

**Enabling a Political Economy Discourse for Multimodal
Connectivity in the BBIN Sub-region (M-Connect)**

Event Report

National Advocacy Dialogue

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About the Dialogue

CUTS International organised a National Advocacy Dialogue (NAD) under the project entitled, ‘Enabling a Political Economy Discourse for Multi-modal Connectivity in the BBIN (Bangladesh, Bhutan, India, and Nepal) Sub-region (M-Connect).’ The organisation presented the project's achievements, findings, and suggestions to relevant stakeholders, including government officials in India and representatives from other development agencies.

This NAD, organised virtually over the Zoom Meetings platform, was rich with qualitative solution-oriented discussions regarding implementing multi-modal connectivity in the BBIN sub-region. Aditya Mishra, the Chairman of the Land Port Authority of India, was the Chief Guest. The meeting was chaired by Gopal Krishna, former Shipping Secretary, Government of India.

Key Takeaways

- ❖ The dialogue noted that the current momentum in the sub-region for multi-modal connectivity is to be carried forward through cross-country collaborations and involving international development agencies.
- ❖ Multi-modal connectivity in the eastern and north-eastern parts of India is important because of the need for better port connectivity for India’s landlocked neighbours, Bhutan and Nepal, but it will also further enhance the transport connectivity of northeast India with the rest of the country.
- ❖ It is important to focus on the political economy aspects of the infrastructure development in the sub-region, along with the economic benefits aspect. The concerns of all stakeholders should be taken into consideration and addressed at appropriate levels.
- ❖ The development of multi-modal connectivity corridors in the sub-region should consider the resilience and sustainability factors. The focus should be placed on using green infrastructure and energy in these developments to tackle the climate change crisis.
- ❖ There should be a plan to prioritise the investments in the sub-region. The focus should also be on the economic development of corridors and land value capture. This will generate more economic and employment opportunities and thus further increase the demand for connectivity.
- ❖ Digital connectivity is an important aspect to be considered by all countries in the sub-region. This will facilitate seamless connectivity and increase the logistics efficiency of the sub-region, and also help in informed decision-making and add resiliency to the supply chains.

- ❖ The potential of air connectivity linkages of the identified multi-modal connectivity corridors is vital for the Make in India initiative. This will help in the efficient transportation of high-value goods produced in the country.
- ❖ PM Gati Shakti Master Plan is an overarching concept that will integrate all the related departments together at a common platform for integrated infrastructure development in India.

Welcome Remarks

Bipul Chatterjee, Executive Director, CUTS International, welcomed all the participants to the virtual meeting. He discussed the importance of ensuring multi-modal transport connectivity in the BBIN sub-region to enhance economic integration. The sub-region is witnessing enhanced political will from the member countries to provide smooth last-mile connectivity.

He noted that the latest initiative by the Indian government to move cargo from Patna in Bihar to Pandu in Assam through the national waterway system and the India-Bangladesh Protocol Route is an example of countries in the sub-region putting importance to multi-modal connectivity.

He said that it is crucial to look at various multi-modal connectivity initiatives through the perspectives of grassroots stakeholders. CUTS International along with its partners, through this project, have been enabling a political economy discourse for the betterment of trade and connectivity in the sub-region to consider the concerns of stakeholders and place them before the attention of relevant authorities at various levels.

He said that the focus is mainly on the economic benefits of capital expenditures. In contrast, the social impacts and benefits of these investments on the marginalised people and environment are often not included. Hence, this project has also tried to capture the stakeholder perception on social and environmental issues.

Various connectivity initiatives are being undertaken in the BBIN sub-region, such as BBIN Motor Vehicles Agreement (MVA), BIMSTEC Multi-modal Connectivity Master Plan, and BIMSTEC MVA. Trade should be looked at as an outcome of connectivity, a common and enabling factor is collective and strong political will.

Presentations

Bipul Chatterjee presented the achievements, observations and suggestions of the project with the help of a PowerPoint presentation. He discussed all the four corridors in the BBIN sub-region, which the project has looked into, with the help of detailed maps. He concluded the presentation by noting that ground-level stakeholders are majorly aware and will harness the benefits of the connectivity development initiatives in the sub-region. However, according to him, adjustment programmes and alternative livelihood opportunities for the groups whose initiatives will negatively impact are required.



Keynote Address

Aditya Mishra, Chairman, Land Ports Authority of India (LPAI), gave the keynote address in the dialogue. He stated that multi-modal connectivity is the relevant component of the corridors studied in the project. It will reduce the logistics cost and time and smoothen the passenger movement. Multi-modal connectivity in India's eastern and north-eastern parts is important because of the need for better port connectivity for India's landlocked neighbours, Bhutan and Nepal. It will also further enhance the transport connectivity of northeast India with the rest of the country.



One of the LPAI initiatives is to connect three land ports (Petrapole, Raxaul, Joghbani) to the railway lines. Additionally, the development of a new land port at Sabroom, the southernmost point in Tripura, has started, which would be connected to Chittagong seaport and be further connected to the railway line in Sabroom. Another development is a railway line in Nischintapur, and it would connect the trunk railway line that connects the Chittagong seaport and north Bangladesh. Hence, it would connect the Chittagong seaport in Bangladesh to northeast India.

25 other locations in Bangladesh, Bhutan, and Nepal border are identified by the LPAI, which can be connected to railway lines. LPAI also integrates all the transit points on the land border under its wings. Hence, the LPAI is expecting to have around 90 land ports, out of which 30 will have the feasibility of railway connectivity. LPAI is also collaborating with the Inland Waterways Authority of India (IWAI). One of the collaborations is at Srimantapur in Agartala.

A significant effort by the LPAI to ensure digital connectivity in India is Land Port Management System (LPMS). LPMS is software that links all the land ports in India, and it is similar to that used by seaports and airports in India. Furthermore, the LPAI is trying to link

the LPMS with India's Customs and Immigration Department to ensure seamless connectivity.

As observed by LPAI, most of the stakeholders initially lost their jobs due to the development of the land port in Attari have re-gained employment within the Integrated Check-Posts due to the multiplication of economic opportunities. Moreover, the LPAI, in collaboration with the skill development organisation, has started trial runs at two land ports, namely Sonauli and Ropedia, to give training to the local people. This has resulted in two positive impacts: enhanced engagement with the local communities and good gender inclusion.

Panel Chair

Gopal Krishna, Former Shipping Secretary of India, chaired the panel discussion. He stated that the objective of connectivity could be achieved with three elements, i.e., physical infrastructure developed by the government of the state/nations; rolling-stock infrastructure developed by the private sector stakeholders; and the ecosystem to which private participants and advocacy agencies largely contribute.



He pointed out that waterways have developed in the last five years due to the smoothening of severe political-economic aspects in the sub-region. Three important projects were built on the river Ganges. One of the most important projects is the construction of the Haldia multi-modal terminal and its subsequent handover to a private stakeholder. This has triggered other agencies working on connectivity and infrastructure to step in and build their projects. It has also raised new avenues of investment opportunities in the sub-region.

Ultimately, several government agencies are working together and new ones are stepping forward to work in the connectivity and infrastructure landscape in the sub-region. He added that it is vital to involve the private sector in developing the ecosystem around logistics along with think tanks and civil society organisations.

Open Discussion

Jayant Singh, Vice-Chairman, Inland Waterways Authority of India (IWAI), provided a brief overview of the initiatives undertaken by the IWAI.



The IWAI is currently completing the Jal Marg Vikas Project (JMVP) and a plethora of work in National Waterways 2 from Sadia to Dhubri. He said that there would be several pull factors once the Jal Marg Vikas Project is completed and cargo starts moving seamlessly through the National Waterway 1 (the Ganges), National Waterway 2 (the Brahmaputra) and the protocol

routes between India and Bangladesh. Another project is Eastern Waterways Connectivity Grid (EWCG).

The IWAI has the institutional architecture for the EWCG in place and prioritises solving the present bottlenecks. He added that the Eastern Waterways Connectivity Transport Grid Project (EWaCTG) is an important initiative for the sub-region. Once various political economy aspects are addressed, it will be a game-changer for enhanced connectivity in the sub-region. The IWAI has started working on them.

Additionally, IWAI has commenced the work for the Kalughat Intermodal terminal. The expected completion is in November 2023, and by December 2023, the terminal is expected to be operationalised. He added that the Kalughat multi-modal terminal in the north bank of the Ganges River and the integrated logistics park in Sahibganj, along with the commissioning of the Vikramshila Bridge, will benefit Nepal in exploring alternate routes for multi-modal cargo movements.

In addition to them, another multi-modal terminal in Jogighopa, Assam, on the Brahmaputra River will make Bhutan's connectivity to the ports of India and Bangladesh in a seamless manner. He also noted that Dhubri port is currently the top business of the inland waterway ports.

Ajit Kumar Mishra, General Manager, Dedicated Freight Corridor Corporation of India Limited, stated that freight corridor projects are one of the most iconic projects by the Ministry of Railways, Government of India. It is the largest project sanctioned by the Ministry of Railways so far. One of the key objectives is to reduce logistics costs in the country.



Though the freight corridors are often seen in silos, the planners have tried to connect the railway corridor with other modes of transportation through the design and devising of projects. The movement from railways to road transport has raised logistics and environmental costs. Apart from the two dedicated corridors in the Eastern and Western Dedicated Freight Corridor, three more are planned, such as the East-Coast corridor, which will run from Kharagpur to Vijayawada and enhance the port to the railway connectivity.

One positive impact from the freight corridor, just by 50 per cent operationalisation, is an increase in the speed of railways from 25Km/hr to 60 Km/hr. The Western Dedicated Freight Corridor has already started the Truck on Train (ToT) services, and the work that will connect this to Roll on – Roll off (Ro-Ro) services in the IWAI is in progress.

Duncan Overfield, Deputy Development Director at the Foreign, Commonwealth and Development Office of the United Kingdom, New Delhi, stated that integrating markets, ensuring critical supply chains, and reducing cost has considerable benefits for all the BBIN sub-region. The policymakers of the member states realise these benefits. Therefore, rather than focusing on the benefits mentioned above, it is necessary to decide on the next pragmatic implementation steps to achieve these benefits.



He noted that the corridors used in the study are all economically, socially, and environmentally feasible. Still, there are roadblocks, such as land acquisition issues, lack of proper and functioning infrastructure, and missing/gaps in the connectivity infrastructure in the sub-region. The progress made by the BBIN sub-region is remarkable, and the commitment of the government in the region, as well as the investments made, are critical. Hence, it becomes essential to strategically plan the further implementation issues by transboundary planning.

A Didar Singh, Former Secretary, Government of India, Former Secretary-General, Federation of Indian Chambers of Commerce & Industry (FICCI), and Distinguished Fellow, CUTS International, stated that recommendation should include the usage of multi-modal corridors for transporting COVID-19 vaccines, health and medical tourism to other neighbouring countries.



He pointed out that the fear of smaller economies being swamped by the bigger ones is not new, and India has seen this fear in a different form in the tribal areas of the northeast region. Trade and connectivity will happen because this is the future of the world. Therefore, it is crucial to consider all stakeholders while planning and addressing their concerns.

Kuancheng Huang, Professor, National Yang Ming Chiao Tung University, Former Senior Transport Specialist, Asian Development Bank, commented that it is great to see the finalisation of BIMSTEC Master Plan of transport connectivity in which the importance of multi-modal connectivity is emphasised. It is also crucial to collaborate between international organisations and countries in the sub-region. Furthermore, there is a need to plan and prioritise the investments and the M-Connect project undertaken by CUTS International will help in it.



There is a considerable focus on developing transport connectivity linkages between northeast India and the rest of India through Bangladesh territory. But the highway network in Bangladesh is very congested and therefore needs significant investments for

improvement. In this regard, there needs to be a mechanism to share the costs and benefits of this infrastructure development.

He also added that the potential of air cargo to be integrated into the multi-modal transport corridors in the sub-region has to be focused more on in this study. He said that as the multinational companies are shifting their production sites to different parts of the world from China, in the context of trade tensions between the US and China. Vietnam, Thailand and India are gaining from this movement. India has a vast scope of taking advantage to boost its Make in India initiative, a huge success. Air cargo connectivity is critical to provide seamless connectivity for transporting high-value cargo.

Arnab Bandyopadhyay, Lead Transport Specialist, Transport & ICT, World Bank, pointed out that the World Bank is focusing on developing waterways in the region. The development of waterways itself contributes to the development of multi-modal connectivity, as waterways will have to be connected with roads or railways to ensure last-mile connectivity with production and consumption centres. He added that some corridors could be identified in the region. Once they are all put on a map, the connectivity of these corridors and potential multi-modality can be seen.



The Hili-Mahendraganj corridor through Bangladesh territory, which is one of the major recommendations of the project, has the potential to be extended to the east-west and the trilateral highway. This will change the entire dynamics and make it very attractive for Nepal and Bangladesh to partner in it.

The land along the corridors has to be developed and more business opportunities have to be generated for wider economic benefits. Land value capturing is a combination of developing growth nodes, logistics clusters, and the coming of new industries. Effectively, this land value capturing will generate more economic opportunities and thus will further increase the demand for connectivity.

Arth Ganga, Maha Brahmaputra and Jamuna river economic corridor development programme is an opportunity to study and develop the economic growth opportunities in the banks of these rivers. Livelihoods can be significantly developed through this programme.

He mentioned that digitisation is also a crucial part of low-hanging fruit. Improving digital infrastructure does not require much investment. Moreover, the improved digitisation would significantly change the logistics efficiency in this sub-region. It will also help visualise the supply value chains and make informed decisions. The focus should be placed on climate-resilient infrastructure and supply chains. The development of logistic clusters and multi-

modal hubs would improve overall climate resilience, as it will help create a network with substitution options during a crisis.

Mary Tyler Holmes, Deputy Director, Indo-Pacific Office, the US Agency for International Development (USAID) India Mission, stated that the USAID Indo-Pacific office is working on two main areas. These are Cross Border Infrastructure and Connectivity Activity in South Asia (CBIC); and South Asia Regional Digital Initiative.



The CBIC activity is working on three areas: upgrading and greening the inland vessel fleets, working with Jangipur Lock on regional water connectivity, and developing a multi-modal freight village in Balagarh. The work under CBIC would include a technical study on selecting a greening tool, identifying solutions for the fleet, vessel design and modal testing, feasibility study for finance mechanism for the project and building package of financial instruments, and capacity building and training programmes. Expected outcomes of the project are to reduce waste fills, lower emissions, increase the quality of IWT operations, develop financing models and improve ferry operations and facilities at land excise jetties.

In the case of the South Asia Regional Digital Initiative, a series of webinars are conducted across the South Asian region and Indo-Pacific on last-mile connectivity and increasing the role of women in the digital space, especially those who are leading startups.

Emily Gunning, Political Associate, Economic Growth Unit, US Embassy, New Delhi, commented that it would be helpful if the panel discussed the Gati Shakti and the development initiatives in the northeast. These are major driving forces behind the development of multi-modal connectivity initiatives in the BBIN Sub-region.



Mohit Sippy, Senior Programme and Policy Manager, Asia Regional, Foreign, Commonwealth and Development Office of the United Kingdom, New Delhi, brought forward the initiatives undertaken in the Bay of Bengal region. The place is a hub for connectivity and provides vital sea routes for trade. Furthermore, it is also becoming an arena of cooperation and collaboration among multiple actors.



He posed a question: how can India's development in Maritime initiative be synchronised with other regional agencies better to integrate collaborative growth in the Bay of Bengal region. Further, he added how the members of BIMSTEC can collaborate among themselves and with other stakeholders to ensure the stability and security in the Bay of Bengal region through a rule-based order.

Pritam Banerjee, Logistics Sector Specialist, Asian Development Bank, mentioned a crucial need for physical infrastructures for proper and integrated connectivity in the Sub-region. The infrastructure development has already been conceived and is in the implementation phase.



He highlighted a crucial connectivity infrastructure: the Kolkata-Dhaka-Agartala railway, which will be a transformative infrastructure piece in the future as it will enhance the northeast's connectivity with the rest of India. There is a need to have similar infrastructures at the border points, and both sides of the borders must be equally developed for the smooth transfer of goods.

Lastly, the main reason for the connectivity initiative is to have more significant trade facilitation, digitalisation and commercial viability. Though India has undertaken ambitious digitalisation programmes, the obstacle it faces is how they will be conducted in partner countries with different platforms. Also, there is a need to have procedures on either side of the international borders to allow for seamless movement with a minimum amount of physical inspection interventions.

Gati Sakti aims to create two different layers. First is the demand layer that will give a granular view of cargos' demand and evacuation. The second one is mapping the granular supply of infrastructures now and its prospects. The PM Gati Sakti is all about the holistic approach and providing an institutional background by the empowered group of secretaries.

Conclusion

Bipul Chatterjee and Gopal Krishna thanked all the participants for their active participation in the meeting. They remarked that the session was thought-provoking and rich with ideas.

Chatterjee also addressed the questions brought forward by Emily Gunning and Mohit Sippy. He explained that Prime Minister's Development Initiative for North-East (PM DevINE) for northeast India encourages north-eastern states to develop new ideas and initiatives supported by the Union and state governments. This initiative will also enhance their livelihood opportunities and empower women traders or entrepreneurs to indulge in trade.

Furthermore, India is developing several ports, enhancing trade in goods and energy and implementing a solid security aspect in the Bay of Bengal and the Indo-Pacific region through the Security and Growth for All in the Region (SAGAR) and Sagarmala initiatives. The two most essential and crucial organisations in this aspect are the BIMSTEC Secretariat and the Indian Ocean Ring Association. He added that various suggestions and recommendations made by participants on seamless connectivity are well documented and

would be disseminated to targeted groups, including high-level government officials and sub-national stakeholders.

Way Forward

1. The identified political economy factors and solutions and other project recommendations have to be taken forward to the relevant departments and stakeholders on a one-to-one basis.
2. The concept of developing air connectivity for the north-eastern states of India is to be looked at, especially in the context of the Government of India's UDAAN initiative. Air connectivity within northeast India, of northeast India with rest of India, with India's neighbours and, further to Southeast Asia is very important and is to be taken on priority.
3. The rail connectivity prospects of all land ports in India have to be studied. Similarly, possibilities of integrating the dedicated rail freight corridors with the national waterways of India also have to be studied.
4. The Hili-Mahendraganj corridor through Bangladesh territory, which is one of the major recommendations of the project, has the potential to be extended to the trilateral highway and east-west highway. This is to be studied further and how the arising economic opportunities will attract Bangladesh and Nepal to participate.
5. There should be skill development and capacity-building programmes for ensuring that people who lose their land and livelihood can find alternative livelihood options from the increased economic activities due to infrastructure development.
6. Capacity building for the countries in the region on building soft infrastructure for digital connectivity is important. India can take the lead in the capacity building of its neighbours in the sub-region along with assistance from international development agencies.
7. All the major trade and transport infrastructure in India should be made gender-friendly. Women's engagement in cross-border trade and transport activities is very minimal. A situation analysis study can be done to identify solutions.
8. Green infrastructure and crisis resilient supply chains are important areas to focus on in the sub-region. Further studies can be conducted on making resilient and sustainable supply chains in the sub-region.

- Detailed maps of the identified corridors will be created with the help of cartographers to showcase the proximity of the corridors with the nearby road, water, rail, and air transport networks in the sub-region. Furthermore, nearby Special Economic Zones (SEZs) will also be incorporated into the maps.

Recommendations

Infrastructure

- Building Hili (West Bengal) – Mahendraganj (Meghalaya) Corridor through Bangladesh to decongest Siliguri Corridor
- Expediting the building of ICPs in Fulbari, Changrabandha, Jaigaon, Dawki and Panitanki – with modern infrastructure and allied facilities
- Inter-modal terminal at Karimganj- connecting road, rail and river
- Extending the rail connectivity from Hasimara (West Bengal) to Pasakha in Bhutan
- Shillong-Dawki road widening and a wider bridge with high capacity over Umngot river in Dawki
- Upgrading approach roads to Jaigaon & Dawki LCSs
- Ensuring navigability in the NW1 & NW2: Solving the inadequate depth issue and the difficulties caused by Pontoon bridges.

Policy

- Making all trade and transport-related offices gender-friendly.
- Ensuring 24*7 uninterrupted power supply and internet connectivity at all trade and transport-related offices to facilitate paperless trade.
- Setting up basic facilities such as restrooms and drinking water for drivers at all ICPs/LCSs/MMTs etc.
- Accredited testing laboratories along with the representation of FSSAI close to border points to avoid hold-up of food items and agricultural goods at border points.
- Foreign exchange office and banking facility in border points
- Encouraging containerisation of cargo and using ECTS for all containerised cargo movement in the BBIN sub-region
- Capacity building at all levels is required to boost paperless trading.
- Involving local people in the development activities and ensuring losers in land, job, livelihood, etc., are compensated adequately.
