

# BANGLADESH-BHUTAN-INDIA-NEPAL MULTI-MODAL CONNECTIVITY IN THE SUB-REGION (M-CONNECT)



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## BBIN Motor Vehicles Agreement

### *Implementation Concerns and Available Safeguards*

*Facilitated by the Asian Development Bank (ADB), Bangladesh, Bhutan, India and Nepal (BBIN) signed a Motor Vehicles Agreement (MVA) in June 2015. Its objective is to enable the movement of passenger and cargo vehicles across borders among them. The Agreement is aimed at bringing the four countries closer along with aiding the trade and economic integration of the BBIN sub-region.*

*While the Framework Agreement was signed in 2015, and Bangladesh, India and Nepal ratified the Agreement, Bhutan withheld its ratification for environmental reasons. Bhutan, however, has given its consent to implement the Agreement among BIN (Bangladesh, India and Nepal) countries. Presently, member countries are negotiating the protocols (one for passengers and other for cargo vehicles) to implement the MVA. Once the protocols are signed, the MVA will be implemented.*

Concerns	Safeguards
<p><b>1. How can a four-country Agreement be implemented among three countries?</b></p>	<p>The Government of Bhutan, which withheld ratification of the BBIN MVA, has given consent to implement the Agreement among the three other countries, with Bhutan joining later. In the last meeting of BBIN MVA held in February 2020, member countries discussed and finalised a draft Memorandum of Understanding (MoU) to be signed among the three countries to implement the Agreement. The signing of this MoU will facilitate its implementation.</p>

Concerns	Safeguards
<p><b>2. Who would be the biggest gainer from the implementation of the BBIN MVA?</b></p>	<p>The seamless flow of vehicles across this sub-region is expected to reduce transaction costs, increase cross-border trade and contribute to increased economic activities, including employment in all three countries, irrespective of the size of their respective economy.</p>
<p><b>3. Who would be the competent authority for issuing permits for passenger and cargo vehicles of one country entering into the territories of other countries?</b></p>	<p>The BBIN MVA mentions that each country will decide the competent authority for permits and inform other countries (para 12 of Article III of MVA).</p>
<p><b>4. Would the MVA affect the 'Rights of the Land Locked Countries'?</b></p>	<p>No. The MVA specifies that the Agreement will not affect the rights and obligations arising from other international commitments of the contracting parties with respect to 'Rights of the Land Locked Countries' (Clause 4 of Article XIV of the MVA).</p>
<p><b>5. How would a least developed/ landlocked and technologically backward country comply with the requirement of 'installation of a tracking system' for online monitoring of movement of passenger and cargo vehicles?</b></p>	<p>The 'installation of a tracking system' between India and Nepal is under implementation and discussion between India and Bangladesh. Furthermore, Bangladesh has signed a Framework Agreement on Facilitation of Cross-border Paperless Trade in Asia and the Pacific (CPTA), which would require 'installation of a tracking system.'</p>
<p><b>6. Signatories of the BBIN MVA have significant variance in sizes and categories of vehicles. How will the MVA address this issue?</b></p>	<p>During earlier consultations amongst the signatories, it has been suggested that all proposed weight categories, including the over-7500 kg class, might be retained to cater for future expansion of infrastructure quality in all countries. Current limits due to infrastructure bottlenecks can be managed using the clauses specifying the axle loads and dimensions of the vehicles allowed to ply and restricting the number of permits given.</p>

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<p><b>7. Issue of permits to vehicles on a reciprocal basis may not be helpful to smaller countries, considering that they are at different stages of development and are not of equal size in terms of their economy and infrastructure. How will the MVA resolve this issue?</b></p>	<p>In earlier consultations, it has been clarified that the implementation of MVA would start modestly and build forward as capacity expands in each country. Interests and capacities of smaller countries would be duly considered while making such decisions.</p>
<p><b>8. What would happen to vehicles and crew members if the validity of a vehicle already in the territory of another member state expires?</b></p>	<p>If a 'permit' was used before the expiry of its validity date by the vehicle entering the territory of another country, it would remain valid until the completion of the journey of the said transport. However, in this case, the operator has to comply with the conditions for temporary admission provided for in this MVA.</p>
<p><b>9. Implementation of the BBIN MVA would lead to flooding of smaller countries with vehicles of other countries and also lead to environmental degradation. How will the BBIN MVA sort out this issue?</b></p>	<p>The BBIN MVA provides for issuing a specific number of permits to vehicles of one country entering into the territories of others. It also allows specific routes and land customs stations to be chosen, including specified axle loads and vehicle's dimensions. Therefore, the chance of smaller countries getting flooded with vehicles of other countries is minimal. Furthermore, since each country will allow a given number of vehicles, the environmental impact can easily be monitored. The situation can be further improved by taking appropriate measures towards using clean fuel.</p>
<p><b>10. Has the BBIN MVA provisions for Motor Liability Insurance?</b></p>	<p>Yes. Article XI of the BBIN MVA categorically mentions that while a registered insurance company will ensure non-regular vehicles against third party loss in all the countries, regular passenger and cargo vehicles will have a comprehensive insurance policy.</p>
<p><b>11. Has the BBIN MVA provisions for insurance/compensation to a third party arising out of accidents caused by the vehicles of one country plying in the territories of other countries?</b></p>	<p>Yes. The Agreement provides insurance/compensation in case of an accident that causes losses to a third person and results in liability of the transport operators or owner of the vehicle. The person suffering damage is entitled to claim compensation from the insurer of the operator's or owner's motor vehicle liability, as the case may be, in the home country, through its representative office or insurance company in the host country.</p>

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<b>12. How do we know if vehicles of a country plying in the territory of another country have third-party insurance?</b>	The Agreement requires transport operators to display the evidence of a valid insurance cover onboard the vehicle plying under the Agreement, at all times.
<b>13. Does the BBIN MVA provide temporary admission of regular and non-regular passenger transportation vehicles? If yes, what documents are required for the temporary admission?</b>	Yes. The BBIN MVA allows temporary admission of vehicles of one country in the territory of another country. For temporary admissions, vehicles are required to carry a document issued by the competent authority in the vehicle's home country containing the details, such as the permit number and date, the period of validity of the permit, the country of registration of the vehicle, registration number of the vehicle, the points of entry and exit, among others details. This will be done electronically. A complete format is provided in passenger protocols.
<b>14. What will happen if there are violations of the terms of the Agreement by transport operators?</b>	<p>In case of any violation of the terms of the Agreement by transport operators, the customs authority of the host country will issue a notice to the authorised operator or the owner of a vehicle or the permit holder for the recovery of a specified and agreed amount as per the Agreement from her/him, directly with a copy to the competent authority of the home country that issued the permit.</p> <p>The Agreement also requires that if an authorised operator or the owner of a vehicle or the permit holder fails to pay the amount specified in the notice within a given period, the said authority will affect the payment from the customs authority of the host country.</p>
<b>15. For issues not covered in the Agreement, whose laws will apply?</b>	Though the movement of passenger and cargo vehicles will be guided by the provisions made in the Agreement, there are areas where national laws will apply (on any matter not explicitly covered by the BBIN MVA). These include tolls, vehicle breakdown applicable to the cross-border movement of goods and persons relevant under the Agreement and Protocols.

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<p><b>16. Does the Agreement have a provision to track the movement of registered vehicles in one country plying in the territories of other countries?</b></p>	<p>Yes. As per the Agreement, contracting parties will establish an electronic monitoring platform at the earliest with appropriate software and hardware for efficient vehicle tracking.</p>
<p><b>17. Is there any provision in the BBIN MVA for changing crew members of cargo or passenger vehicles registered in one country for plying in the territory of other countries?</b></p>	<p>Even though the BBIN MVA does not explicitly mention this, it is presumed that a change in crew members of cargo or passenger vehicles registered in one country and plying in the territory of other countries would be the prerogative of transport operators. Such a move will not create any technical issue and is expected to facilitate seamless movement of vehicles of one country into others.</p>
<p><b>18. What happens if a vehicle of one country plying in the territory of other countries meets with an accident or a breakdown or an unscheduled stopover?</b></p>	<p>The Agreement provides that in the event of an accident, breakdown or repair of a vehicle in the host country, the crew or the authorised operator will immediately inform the local office for: a) appropriate action(s) as per the law of the host country; b) getting assistance for alternate arrangements for the secure movement of passengers and crew; and c) arrangements of emergency/necessary medical support for passengers and crew.</p>

