

**SESSION NARRATIVES**

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01-02 November, 2018, The Taj Palace, New Delhi



## Plenary 1: South Asia's Infrastructure and Development Needs for Connectivity in the Indo-Pacific

### Background:

South Asia is the lynchpin of the Indo-Pacific region, yet lags behind other parts of the world in terms of intra-regional trade, people-to-people exchanges, and policy integration. Among the multi-dimensional challenges confronting South Asia – from poverty to jobless growth to environmental degradation – the massive deficit of hard and soft infrastructure is a crucial driver of this connectivity gap. The region's critical connectivity needs include road and rail transport, ocean and river port facilities, airports, electricity generation and transmission, water supply and sanitation, waste management, telecommunications, irrigation, and customs facilities. Sub-regional arrangements promise to strengthen economic and cultural ties between countries in the region. The Bangladesh-Bhutan-India-Nepal (BBIN) Motor Vehicle Agreement and the India-Myanmar-Thailand Trilateral Highway project, for example, create a base for boosting intra-regional trade among South Asian countries and with the ASEAN region.

This panel session will highlight the variety of infrastructure and development imperatives in South Asia and how meeting those needs could contribute to the region's prosperity by facilitating exchange within the region and further integrating South Asian economies into a broader Indo-Pacific framework. This discussion will form a basis for the focus on specific areas and sectors in subsequent panels.

### Points for deliberation:

- What are the current major infrastructure needs in South Asia within the Indo-Pacific region?
- What are emerging avenues of investment in infrastructure development in the region?
- What role do regulatory and institutional frameworks play with respect to development of physical infrastructure?

## Plenary 2: Best Value Principles for Procurement and Investment: High Standards, Transparency, and Sustainable Debt

### Background:

South Asian countries collectively spend approximately \$550 billion per year on public procurement of goods, works and services. Procedural fairness, transparency, and long-term sustainability in public procurement and award of contracts are essential to ensure that such projects are in the best interest of the local population. Several countries in the region have recognized the importance of high standards and have made progress in improving transparency, efficiency and accountability in public procurement. Some countries in South Asia are victims of unsustainable debt-fueled investments which have the potential to dent economic growth potential and divert focus away from more impactful development opportunities. This session will underline the value of sharing best practices and building legal and regulatory capacities.

### Points for deliberation:

- What best practices and lessons learnt have regional stakeholders identified on how to ensure transparency and consistency in frameworks related to public procurement and investment in improving connectivity and cooperation between countries in the south Asian region?
- What capacities and mechanisms do countries within the region need to build in order to promote sustainable, high-value public procurement and investment?
- What elements must countries consider when designing infrastructure projects in order to maintain sustainable debt levels?

## Plenary 3: Women's Economic Empowerment in a Regional Context

### Background:

Women's economic empowerment has traditionally played an important role in driving trade and economic growth. The McKinsey Global Institute estimates that advancing women's equality could add \$28 trillion to global GDP by 2025, enabling economies to unlock their full potential. In South Asia, women represent an important element of small-scale economic activity but are often unable to access the benefits of larger-scale operations such as capital, logistics and tariff negotiations. It is more difficult for women entrepreneurs to secure financing, resulting in an estimated annual \$220-360 billion in unmet

financing needs worldwide among women-operated businesses, according to the Global Entrepreneurship Monitor. One of the key limitations to effective business engagement is socioeconomic and cultural restrictions, especially at the grassroots level. For example, many small-scale women traders receive minimal family support, relegating their trade to the informal sector.

**Points for deliberation:**

- What are the potential impacts of various gender-inclusive trade facilitation measures under consideration in Bangladesh, Bhutan, India, Nepal, and Sri Lanka?
- What roadblocks do women entrepreneurs face in participating in connectivity infrastructure development and other government procurement projects?
- How could regional governments facilitate the participation of women in intra-regional trade, such as at border markets?

#### Plenary 4: Financing and Public-Private Partnerships

**Background:**

Meeting South Asia's development goals will require substantial financial resources. UNESCAP projects that the costs of social investments in employment, health, education, energy, and other necessary sectors will represent up to 10% of GDP in India and up to 20% of GDP in Bangladesh by 2030. To close their physical infrastructure gaps, countries in South Asia require an estimated \$4-5 trillion by 2030. Environmental sustainability will also require substantial resource injections. Filling these gaps will require the mobilization of countries' domestic resources as well as international development cooperation, including through public-private partnerships (PPPs). Global institutional investors currently manage more than \$50 trillion. Investments in infrastructure assets, with theoretically stable cash yields over time, can often be attractive even to investors with long-term liabilities. However, successful PPPs will require clarity in distribution of risks, rights and responsibilities between government and private-sector stakeholders. A sophisticated enabling ecosystem along with innovative PPP models will be required to attract sustainable investment.

**Points for deliberation:**

- How can public-private partnerships contribute to achieving sustainable development in South Asia within the Indo-Pacific?
- What measures and mechanisms are required to promote financing of PPPs in the region from innovative sources?
- What measures and mechanisms are required to manage risks unique to South Asia?

## **Parallel Track 1-A: Land Transportation Corridors: Regional Networks for Trade and Development**

### **Background:**

Transport connectivity empowers economic growth and competitiveness by enabling movement of goods and people. It helps farmers access markets, enhances logistics for industrial clusters, widens consumer choices, and furthers socio-cultural exchange among peoples. Initiatives to increase trade in South Asia has the potential to spur dramatic growth in the region, from India's regularization of state Goods and Services Tax (GST) regimes to the signing of a Motor Vehicle Agreement among the BBIN countries to development of integrated border check posts. However, there remain various technical, financial, and regulatory bottlenecks in realizing the impact of such initiatives, as well as challenges stemming from lack of physical infrastructure – roads, railroads, and customs facilities at borders. Against this backdrop, this session will discuss regulatory and infrastructure gaps and opportunities, highlighting the potential for private-sector involvement to help develop key networks of land transport corridors servicing intra-regional and trans-regional linkages.

### **Points for deliberation:**

- Where would countries benefit from enhanced regional and trans-regional connectivity projects in the context of BIMSTEC and ASEAN?
- What is the potential role for sub-regional projects (such as the BBIN MVA) to promote regional connectivity?
- What gaps and opportunities for investment exist in national and subnational transport infrastructure, regulatory environment, and digital innovation?
- How could governments attract more private-sector investments in transport infrastructure and its related regulatory and digital innovation ecosystem for the development of efficient transport networks?

## **Parallel Track 1-B: Maritime and Inland Waterways Connectivity**

### **Background:**

The countries linked by the Bay of Bengal and the mighty Ganga and Brahmaputra rivers are increasingly exploring options to utilize those waterways as conduits for greater economic integration and growth. Even mountainous Nepal and Bhutan have shown substantial interest in new routes to maritime access via the waterways of India and Bangladesh to promote trade and livelihood, while traditional maritime traders like Sri Lanka remain committed to further developing their position on important sea routes. Private-sector investment will be crucial to the success of all these initiatives. To identify key investment and trade opportunities that inland waterways offer to landlocked countries in South Asia, this session will examine opportunities in building waterway infrastructures in the region.

### **Points for deliberation:**

- What kind of infrastructure investment is required to promote usage of inland waterways for trade and transit within and among countries in the region?
- What trade and transport policies and institutional frameworks will be required for BIMSTEC countries to access markets in Southeast Asia and beyond?
- How can maritime connectivity best be integrated into the multimodal transport connectivity (road, rail, air and waterway) infrastructure in the region?

## **Parallel Track 1-C: Civil Aviation: Infrastructure, Regional Standards, and Mechanisms for Improvement and Cooperation**

### **Background:**

Air transport offers a promising opportunity for the countries of South Asia to overcome the well-documented gaps in intra-regional strategic integration and connectivity, stemming in part from the formidable terrain of the Himalayas and the long distances between population centers. Rapid economic growth and favorable demographics have spurred a meteoric rise in the demand for air services in the region, but civil aviation faces challenges ranging from restrictive regulatory policies on foreign airlines operating in domestic routes to congestion at major airports, aging fleets of aircraft, and lack of world-

class all-weather airport infrastructure. Such complex challenges can also be seen as opportunities for economically viable investment, with potential demand for new and upgraded airport infrastructure, new aircrafts and avionics equipment, training for ground maintenance and flight crews, maintenance services, and technology transfers.

**Points for deliberation:**

- What are the major hurdles for implementing seamless civil aviation connectivity in the region?
- Who are the relevant stake holders that can effect conducive changes to aviation related policy and regulatory framework of these countries?
- What are the major viable investment opportunities that can promote a sound air transport infrastructure throughout the region?

## Parallel Track 2-A: Cyber Security: e-Commerce and Digital Connectivity

### Background:

Emerging technologies such as Cloud Computing, the “Internet of Things,” and Artificial Intelligence have the potential to transform societies across the globe and to contribute inclusive and sustainable economic growth. Accordingly, many governments, especially in developing countries, have recognized the need to upgrade their Information and Communication Technology (ICT) infrastructure so as not to be left behind in the global digital commons. South Asia is no exception to the worldwide need for promoting an open, interoperable, secure, and reliable ICT system, which supports international trade and commerce, strengthens international security, and fosters free expression and innovation. Building domestic and regional digital connectivity infrastructure will require substantial investments, as will countering the emerging cyber security threats that such new technologies bring with them. Governments must work with the private sector to develop regulatory schemes and innovative solutions to ensure security for their cyber networks and deliver effective and reliable digital access for their citizens. Multi-stakeholder forums on Internet Governance will enable online services to flourish throughout the region. Industry leaders from outside the region must also be welcomed to work with governments and domestic business counterparts to not only strengthen regional cyber security, but also to boost employment, infrastructure development, and sourcing from local manufacturers to benefit the overall economy of the host countries.

### Points for deliberation:

- What opportunities exist for improving optical fiber cable and digital connectivity within the region?
- How can governments draw investments in the mobile telecommunication sector for faster and better deployment of 4G and future 5G technology?
- What are the emerging cyber security threats and how can they be countered?
- How can fostering the IT services industry in the region contribute to future economic development?

## Parallel Track 2-B: Border Security: Balancing Security and Trade Facilitation

### Background:

South Asia features some of the world’s most important seaports as well as thousands of miles of land borders, including those of landlocked Bhutan and Nepal. Trade flows within the region depend on reliable border and transit controls, as does the national security of the region’s countries. It is vitally important for border security services to be able to arrest contraband and other illegal activities while at the same time enabling and expediting the legitimate movement of people and goods. Balancing these twin missions can be a significant challenge, exacerbated in South Asia by inadequate infrastructure and outdated communications and surveillance equipment. Security forces in the region are streamlining border processes and engaging with border communities to upgrade security tools and technologies, but they remain constrained in contributing to the trade facilitation objectives of their governments. Innovative solutions are crucial to developing a border security ecosystem that will contribute to achieving those objectives.

This session will discuss border security solutions to optimize trade facilitation while preserving security through public- and private-sector innovation. It will also review relevant best practices and explore opportunities for developing a region-wide border security ecosystem.

### Points for deliberation:

- What elements would be essential to an enhanced framework for border security ecosystem for trade facilitation in South Asia?
- How can border security encourage the legitimate free movement of goods and people?
- What role can High Tech and Modern Inspection and Surveillance Tools play in meeting security objectives while maintaining trade facilitation?
- How can governments engage with local communities to guarantee best practices?

## Parallel Track2-C: Intellectual Security: Intellectual Property Rights and Technology Transfer

### **Background:**

The unparalleled potential of emerging Information and Communication Technologies (ICT) to contribute to economic development makes it ever more important for developing nations, including those in South Asia, to stay at the forefront of global innovation. However, the lack of a single regional policy narrative when it comes to technology transfer and the enforcement of Intellectual Property Rights (IPR) laws have contributed to low rates of technology transfer and piecemeal investment in core research and development. External partners have raised concerns about the risks and uncertainty associated with the lack of a stringent enforcement framework for IP law in the region. Differences in perspective on innovation policy between outside investors and South Asian governments have impeded the investment and innovation potential of the region and could impede the global competitiveness of regional businesses, including SMEs and start-ups.

### **Points for deliberation:**

- What could be the framework for a digital single South Asian market?
- How can ease of doing business reforms be infused to improve FDI inflows in R&D and electronics manufacturing?
- What is the role of Intellectual Property Rights policy in this regard and how can the region as a whole rationalize its IPR policies to attract long-term investments and encourage local R&D?
- How can the region adopt, contribute towards and retrofit international ITC standards in its digital market policy frameworks?
- How can collaboration among national, international, and regional institutions be improved to spur technology transfer and bring in investments, such as in the “Internet of Things” space?

### Parallel Track 3-A: Facilitating Cross-Border Electricity Trade for Growth

#### Background:

Major infrastructure project to foster cross-border electricity trade benefit local communities and spur economic growth. The long timeframe – often over decades – required to complete such projects, however, is evidence of the complex political considerations that can hamper their implementation. In South Asia, differences between countries' political and regulatory frameworks can stall or stymie mutually desirable linkages. Such inconsistencies, along with regulatory unpredictability, financial constraints, and difficult terrain, adversely affect investment in the region. Nevertheless, significant potential exists for productive investment if these challenges can be overcome.

#### Points for deliberation:

- Need better policies to **facilitate market demand and supply scenario** to optimize capacity utilization of generation and transmission assets.
- Need to formulate dispute resolution mechanism and develop state of the art institutions
- Need to develop regional transmission planning and process to foster trilateral and regional electricity trade

### Parallel Track 3-B: Creating a LNG Market in the Indo-Pacific

#### Background:

As South Asia's energy demand continues to rise and the need for long-term energy security pushes governments to adopt diversified sources, Liquefied Natural Gas (LNG) plays an increasingly important role in the region's future energy mix. An expected global LNG surplus could be a perfect fit for the region's coming needs. At the same time, a coordinated approach to developing LNG capacity could contribute to fostering cross-border energy trade. Meeting this objective would require investment in infrastructure, including import terminals, floating storage and regasification units, pipelines, and related service facilities. Development of facilities for importing and trading LNG in the region could ensure an alternative and cleaner source of energy and enable improvements in power infrastructure in countries like Bangladesh and Sri Lanka.

#### Points for deliberation:

- What is the outlook for demand and supply of LNG in South Asia with respect to the expected rise in energy consumption? Where might 'Government to Government' and 'Government to Business' interventions contribute to developing a regional gas infrastructure and market?
- What opportunities exist in the region for initiatives to advance the development of LNG markets and related infrastructure?

### Parallel Track 3-C: Renewable Energy Opportunities

#### Background:

South Asia still has nearly 400 million people living without access to electricity. Energy demand in the region continues to rise with rapid industrialization, urbanization and increasing economic prosperity. Government initiatives seek to provide electricity to all, while at the same time governments in the region have committed to reduce their reliance on conventional power generation technologies including fossil fuels. An IFC report on Climate Investment Opportunities in South Asia estimates that South Asia alone will need over \$410 billion renewable energy investments by 2030. Transition from fossil fuel to a more renewable energy profile will require policy interventions, including transboundary cooperation. While policymakers need to maintain the proper balance between energy production and environmental concerns, private-sector players need to invest in national and cross-border renewable energy infrastructure. Civil society can also contribute through public awareness and advocacy.

#### Points for deliberation:

- What are the roles of local and external policy makers, private players and civil society organizations in developing a renewable energy industry in South Asia?
- How can the region build a multi-stakeholder, multi-country alliance for energy transition?
- What investment opportunities exist in the sector for this region?