smoother cargo movement across borders.

Takayuki Kawakami, Head of Economic and Development Section, Embassy of Japan in Bangladesh, pointed out the need to develop an effective narrative for BBIN MVA which will make the respective national Governments and development partners to invest in the region to strengthen connectivity across countries in the BBIN region. In this regard he highlighted the need to look into factors viz. Foreign Policies, FDI Policy etc. that can lead to industrial development in the BBIN region through effective implementation of MVA.

Dasho Kinley Dorji, Former Secretary, Ministry of Information and Communications, Royal Government of Bhutan, highlighted the need take into account the domestic preparedness of individual countries before they adopt the MVA. For example, he mentioned that Bhutan do

not have the required infrastructure to support mass tourism let alone the capacity to handle large cargo movement. Given the low degree of preparedness, the ecological costs to Bhutan will be very steep if they jump into signing the MVA, he continued. He suggested other countries in the BBIN region should go ahead and implement the MVA as Bhutan might like to take its own time before signing the MVA.

### *Floor Discussion*

- Pritam Banerjee, Senior Director, Corporate Public Policy (South Asia), Deutsche Post DHL, pointed out the need for having ICDs near the markets rather than being at the borders. He also suggested to explore the opportunities for developing multi modal transport network across countries in the BBIN region
- Sk. Md. Farid, Secretary General, Federation of Clearing and Forwarding Agent Association, Bangladesh, emphasised the need for taking into consideration the concerns of various trade associations, business chambers and public sector institutions and underlined that they should be involved in the consultation process.
- Subir Bhowmik, South Asia Correspondent and Senior Editor, BD News 24, mentioned that BBIN MVA can lead to greater people to people connectivity within and across borders. In this regard, he suggested exploring the possibilities for developing a regional tourism circuit in the BBIN region. He also underlined the need for taking into account the option of converting the Transport Corridors into Economic Corridors.
- Abhishek Sharma, Director (Logistics), Trademark East Africa, urged that the study need to look beyond trading of goods and take into consideration the aspect of trade in services. He also emphasised the need for looking into how MVA will impact the informal trade between countries in the BBIN region.
- Yumiko Yamamoto, Formerly with UNDP's Regional Centre in Bangkok, pointed out that BBIN MVA is likely to affect the Small and Medium Enterprises (SME's) differently than the large corporations. In this regard, she underlined to segregate perception of the two to effectively gauge the benefits and costs of MVA.

### **Session 2: Political Economic Hurdles to BBIN MVA Implementation and Possible Strategies: Country Perspectives**

Atiur Rahman, Professor, Dhaka University and Former Governor, Bangladesh Bank emphasised the role that Political economy plays in either accelerating or decelerating the pace of regional integration. He highlighted how the Motor Vehicle Agreement failed to take off among countries in the SAARC. In this regard, he underlined that in contrast to the SAARC Motor Vehicles Agreement, the BBIN Motor Vehicles Agreement has the political buy at the highest level and all the Governments in the BBIN region are committed towards

implementing the MVA. He further added that while implementation of MVA is necessary but it will have to overcome various challenges pertaining to resource mobilisation, land acquisition, cross border security concerns, institutional cooperation and digital transformation.

V.G. Jenner, Special Secretary, Department of Trade and Commerce, Government of Tripura, highlighted that there is political consensus among countries in the BBIN region for effective implementation of the MVA. He further added that this will be beneficial for the North Eastern states of India in terms of greater market access. He mentioned the case of Palatana project and added that cross border cooperation is already taking place and implementation of MVA will give it the much needed fillip.

A.K. Enamul Haque, Professor, East West University and Emeritus Scholar, Unnayan Shamannay, Bangladesh emphasised the need for identification of how various group of stakeholders would be either benefitted or adversely affected due to implementation of the BBIN MVA. He also stressed on the need for understanding the political economic dynamics at the local level to effectively assess the risks involved in implementing the BBIN MVA.

Shankar Shinde, Vice Chairman, Outreach Council, Federation of Freight Forwarders Association of India, India mentioned that the economics of a policy deeply influences the political will. He further added that in the context of BBIN MVA, the challenge lies in understanding the benefits vis-à-vis costs and adopt appropriate strategies to address key implementation challenges. In this regard, he mentioned the need for harmonisation of procedures 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 BBIN region. In addition, he also underlined the need for an integrated portal where the stakeholders who are directly involved in the export and import business can post their concerns in the portal which could then be redressed at the earliest.

Sujeev Shakya, Founder, Nepal Economic Forum, highlighted that Nepal is in the center of BBIN and has young population that can be benefitted from this agreement. However, he underlined that implementation of BBIN MVA will remain a big challenge unless the borders are made the points of facilitation which in turn requires making the borders free from various cartels of rent seekers. He also emphasized the need for political stability and the importance to address the livelihood concern of local communities to make the BBIN MVA sustainable in the long run.

#### *Floor Discussion*

- Pritam Banerjee, Senior Director, Corporate Public Policy (South Asia), Deutsche Post DHL, underlined that effective implementation of the BBIN MVA will lead to reduction in costs of moving goods from one country to the other. This, he mentioned will be beneficial for the SMEs who can then start thinking of expanding their business in the

neighbouring countries in the BBIN region.

- Abhishek Sharma, Director (Logistics), Trademark East Africa, pointed out that implementation of BBIN MVA will have spill over effects in the economies of all the countries in the BBIN region which could lead to major reallocation of resource which in turn could lead to problems like unemployment. He emphasised the need to take into consideration these effects while identifying the risk factors included in the BBIN MVA.
- Bipul Chatterjee, Executive Director, CUTS International, mentioned that while there will be both gainers and losers as result of implementation of the BBIN MVA, it is important to conduct a granular analysis of such trade-offs. He also underlined the importance of creating a fund for various consumer organisations to facilitate greater awareness generation on BBIN MVA among different category of stakeholders.

### **Session 3: BBIN MVA - Concerns and Aspirations: Private Sector Perspectives**

Sandeep Kumar, Commissioner (Customs & Export Promotion), Department of Revenue, Government of India stressed on the need for quick and effective implementation of the BBIN MVA and underlined the role of Bureaucracy in facilitating effective implementation of the MVA.

Pritam Banerjee, Senior Director, Corporate Public Policy (South Asia), Deutsche Post DHL, opined that in order to facilitate trade there is a need to reduce procedures at border crossings. In this regard, he emphasised the need to create integrated Container Depots (ICDs) where bulk of the procedures could be undertaken. While pointing out some of the operational challenges he underlined the need for issuing multiple entry and exit visas to the drivers and also touched upon the necessity to provide insurance for international cargo. He stressed that CUTS could play an instrumental role in bringing to the fore the various operational challenges that, one needs to overcome for effective implementation of the BBIN MVA.

Goutam Ghosh, Director and Head, South Asia and Arab Division, Federation of Indian Chambers of Commerce and Industry, flagged the some of the apprehensions that the private sector has regarding BBIN MVA. He underlined the need for undertaking steps and simplification of procedures, and digitisation of procedures to reduce waiting time for trucks at the border points. He stressed on the need to have clarity on whether BBIN MVA will lead to containerisation of cargo which in turn will have cost implication for the existing businesses. However, he also mentioned that BBIN MVA will go a long way in creating various support services viz. logistics, transport etc. which will create additional jobs in the BBIN region.

Anil Srivastav, Chairman, North Eastern India- ASEAN Chamber of Commerce and Industry, emphasised on the need to expedite the process of implementation of BBIN MVA through public private partnership (PPP) projects. He also mentioned that appropriate steps

need to be adopted to also facilitate movement of passengers among countries in the BBIN region. In this context, he suggested assigning different number plates for the vehicles carrying passengers and cargo.

Md. Mizanur Rahman, Chief of Export, PRAN – RFL Group, Bangladesh, underlined that lack of connectivity leads to higher price and hence, brings loss to the consumers. He mentioned that the BBIN MVA will help in this regard by reducing the time and distance among the BBIN countries, which lead to reduction in prices and ultimately, improving consumer welfare. While he admitted that there will be negative repercussions from BBIN MVA but stressed on the need to stick to the positive side and devise ways to minimise the negative impacts.

#### *Floor Discussion*

- A D James, Deputy Secretary, Ministry of Road Transport & Highway, Government of India informed that one of the key objectives of the MVA is to facilitate movement of transport across borders and issue of providing easy transit is its central theme. He further added that with MVA in place the waiting time of trucks at the borders will be drastically reduced. He also pointed out that some third party agencies provide insurance for the trucks which is likely to increase in the near future with growing demand. He also mentioned the system of getting online permits for trucks moving from one country to the other in the BBIN region which will be put in place once the agreement comes into force. He also informed that an intergovernmental customs sub group has been formed to chalk out easy and mutually accepted customs procedures.
- Sathish K Reddy, Consultant, Asian Development Bank mentioned that Governments in the BBIN region are working on the micro details of the agreement to make them as much easy and practicable as possible. To this end he also underlined that the countries are planning to conduct more number trial runs under different conditions to understand and work out the various issues before implementing the MVA.
- Pritam Banerjee, Senior Director, Corporate Public Policy (South Asia), Deutsche Post DHL, suggested that if the Governments in the BBIN region can allow movement of courier by trucks across borders, that will be beneficial to the consumers.
- Bipul Chatterjee, Executive Director, CUTS International, emphasised on the need to take on board the perception and concerns of various local Governments which will be imperative in facilitating effective implementation of the BBIN MVA.

**Day 2: Friday, 17<sup>th</sup> February, 2017**

**Session 4: Enabling Connectivity – International Conventions and Treaties**

A.K. Enamul Haque, Professor, East West University and Emeritus Scholar, Unnayan Shamannay, Bangladesh mentioned that to make the MVA operational it is imperative that certain procedures need to be put in place to facilitate smooth movement of cargo and passengers across borders in the BBIN region. In this regard, he added, that the session aims at sharing some international conventions that exist and what has are the success and challenges in adopting and implementing the conventions to facilitate international transit of passengers and cargo.

Sandeep Raj Jain, Economic Affairs Officer, Transport Facilitation and Logistics Section, Transport Division, United Nations Economic and Social Commission for Asia and the Pacific started by clearly pointing out that the BBIN MVA is a motor vehicles agreement and it should be always kept in sight while identifying the implementation challenges. He mentioned that the biggest challenge in implementing international conventions is often the lack of coordination among the member countries. He further added that availability of infrastructure to adhere to international conventions is another challenge on the implementation side. He also highlighted the need to develop an effective legal regime and the need to harmonise between the regional and bilateral agreements so as to prevent confusion and prevent it from acting as another Non Tariff Barrier (NTB). He further stressed on the need for use of information technology for prompt and seamless moving of vehicles across borders.

Temsunaro Jamir, Under Secretary, Department of Revenue, Ministry of Finance, Government of India mentioned that the overall objective of the MVA is to reduce the time and cost of moving cargo and passengers from one country to the other, and the respective Governments are working together to achieve this objective. In this regard, she underlined the need for mutual recognition in of custom controls. She also highlighted on the need for capacity building of drivers regarding the international rules and regulations pertaining to ferrying in other international. She highlighted the benefits of employing a GPS tracking system for monitoring cargo movement and underlined the need for working out new business models for the transport operators to be in line with the changing business requirements. She also mentioned the need for more trial runs before implementation of the MVA so that various issues associated can be brought to light and accordingly solutions for the same could be addressed in the protocols.

Kazem Asayesh, Senior Adviser on TIR and Trade Facilitation, International Road Transport Union stressed on the need for adopting international conventions to facilitate cargo movement across international borders and told that these conventions are tried and tested systems that can be customised based on local needs. He also pointed out that the TIR convention streamlines all custom requirements which lead to a significant reduction in both time and cost of cargo movement. In the context of BBIN MVA he specifically underlined the need to develop separate customs guarantee mechanism. He concluded that India's accession to TIR could act as a catalyst towards implementation of the BBIN MVA.

Nisha Taneja, Professor, Indian Council for Research on International Economic Relations mentioned that the BBIN region needs a stable and accepted MVA backed by appropriate transit conventions to make it sustainable in the long run. She stressed on the need for analysing existing International conventions. In this regard, she suggested that, like India, other BBIN countries could also think of acceding to the TIR Convention which, in the long run, will help them in harmonising various procedures related to transit.

Rajan Sharma, Chairperson, Committee on Land Transport and Transit, Federation of Nepalese Chambers of Commerce, Nepal underlined the need for effective coordination between Private and Government Agencies to facilitate implementation of MVA in the BBIN region. He highlighted the need to take into account the perception of traders and freight forwarders and intermediary service providers before finalising the protocols. He also mentioned that establishing multi modal connectivity in Nepal is very challenging and hence there is a need to incentivise the private sector for making investments in this regard. He also underlined the need to consider the economics of acceding to International Conventions since it will require huge investments which might be difficult to get.

#### *Floor Discussion*

- Sk. Md. Farid, Secretary General, Federation of Clearing and Forwarding Agent Association, Bangladesh, underlined the need for mutual recognition and harmonisation of standards to facilitate easier movement of cargo across borders.
- Bipul Chatterjee, Executive Director, CUTS International, stressed on the role of TIR convention on facilitating cross border cargo movement and mentioned that like India; Bangladesh and Nepal can also think of acceding to the TIR convention which will make transit easier.
- Subir Bhowmik, South Asia Correspondent and Senior Editor, BD News 24, underlined the need for effective coordination and communication among government officials at various levels to share the status of progress different countries are achieving in terms of implementing the MVA.

#### **Session 5: Experience from beyond the Region**

Dasho Karma W Penjor, Secretary, Ministry of Information and Communications, Royal Government of Bhutan underlined that challenges faced by countries in the BBIN region and East African Community are similar and it is interesting to study how such challenges were addressed by the EAC countries. He further added that one of the challenges that the drivers in BBIN region will face after implementation of the MVA is the difference in language. In this regard he suggested development of an application showing the alternative routes, key contact numbers etc. in regional languages. He also stressed that work for operationalizing the MVA should not pause since Bhutan has not ratified it. In this regard, he suggested that other countries in the BBIN region should go ahead and ratify the same and Bhutan could join in later.

Abhishek Sharma, Director (Logistics), Trademark East Africa shared his experience on developing the Northern Trade corridor for East Africa by addressing various challenges viz. High Berthing time, Highloading and unloading time, congestion at the ports, dilapidated roads, time consuming inspection etc. He also touched upon some of the fast & flexible demand-led approach that Trademark East Africa took to facilitate seamless movement of cargo in the economic corridor. Initiatives taken on the part of Trade mark are development of road and port infrastructure, simplification of custom procedures, yard expansion, acquiring new cranes, electro cargo tracking creating mini testing centers at border post, attaining single custom territory, standard harmonization, enhance accessibility to new roads dovetailing these with adequate IT facilities to resolve NTBs (Non-Tariff Barriers) and to keep close vigilance on the movement of cargoes. Trademark East Africa also trained the Freight Forwarders to provide quicker and lower cost service to clients. He mentioned that adoption of effective resulted in the cost and time of trade.

Subir Bhowmik, South Asia Correspondent and Senior Editor, BD News 24 referred to the East African experience and underlined the need for setting up the infrastructure that would lead to smoother transit coupled with reduction in time and cost of doing trade across countries in the BBIN region. He further emphasized the need to plan infrastructure in a holistic way such that it could lead to greater economic integration among the BBIN countries in the long run.

A D James, Deputy Secretary, Ministry of Road Transport & Highway, Government of India pointed out that operational challenges of BBIN is very much identical to East Africa, so there is lot of scope to relate and learn from them. In this regard, other than stressing on the need for creation of hard infrastructure, he also mentioned the need to incorporate the key learning from the East African experience to develop the protocols for the BBIN MVA.

Badrul Hassan Babul, Joint Secretary, Ministry of Commerce, Government of Bangladesh, suggested replication of spot testing facility of East Africa for the BBIN countries to save time. He pointed out that for seamless movement in BBIN region, robust road and port infrastructure is required. He underlined the for binging clarity in the protocol regarding permitted goods and there should be single specification for vehicles moving in BBIN region. He also stressed upon the need to allow free movement of vehicle between India and Bangladesh.

#### *Floor Discussion*

Rajan Sharma, Chairperson, Committee on Land Transport and Transit, Federation of Nepalese Chambers of Commerce, Nepal underlined the need to understand how the role and flow of finance to various intermediaries are going to change as a result o implementation of the MVA.

Tanushree Bhowmik, Program Manager, Australian High Commission, New Delhi, pointed out the need for understanding the impact of greater regional integration will have on the womenfolks.

## **Session 6: Leveraging the BBIN MVA with Other Modes of Transport Connectivity**

Bipul Chatterjee, Executive Director, CUTS International, stressed on the need for strengthening multi modal transport network in the BBIN region to leverage the benefits of MVA and reduce the trade costs. In this regard, he made special mention to reviving the transport networks that existed in the region before independence. He also underlined the need for stepping up the pace of implementation of connectivity projects in the BBIN region which in turn will help the countries in the region to attain higher economic growth and development. He also proposed promoting investments through Public Private Partnerships.

Jaya Verma Sinha, Senior Deputy General Manager, South Eastern Railways, Ministry of Railways, Government of India, mentioned that at present transit of passenger and cargo between India and Bangladesh is happening. She also mentioned some of the initiative undertaken by Government of India to revive old rail links connecting India & Bangladesh and India & Myanmar. In this regard, she made special mention of the initiative by UNESCAP to build a Trans Asian Rail link connecting India and Bangladesh with Afghanistan in the West and Myanmar in the East. She also touched upon the future plans for developing rail network with Nepal and Bhutan. Before concluding she emphasised the need for dovetailing rail network with other modes of transport to cut down the cost of doing trade among countries in the BBIN region.

Md. Saiful Islam, Joint Director, Maritime Safety and Traffic Management, Bangladesh Inland Water Transport Authority mentioned that inland waterway has huge potential in the region, and to this end Bangladesh can play a major role in providing riverine connectivity to the land linked countries like Nepal and Bhutan. He told that since 1972, there exist an inland waterways protocol route between India and Bangladesh and cargo movement along this route has been increasing steadily. He underlined that maritime connectivity is not only the cheapest among all the modes of transport but is also environment friendly. To this end, he urged that countries should think about enhancing their maritime transport. He concluded by pointing out some of the initiatives that Government of Bangladesh has been undertaking to facilitate maritime connectivity with India and other countries in the BBIN region.

S. A. Rahman, Regional General Manager (RGM)/Eastern Region, Container Corporation of India Ltd. (CONCOR), emphasised the importance of containerisation of cargo and mentioned containerisation is imperative for growth of the logistics sector. He pointed out that there has been a phenomenal increase movement of containerised cargo between India and Nepal through railway. He made special mention of CONCOR's plan to connect India and Bangladesh and India and Istanbul.

Naresh Agarwal, Treasurer and Advisor, Nepal Freight Forwarder's Association, mentioned that there are 4 ICDs in Nepal and out of these 4 ICDs only Birgunj ICD is connected by railways, whereas other three are connected by road. He emphasised the need for access to global markets via India and Bangladesh. In this regard, he underlined the need for connecting the rivers like Koshi and Karnali in Nepal to the Bay of Bengal via India and Bangladesh.

### *Floor Discussion*

Anil Srivastav, Chairman, North Eastern India- ASEAN Chamber of Commerce and Industry emphasised the need for quick development of the Agartala-Akhaura railway link which will

be a major step in linking India's North East with Dhaka.

Rajan Sharma, Chairperson, Federation of Nepalese Chambers of Commerce underlined the need to fast track development of the Rohanpur-Singhabad rail link. He also underlined the need for developing rail network connecting Radhikapur and Birol which shall release some pressure on the Birgunj ICD.

Subir Bhowmik, South Asia Correspondent and Senior Editor, BD News 24, underlined the need for harmonisation of regulatory procedures across sectors to facilitate better multi-modal transport system.

Bipul Chatterjee, Executive Director, CUTS International, underlined the need for stepping up the pace of implementation of connectivity projects in the BBIN region which in turn will help the countries in the region to attain higher economic growth and development in the region. He also proposed promoting investments through Public Private Partnerships. He thanked all the speakers and participants for their valuable inputs.

### **Closing Session: BBIN Motor Vehicles Agreement and Larger Economic Gains in the Region – Implementation Issues, Technical Assistance and Capacity Building**

Atiur Rahman, Professor, Dhaka University and Former Governor, Bangladesh Bank highlighted that one of the point that emerged from the deliberations at the consultation is the need for greater people to people connect. He mentioned that if there is more movement of people across borders then there would be a change in the mind-set of the people and getting the required buying in of the BBIN MVA would be an easier. He further added that the Motor Vehicle Agreement is just a starting step and there is a need to jointly work in tandem to overcome the hurdles associated with it. He also stressed on the need of use of technology; which could play a huge role in the BBIN MVA implementation. He specifically suggested for involvement of researchers in the trials runs to monitor the happenings which could be brought forward for further assessment and discussion.

Md. Zakir Hossain, Joint Commissioner, Benapole Customs, National Board of Revenue, Government of Bangladesh noted that because the MVA specifically deals with connectivity so it is of high importance to the current global trend. He also mentioned that the MVA could reduce the workload on custom officials. He further added that there is a need to improvise on infrastructural needs so as to benefit from the BBIN MVA. He also highlighted the need to train custom officials on the various aspects of the MVA so that the whole process can be made smoother.

Dasho Kinley Dorji, Former Secretary, Ministry of Information and Communications, Royal Government of Bhutan highlighted that the BBIN MVA is a well thought out agreement and addresses some of the major concerns associated with it. He also underlined the need to address various cultural differences that exist among the countries while arriving at mutually accepted protocols. He also stressed that cooperation among Government and private agencies is crucial to the success of the MVA. He also felt that there is a need to involve more media into this initiative so as to connect with people at the grassroots level.

Sujeev Shakya, Founder, Nepal Economic Forum specifically pointed out the need to take into consideration the following to five factors while analysing the MVA:

- What is the new design the MVA is proposing?
- What could be the intermediaries that could be created / removed as a result of implementation of the MVA?
- If customs is seen as an impediment; so whether less human connect will help facilitate the process and what could be the alternate processes?
- How to improvise the people to people connectivity and see into it from the long term perspective? and
- How to engage with the media to communicate the developments of the MVA with grassroots stakeholders?

Prithviraj Nath, Associate Director, CUTS International mentioned that the main aim of this initiative was to have a proper discourse around the tangible benefits for the people. He further added that the project would bring together perception of diverse stakeholders on the MVA which could in turn provide inputs to the Government Departments while framing the protocols for the MVA.

Bipul Chatterjee, Executive Director, CUTS International, started by highlighting the importance of engaging with media in such initiatives and also pointed out the need of the media to focus more on positive aspects. He further emphasised on the need for a BBIN secretariat which should be more active and should also involve lateral recruitment in its process; so as to achieve the best out of this economic integration. He also highlighted the need to bring the outputs of trial runs on a public platform so that the bottlenecks can be addressed and opinions can be obtained and adhered to.

**Creating an Enabling and Inclusive Policy and Political Economy Discourse for Trade,  
Transport and Transit Facilitation**  
*Facilitating implementation and stakeholder buy-in in the BBIN Region*

**16-17 February, 2017, Oberoi Grand, Kolkata, India**

**Agenda**

**Day 1: Thursday, 16<sup>th</sup> February, 2017**

**0900-0930 Registration**

**0930-1100 Opening: The Need for a Broader Agenda for Trade, Transport and  
Transit Facilitation in the BBIN Sub-region**

***Welcome Remarks***

Craig L. Hall, U.S. Consul General, Kolkata

Pradeep S. Mehta, Secretary General, CUTS International

***Introduction of the Theme***

Bipul Chatterjee, Executive Director, CUTS International

***Speakers***

- A D James, Deputy Secretary, Ministry of Road Transport and Highway, Government of India
- Sandeep Raj Jain, Economic Affairs Officer, United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP)
- Atiur Rahman, Professor, Dhaka University
- Sandeep Kumar, Commissioner (Customs & Export Promotion), Department of Revenue, Ministry of Finance, Government of India
- Badrul Hassan Babul, Joint Secretary, Ministry of Commerce. Government of Bangladesh
- Bhupinder Singh Bhalla, Joint Secretary (SAARC/South Asia), Department of Commerce, Government of India
- Dasho Karma W Penjor, Secretary, Ministry of Information and Communications, Royal Government of Bhutan

**1100-1130 Break**

## **1130-1300 Session 1: Project Outline, Objectives and Methodology**

**Chair:** Bhupinder Singh Bhalla, Joint Secretary (SAARC/South Asia), Department of Commerce, Government of India

### ***Objectives, Activities, Methodology, Outputs and Outcomes***

Surendar Singh Nanda, Policy Analyst, CUTS International

### ***Discussants***

- Nilanjan Ghosh, Senior Fellow, Observer Research Foundation
- Mona Shrestha Adhikari, Fellow, South Asia Watch on Trade, Economics and Environment
- Sathish K Reddy, Consultant, Asian Development Bank
- Takayuki Kawakami, Head of Economic and Development Section, Embassy of Japan in Bangladesh
- Dasho Kinley Dorji, Former Secretary, Ministry of Information and Communications, Royal Government of Bhutan

## **1300-1400 Lunch**

**Chair:** Atiur Rahman, Professor, Dhaka University and Former Governor, Bangladesh Bank

### ***Panellists***

- V.G. Jenner, Special Secretary, Department of Trade and Commerce, Government of Tripura
- A.K. EnamulHaque, Professor, East West University and Emeritus Scholar, UnnayanShamannay, Bangladesh
- Shankar Shinde, Vice Chairman, Outreach Council, Federation of Freight Forwarders Association of India
- SujeevShakya, Founder, Nepal Economic Forum

## **1530-1545 Break**

**15:45– 17:30 Session 3: BBIN MVA - Concerns and Aspirations: Private Sector Perspectives**

**Chair:** Sandeep Kumar, Commissioner (Customs & Export Promotion), Department of Revenue, Government of India

***Panellists***

- Md. Mizanur Rahman, Chief of Export, PRAN – RFL Group, Bangladesh
- Goutam Ghosh, Director and Head, South Asia and Arab Division, Federation of Indian Chambers of Commerce and Industry
- Pritam Banerjee, Senior Director, Corporate Public Policy (South Asia), Deutsche Post DHL
- Anil Srivastav, Chairman, North Eastern India- ASEAN Chamber of Commerce and Industry

**1730- 1745 Wrap Up of Day 1**

Surendar Singh, Policy Analyst, CUTS International

**2000 Dinner**

**Day 2: Friday, 17<sup>th</sup> February, 2017**

**0930-1100 Session 4: Enabling Connectivity– International Conventions and Treaties**

*Chair:* A.K. Enamul Haque, Professor, East West University and Emeritus Scholar, Unnayan Shamannay, Bangladesh

*Harmonisation of legal and operational environment for enabling regional transport connectivity-ESCAP initiatives*

Sandeep Raj Jain, Economic Affairs Officer, Transport Facilitation and Logistics Section, Transport Division, United Nations Economic and Social Commission for Asia and the Pacific

*Panellists*

- Temsunaro Jamir, Under Secretary, Department of Revenue, Ministry of Finance, Government of India
- Kazem Asayesh, Senior Adviser on TIR and Trade Facilitation, International Road Transport Union
- Nisha Taneja, Professor, Indian Council for Research on International Economic Relations
- Rajan Sharma, Chairperson, Federation of Nepalese Chambers of Commerce

**1100-1130 Break**

**1130-1300 Session 5: Experiences from across the World**

*Chair:* Dasho Karma W Penjor, Secretary, Ministry of Information and Communications, Royal Government of Bhutan

*Presentation*

*The East African Experience on the Development of Economic Corridors*

Abhishek Sharma, Director (Logistics), Trademark East Africa

*Discussants*

- SubirBhowmik, South Asia Correspondent and Senior Editor, BD News 24
- A D James, Deputy Secretary, Ministry of Road Transport & Highway, Government of India
- Badrul Hassan Babul, Joint Secretary, Ministry of Commerce, Government of Bangladesh

**1300-1400 Lunch**

**1400-1530      Session 6: Leveraging the BBIN MVA with Other Modes of Transport Connectivity**

*Chair:* Bipul Chatterjee, Executive Director, CUTS International

*Panellists*

- Md. Saiful Islam, Joint Director, Maritime Safety and Traffic Management, Bangladesh Inland Water Transport Authority
- Jaya VermaSinha, Senior Deputy General Manager, South Eastern Railways, Ministry of Railways, Government of India
- S. A. Rahman, Regional General Manager(RGM)/Eastern Region, Container Corporation of India Ltd. (CONCOR)
- Prakash Singh Karki, President, Nepal Freight Forwarder's Association

**1530-1600      Break**

**1600-1700      Closing: BBIN MVA and Larger Economic Gains in the Region- Implementation Issues, Technical Assistance and Capacity Building**

*Chair:* Atiur Rahman, Professor, Dhaka University and Former Governor, Bangladesh Bank

*Panellists*

- Md. Zakir Hossain, Joint Commissioner, Benapole Customs, National Board of Revenue, Government of Bangladesh
- Dasho Kinley Dorji, Former Secretary, Ministry of Information and Communications, Royal Government of Bhutan
- Sujeev Shakya, Founder, Nepal Economic Forum
- Prithviraj Nath, Associate Director, CUTS International
- BipulChatterjee, Executive Director, CUTS International