



Delhi Policy Group

Advancing India's Rise as a Leading Power



DPG Conference Report, Vol. 3, Issue 4 Regional Conference on 'Advancing BIMSTEC Cooperation'

Colombo | Sri Lanka | August 2-3, 2018



DELHI POLICY GROUP

Advancing India's Rise as a Leading Power

**DPG Regional Conference
on
Advancing BIMSTEC Cooperation**
Taj Samudra, Colombo
August 2-3, 2018



www.delhipolicygroup.org

Disclaimer

DPG Conference Reports Vol. 3, Issue 4 is produced by the Delhi Policy Group, an independent and autonomous, not for profit think tank which focuses primarily on strategic issues of critical national interest. In keeping with the growing dynamism of India's foreign and security policy, the DPG has expanded its focus areas to include India's broader regional and global role and the strategic partnerships that advance India's rise as a leading power. To support that goal, the DPG undertakes research and organizes policy interactions across a wide canvas, including strategic and geo-political issues, geo-economic issues and defence and security issues.

© 2018 by the Delhi Policy Group (DPG)



**DPG Regional Conference on Advancing
BIMSTEC Cooperation
Colombo, August 2-3, 2018**

CONTENTS

Preface and Acknowledgement

Abstract of Proceedings

Programme

**Summary Note of Recommendations from Break Out
Sessions**

INAUGURAL SESSION

*Welcome Address by Ambassador H. K. Singh, Director
General, Delhi Policy Group*

*Keynote Address by His Excellency Mr. Taranjit Singh
Sandhu, High Commissioner of India to Sri Lanka*

*Special Address by Mrs. Grace Asirwatham, State Secretary,
Ministry of Foreign Affairs, Sri Lanka*

*Special Address by Ambassador Sumith Nakandala, Additional
Secretary, Ministry of Foreign Affairs, Sri Lanka & Former
BIMSTEC Secretary General*

*Keynote Address by Dr. Indrajit Coomaraswamy, Governor of
the Central Bank, Sri Lanka*

**SESSION 1: “TRADE AND ECONOMIC INTEGRATION
I – BIMSTEC FTA”**

*Abstract of Moderator’s Remarks by Dr. Ganeshan Wignaraja,
Chair, Global Economy Programme, LKI, Colombo*

*Paper by Dr. A. Didar Singh, Senior Fellow, Delhi Policy
Group & Former Secretary General, FICCI, New Delhi*

*Presentation by Dr. A. Didar Singh, Senior Fellow, Delhi
Policy Group & Former Secretary General, FICCI, New Delhi*

*Abstract of Presentation by Ambassador Nihal Rodrigo,
Former Foreign Secretary, Sri Lanka and Former Secretary
General, SAARC*

*Presentation by Dr. Amita Batra, Professor, Centre for South
Asian Studies, School of International Relations, JNU, New
Delhi*

*Presentation by Dr. Janaka Wijayasiri, Research Fellow, IPS,
Colombo*

*Abstract of Discussant’s Comments by Ambassador Dr. John
Gooneratne, Former Ambassador of Sri Lanka to Iraq*

**SESSION 2: “TRADE AND ECONOMIC INTEGRATION
II – OTHER ISSUES**

*Presentation of Moderator’s remarks by Dr. A. Didar Singh,
Senior Fellow, Delhi Policy Group & Former Secretary
General, FICCI, New Delhi*

*Presentation by Mr. Luxman Siriwardena, Executive Director,
Pathfinder Foundation, Colombo*

Abstract of Presentation by Mr. Shiran Fernando, Chief Economist, The Ceylon Chamber of Commerce, Colombo

Presentation Ms. Vidya Nathaniel, Economics Team Leader, Verité Research, Colombo

Presentation by Mrs. Seevali Wijewantha, Assistant Director, Department of Commerce, Sri Lanka

Abstract of Presentation by Ms. Jayani Ratnayake, Economist, Economic Intelligence Unit, The Ceylon Chamber of Commerce, Colombo

SESSION 3: “TRANSIT AND MULTIMODAL CONNECTIVITY (ROADWAYS, WATERWAYS, RAILWAYS AND AVIATION)”

Abstract of Moderator’s Remarks by Dr. Dayaratna Silva, National Project Coordinator, EU-Sri Lanka Trade Related Assistance, Colombo

Presentation by Prof. Prabir De, Research and Information System for Developing Countries, New Delhi

Abstract of Presentation by Mr. Rohan Masakorala, CEO, Shipper’s Academy, Colombo

Presentation by Dr. Pritam Banerjee, Independent Consultant & Former Senior Director South Asia Corporate Public Policy Deutsche Post DHL Group, New Delhi

SESSION 4: “ENERGY, WATER, ENVIRONMENT, CLIMATE CHANGE AND OTHER ISSUES”

Abstract of Moderator’s Remarks by Prof. Prabir De, Research and Information System for Developing Countries, New Delhi

*Presentation by Dr. Arbind Kumar Mishra, Former Member,
National Planning Commission, Nepal*

*Presentation by Dr. Mark Smith, Deputy Director General,
Research for Development, International Water Management
Institute, Colombo*

*Presentation by Dr. Khin Maung Lwin, Director (Retd.),
Ministry of Health & Sports, Myanmar*

*Presentation by Ms. Divya Hundlani, Research Associate, LKI,
Colombo*

*Paper by Mr. Shahab Enam Khan, Research Director,
Bangladesh Enterprise Institute, Dhaka*

**SESSION 5: “PEOPLE TO PEOPLE CONNECTIVITY
THROUGH MULTI-SECTORAL ENGAGEMENT”**

*Abstract of Moderator’s Remarks by Amb. H. K. Singh,
Director General, Delhi Policy Group*

*Presentation by Mr. Sabyasachi Dutta, Director, Asian
Confluence, Shillong, India*

*Presentation by Dr. Rohan Samarajiva, Chair, ICT Agency,
Colombo*

*Abstract of Discussant’s Comments by Dr. Nisha Arunatilake,
Research Director, IPS, Colombo*

Recommendations of Break Out Sessions

Speakers’ Profile and Participants List

Preface and Acknowledgement

The Delhi Policy Group commenced its journey to take stock of the ongoing efforts at Advancing BIMSTEC Regional Cooperation in March 2018 with a focus on reaping the benefits of regional integration and conducting an in-depth analysis of the opportunities and challenges of taking this cooperation forward in the five thematic areas of Trade and Economic Integration; Transit and Multimodal Connectivity (Roadways, Waterways, Road, Railways and Aviation); Energy, Water, Environment and Climate Change; People to People Connectivity through multi-sectoral Engagement; and Advancing Gender Issues in the BIMSTEC region.

The conference in Colombo on the 2-3 August 2018 was the third and the final in the series organized by the DPG in conjunction with its funding partner, The Asia Foundation. The conference in Colombo, Sri Lanka was the outcome of sustained efforts and interest on part of many colleagues who contributed in socializing the event and encouraging local participation. The participants brainstormed two-year Action Plans for BIMSTEC leaving behind a lasting outcome of the exercise.

First and foremost, we would like to acknowledge the contributions of Ambassador H.K. Singh, the Director General of DPG without whose guidance and leadership this conference would have not come to fruition. We owe a debt of gratitude also to Dr. Sagar Prasai, Country Representative, Asia Foundation, India; and Ms. Diya Nag, Head Programs Officer, Asia Foundation, India for their guidance and recommendations. We are grateful to Asia Foundation for funding support for the conference without which the project would not have been possible.

Last but not the least we would like to acknowledge the contributions of the BIMSTEC team in the DPG- Ambassador Biren Nanda, Senior Fellow, DPG, our Research Associates Ms Shulagna Pal, Mr Mohit Musaddi and Ms Gopika Shinghal whose efforts helped steer the conference to productive outcomes. We would also like to thank our intern Ms Aashna John for her contributions to the organization of the conference.

Abstract of Proceedings

The Delhi Policy Group (DPG) in collaboration with the Asia Foundation organized a “Regional Conference on Advancing BIMSTEC Cooperation”, in Colombo, Sri Lanka on August 2-3, 2018. The conference was the third and the final in the series organized by the DPG. The conference hosted participants from other BIMSTEC Countries such as Myanmar, India, Nepal and Sri Lanka and the discussions were thematically divided into 5 sessions dealing with Trade & Economic Integration, Transit & Multi-modal Connectivity, Energy, Water, Climate Change, Environment & other Issues, People to People Connectivity through Multi-sectoral Engagement and Advancing Gender Issues in the BIMSTEC region.

Ambassador H.K. Singh, Director General, Delhi Policy Group delivered the welcome address during the inaugural session. The Indian High Commissioner to Sri Lanka, H.E. Mr. Taranjit Singh Sandhu graced the occasion and delivered a keynote address on the morning of August 2, 2018. Mrs. Grace Asirwatham, State Secretary, Ministry of Foreign Affairs, Sri Lanka and Ambassador Sumith Nakandala, Additional Secretary, Ministry of Foreign Affairs, Sri Lanka & Former BIMSTEC Secretary General delivered special addresses during the inaugural session. The Governor of the Central Bank of Sri Lanka, Dr. Indrajit Coomaraswamy also delivered a keynote address in the inaugural session.

The first day of the conference focused on the challenges and opportunities in the first three thematic areas of the BIMSTEC regional cooperation, i.e. trade and economic integration (BIMSTEC FTA and other issues); transit and multimodal connectivity; and energy, water, environment and climate change, which were addressed in the papers and presentations of all the participants. The second day of the conference was dedicated to the fourth thematic area, people to people connectivity through multisectoral engagement and a special session on ‘advancing gender issues in the BIMSTEC region’. Further during the day, all the participants participated in the break-out sessions in which they identified three priority areas in each of the five thematic areas, the implementation processes and the likely challenges. The participants formulated a comprehensive two-year action plan for each thematic area based on the outcome of these discussions.

The proceedings on Day One began with a brief welcome address by Ambassador H.K Singh, Director General, Delhi Policy Group. He welcomed the distinguished Heads of Mission and all the participants, including academics, members of the think tank community and government officials. He pointed out that the venue and timing of this conference in Colombo was most opportune since Sri Lanka is slated to be the next chair for BIMSTEC. He urged that it was in Sri Lanka’s interests to be an active participant in the Bay of Bengal Community since this acts as a natural bridge, connecting the ASEAN to the Indian sub-continent, especially with the booming economic progress and development that this region is undergoing. He further highlighted India’s approach to BIMSTEC, citing over-arching priorities of economic transformation of India’s landlocked North East for better connectivity with the ASEAN. The address concluded with brief remarks on the design, proceedings and framework of the conference.

This was followed by the Keynote Address of the High Commissioner of India to Sri Lanka, His Excellency Mr. Taranjit Singh Sandhu. He pointed out that Sri Lanka was not only a founding member but also an active member of the BIMSTEC community. It was also the only island nation as part of the initiative. While highlighting the regional connectivity through BIMSTEC, he also mentioned how the future of the nations in this region was intertwined. He

mentioned that shared cultural heritage, common aspirations for growth and development, and a relatively young population are some of the key factors that unite the region. He said that the more we are conscious of this fact, the more we build on collaboration, and cooperation, the more we stand to gain, and grow. He presented examples of the success of Sri Lankan connectivity in the region, citing that Sri Lankan Airlines, had become the largest foreign carrier operating to India by flying to 14 cities in India. Both India and Sri Lanka have also demonstrated that it is possible to expand connectivity to the digital sphere as well. Sri Lanka recently joined India's National Knowledge Network (NKN), being the first South Asian country to do so, through which the Sri Lankan Universities will now have digital access to 1600 universities in India and beyond. This is important considering the need to reach out to the youth. He concluded by saying that India's foreign policy with regard to Sri Lanka is based on only one blueprint: Sri Lanka's own priorities.

Mrs. Grace Asirwatham, State Secretary, Ministry of Foreign Affairs, Sri Lanka began her special address by congratulating the Delhi Policy Group for initiating a series of brainstorming sessions to identify a new roadmap to advancing objectives of BIMSTEC cooperation. The focus of Mrs. Asirwatham's speech was on some key aspects that would be important to make BIMSTEC more relevant than ever. She emphasized that connectivity is the core prerequisite to any regional cooperation since it is multi-faceted and cross-cutting. Further she expressed her opinion about the representation of more ASEAN countries in BIMSTEC, which would not only strengthen cooperation between BIMSTEC and ASEAN but would also open up new opportunities for BIMSTEC. She was also of the view that BIMSTEC must consider seeking affiliation as an observer status with organizations, such as the UNO and its agencies to work together to complement and maximize results under sectoral areas as well as to provide regional and international feasibility for BIMSTEC. She concluded by saying that Sri Lanka, which is to be the next chair of BIMSTEC has the opportunity to provide proactive leadership to consolidate existing frameworks and inject new dynamism into the BIMSTEC for creating awareness of the organization.

Ambassador Sumith Nakandala, Additional Secretary, Ministry of Foreign Affairs, Sri Lanka and Former BIMSTEC Secretary General in his special address reminisced about the region as once being at the heart of the global history. However, the Bay of Bengal was forgotten by the second half of the 20th century, carved up by boundaries of nation-states which was divided into separate compartments of national histories. Amb. Nakandala pointed out that it was time again to revive the golden age of the region by establishing People to People contacts among the countries of the region who have common cultures and shared histories. He also addressed the BIMSTEC Master Plan on Connectivity which is being supported by the Asian Development Bank (ADB). Amb. Nakandala concluded by remarking that BIMSTEC is slowly but steadily moving ahead. The cooperation needs a collective political leadership and according to him India was the right state to provide such leadership.

The Governor of the Central Bank of Sri Lanka, Dr. Indrajit Coomaraswamy in his Keynote address said that today, BIMSTEC seemed to be an increasingly relevant and salient organization which had the potential to synergize the considerable promise of South Asia with the achievements of East and South East Asia. South Asia, he observed extended to East and West Asia. Though South Asia is amongst the least integrated regions in the world, yet from a low base we are beginning to see very promising developments particularly in the north-eastern region of the subcontinent – road and rail connectivity, grid sharing, and water sharing. He mentioned that the Indian economy was performing well (6.5-6.7% GDP per annum) and the challenges from the implementation of the GST and demonetization have been overcome to a

great extent. Going forward, India will be the fastest growing and a large economy in the world that, taken together in a South Asian context can open up many new opportunities of growth and development for the entire region. He said that the infrastructural improvement in BIMSTEC countries will be a potential game changer in the coming years. He concluded by saying that South Asia offered considerable advantages and scope for regional integration with the countries that lay to the east of us and see the promise of South Asia. He said that the plurilateral architecture that was put in place is now becoming a vehicle which will drive development in countries of South and South-east Asia.

The first session of the conference was moderated by Dr. Ganeshan Wignaraja and it focused primarily on the BIMSTEC FTA in the BIMSTEC region. Session two was moderated by Dr. A. Didar Singh and it dealt with non-tariff barriers/ measures, customs, border trade and border infrastructure and the BIMSTEC MVA among other pertinent issues in trade and economic integration in the BIMSTEC region. Session three dealt with transit and multimodal connectivity. Dr. Dayaratna Silva moderated the third session, which focused on roadways, waterways, railways, ports, coastal shipping, container transportation and aviation. The fourth session of the conference focused on energy, water, climate change, environment and other related issues and was moderated by Prof. Prabir De. The session dealt with grid inter-connections, non-conventional energy sources, the issue of water-sharing and environmental degradation and natural disaster management.

During the first half of the second day of the conference, a fifth session on people to people connectivity through multi-sectoral engagement was held. The session was moderated by Ambassador H.K. Singh and the subjects discussed during the session included tourism, higher education, health, cultural heritage, media, film, performing arts, music and visual arts. The second half of Day II was structured into breakout sessions where participants were encouraged to brainstorm ideas to formulate a cogent plan of action focusing on three priority areas under each thematic grouping. Each group came with a concrete Two-year Plan of Action, its implementation process and the likely challenges. Further, a few participants from each session broke out into a special session on 'Advancing Gender Issues in the BIMSTEC region'. They came up with action plans, the implementation process and the likely implementation challenges to be faced in the field of gender advancements in the BIMSTEC region.

Overall, the conference concluded on a note of optimism and progressed in identifying key issues and recognizing practical solutions to address the same. The discussion group members were encouraged to stay connected, to strengthen the discussions and mould them into executable recommendations.



DELHI POLICY GROUP



The Asia Foundation

DPG Regional Conference on Advancing BIMSTEC Cooperation

Venue: Taj Samudra, Colombo

August 2-3, 2018

Programme

Day 0: Wednesday, 1st August 2018

Venue: Ports of Call, Taj Samudra, Colombo

7:30 PM onwards Welcome Dinner

Day I: Thursday, 2nd August 2018

Venue: Gregory, Taj Samudra, Colombo

09.00 – 09.30	Registration
09.30 – 10.30	Inaugural Session
09.30 – 09.40	Welcome Address by Ambassador H.K. Singh, Director General, Delhi Policy Group [10 minutes]
09.40 – 09.55	Keynote Address by His Excellency Mr. Taranjit Singh Sandhu, High Commissioner of India to Sri Lanka [15 minutes]
09.55 – 10.05	Special Address by Ambassador Sumith Nakandala, Additional Secretary, Ministry of Foreign Affairs, Sri Lanka & Former BIMSTEC Secretary General
10.05 – 10.15	Special Address by Mrs. Grace Asirwatham, State Secretary, Ministry of Foreign Affairs, Sri Lanka [10 minutes]
10.15 – 10.30	Keynote Address by Dr. Indrajit Coomaraswamy, Governor of the Central Bank, Sri Lanka [15 minutes]
<i>10.30 – 10.45</i>	<i>Coffee/ Tea Break</i>



DELHI POLICY GROUP



The Asia Foundation

10.45 – 11:30

Session I: Trade and Economic Integration I – BIMSTEC FTA

Moderator: Dr. Ganeshan Wignaraja, Chair, Global Economy Programme, LKI, Colombo [5 minutes]

Lead Speaker: Dr. A. Didar Singh, Senior Fellow, Delhi Policy Group & Former Secretary General, FICCI [10 minutes]

Speakers: [10 minutes each]

1. Amb. Nihal Rodrigo, Former Foreign Secretary of Sri Lanka & Former Secretary General, SAARC
2. Dr. Amita Batra, Professor, Centre for South Asian Studies, School of International Relations, JNU, New Delhi
3. Dr. Janaka Wijayasiri, Research Fellow, IPS, Colombo

11.30 – 12.00

Comments by Discussants followed by Q & A [30 minutes]

Discussant: [10 minutes each]

1. Ambassador Dr. John Gooneratne, Former Ambassador of Sri Lanka to Iraq

12.00 – 12:55

Session II: Trade and Economic Integration II – Other Issues

[The session will deal with Non-Tariff Barriers/ Measures, Customs and Electronic Data Interchange, Banking, Border Trade and Border Infrastructure, etc.]

Moderator: Dr. A. Didar Singh, Senior Fellow, Delhi Policy Group & Former Secretary General, FICCI [5 minutes]

Lead Speaker: Mr. Luxman Siriwardena, Executive Director, Pathfinder Foundation, Colombo [10 minutes]

Speakers: [10 minutes each]

1. Mr. Shiran Fernando, Chief Economist, The Ceylon Chamber of Commerce, Colombo
2. Ms. Vidya Nathaniel, Economics Team Leader, Verité Research, Colombo
3. Mrs. Seevali Wijewantha, Assistant Director, Department of Commerce, Sri Lanka
4. Ms. Jayani Ratnayake, Economist, Economic Intelligence Unit, The Ceylon Chamber of Commerce, Colombo

12.55 – 13.40

Lunch at Regency Hall

13.40 – 14.10

Comments by Discussants followed by Q & A [30 minutes]



DELHI POLICY GROUP



The Asia Foundation

- 14.10 – 14.45** **Session III: Transit and Multimodal Connectivity (Roadways, Waterways, Railways and Aviation)**
[The session will deal with Ports and Shipping, Aviation, Waterways, Road, Railways, Coastal Shipping, Container Transportation, etc.]
- Moderator:* Dr. Dayaratna Silva, National Project Coordinator, EU-Sri Lanka Trade Related Assistance, Colombo [5 minutes]
- Lead Speaker:* Prof. Prabir De, Research and Information System for Developing Countries, New Delhi [10 minutes]
- Speakers:* [10 minutes each]
1. Mr. Rohan Masakorala, CEO, Shipper's Academy, Colombo
 2. Dr. Pritam Banerjee, Independent Consultant & Former Senior Director-South Asia, Corporate Public Policy, Deutsche Post DHL Group, New Delhi
- 14.45 – 15.15 Comments by Discussants followed by Q & A [30 minutes]
- 15.15 – 15.25 *Coffee/Tea Break*
- 15.25 – 16.30** **Session IV: Energy, Water, Environment, Climate Change and other issues**
[The session will deal with Energy, Agriculture, Fisheries, Environment and Natural Disaster Management, Climate Change, etc.]
- Moderator:* Prof. Prabir De, Research and Information System for Developing Countries, New Delhi [5 minutes]
- Lead Speaker:* Dr. Arbind Kr. Mishra, Former Member of the National Planning Commission, Nepal [10 minutes]
- Speakers:* [10 minutes each]
1. Dr. Mark Smith, Deputy Director General, Research for Development, International Water Management Institute, Colombo
 2. Dr. Khin Maung Lwin, Director (Retd.), Ministry of Health and Sports Myanmar
 3. Ms. Divya Hundlani, Research Associate, LKI, Colombo
 4. Mr. Shahab Enam Khan, Research Director, Bangladesh Enterprise Institute, Bangladesh
- 16.30 – 17.00 Comments by Discussants followed by Q & A [30 minutes]
- 17.00 – 17.15** **Concluding Remarks**



DELHI POLICY GROUP



The Asia Foundation

Day II: Friday, 3rd August 2018

Venue: Gregory, Taj Samudra, Colombo

- 09.00 – 09.30** **Registration**
- 09.30 – 10.15** **Session V: People to People Connectivity through multi-sectoral Engagement**
[The session will deal with people to people contact, cultural cooperation, poverty alleviation, tourism and public health, etc.]
- Moderator:* Amb. H.K Singh, Director General, Delhi Policy Group [5 minutes]
- Lead Speaker:* Mr. Sabyasachi Dutta, Director, Asian Confluence, Shillong [10 minutes]
- Speakers:* [10 minutes each]
1. Dr. Rohan Samarajiva, Chair, ICT Agency, Sri Lanka
- 10.15 – 10.45 Comments by Discussants followed by Q & A [30 minutes]
Discussant: [10 minutes each]
1. Dr. Nisha Arunatilake, Research Director, IPS, Sri Lanka
- 10.45 – 11.00 *Coffee/ Tea Break*
- 11.00 – 11.10 Briefing by Ambassador Biren Nanda, Senior Fellow, DPG [10 minutes]
- 11.10 – 11.45** **Breakout Session I: Participants will discuss the identified issues and themes and frame policy recommendations to address each issue**
- 11.45 – 12.30** **Breakout Session II: Consensus arrived from each policy recommendation will be discussed and put forth in a concrete plan of action**
- 12.30 – 13.00 *Deliberations within Core Groups on the Priorities and Action Plans in each of the Four Thematic areas.*
- 13.00 – 14.00 *Lunch at Regency Hall*
- 14.00 – 16.00 Presentation by Group Mentors [120 minutes]



DELHI POLICY GROUP



The Asia Foundation

GROUP MENTORS

1. **Trade and Economic Integration**
Dr. A. Didar Singh
2. **Transit and Multimodal Connectivity**
Prof. Prabir De
3. **Energy, Water, Environment, Climate Change and Other Issues**
Dr. Arbind Kumar Mishra
4. **People to People Connectivity through Multi-Sectoral Engagement**
Mr. Sabyasachi Dutta
5. **Advancing Gender Issues in BIMSTEC Regional Cooperation**
Prof. Amita Batra

16.00 – 16.30

Discussion and Q&A

16.30 – 17.00

Closing Session

**DPG Regional Conference
on Advancing BIMSTEC
Cooperation, Colombo,
August 2-3, 2018**

**Summary Note of Recommendations
from Break Out Sessions**

Day II: Friday, 3rd August 2018

Breakout Session: Trade and Economic Integration

Recognized 3 priority issues –

- I) Comprehensive FTA/ Economic Relationship.
- II) Value Chain Integration
- III) Trade Facilitation Measures

1st Issue Plan of Action for 2 years

- 1) Adopt a procedure to revisit rationale of FTA to ensure services and investment integration.
- 2) Ensuring widespread knowledge and availability of e-commerce and digital connectivity.
- 3) Identifying the non-trade barriers and non-trade measures to ensure smooth trade and economic integration.

Implementation Process

- a) Streamlining MRA's in goods and services.
- b) Signing an Investment Treaty.
- c) Raising public awareness about BIMSTEC.

Challenges to Implementation

- Capacity of local populations of BIMSTEC countries to further these plans is a challenge.
- Inadequate and difficult funding of studies and projects is an impediment to growth and advancement.
- Perception and branding may not be up to the mark.

2nd Issue Plan of Action for 2 years

- 1) Regional Study for surveying comparative advantage to be completed in 6 months.
- 2) Conduct a full-fledged study of the existing intra-regional FTA framework and the existing bilateral FTA's between member states.
- 3) The activity of integrating value chains will also involve business.

Implementation Process

- a) Rules of origin need to be analysed and implemented.
- b) Collaborative research needs to be conducted by the BIMSTEC member states.

- c) BIMSTEC Chamber of Commerce needs to be re-energized.
- d) India needs to demonstrate signs of leading the process.

Challenges to Implementation

- Convincing business authorities in the BIMSTEC region can pose to be an issue.
- Bringing together the governments of all BIMSTEC member states on board can be difficult.
- Technical capacity of the BIMSTEC region to undertake the plan is questionable.

3rd Issue Plan of Action for 2 years

- 1) Trade Facilitation Agreement needs to be signed.
- 2) Customs Cooperation amongst all BIMSTEC countries needs to be ensured.
- 3) Dispute resolution techniques need to be worked out.
- 4) Payment platforms need to be established.

Implementation Process

- a) Finalise the draft Trade Facilitation Agreement.
- b) Formulate a BIMSTEC-wide VISA.
- c) BIMSTEC Secretariat needs to enhance its overall role in the region.
- d) Completion of trade facilitation in the next 12-18 months needs to be ensured.

Challenges to Implementation

- The difficulty to identify a common SAARC Visa was identified as a challenge.
- Capacity of the staff is limited.
- Negotiation skills need to be enhanced to reach a consensus.

Day II: Friday, 3rd August 2018

Breakout Session: Transit and Multi-modal Connectivity

Recognized 3 priority issues –

- I) BIMSTEC Coastal Shipping Agreement
- II) BIMSTEC Motor Vehicles Agreement
- III) BIMSTEC Trade Facilitation Agreement

1st Issue Plan of Action for 2 years

- 1) Take the India-Bangladesh Coastal Shipping agreement as a model to develop the BIMSTEC Coastal Shipping Agreement.
- 2) Ensure port access in the BIMSTEC region.
- 3) BIMSTEC-wide business viability needs to be undertaken.

Implementation Process

- a) Insurance schemes need to be set up.
- b) National treatment of vessels needs to be ensured.
- c) Standards have to be set for shipping in the region.
- d) Reduced berthing charges as incentives need to be given.
- e) Reduced duties/ Bunker fuel needs to be extended to shipping companies.
- f) Pilot Services need to be established. Example: Sagarmala

Challenges to Implementation

- Viable business in terms of volumes may prove difficult.
- Appropriate vessel deployment can be an issue.
- Last mile connectivity may not be possible.

2nd Issue Plan of Action for 2 years

- 1) BBIN MVA as a model for BIMSTEC MVA.
- 2) Transport regulations that support efficient cargo operations need to be undertaken.
- 3) Facilitative Customs Rate needs to be adopted at the earliest.
- 4) Integrated Border posts need to be established.
- 5) Inland clearances supported by technology should be set-up.

Implementation Process

- a) Pilot Services/ Inland clearances need to be established.

- b) Common Bond and common transit rules need to be established region-wide.
- c) Development of integrated customs posts- pick one or two locations as best practice demonstration needs to be set up.
- d) Flexibility of Trucks, trailer, changing drivers needs to be ensured.

Challenges to Implementation

- Mindsets of people and the current regulations in place may pose a challenge.
- Inadequate Infrastructure in the region is an issue.
- Security standards are not up to the mark. Conflict zone management needs to be done.

3rd Issue Plan of Action for 2 years

- 1) WTO Trade Facilitation Agreement implementation.
- 2) Integrated messaging systems: telegram systems of individual customs should be coordinated with each other.
- 3) Common Transit document should be developed.
- 4) Long term- integrated single window needs to be worked on.

Implementation Process

- a) Focus on disciplines most relevant to the region.
- b) Common Bond needs to be established.
- c) Common Customs techniques needs to be formally accepted by the law in individual BIMSTEC countries.
- d) Developing common declaration documents to formulate easy EEZ declarations.
- e) Cooperation between customs and import sharing to help mitigate risks in the region.

Challenges to Implementation

- Electronic Signature acceptance may prove to be a problem at customs of other countries.
- Acceptance of each other's documents will not be easy.
- Legal issues of liability are concerning.
- Legal Eco-system for MMBL may prove to be a challenge.

Day II: Friday, 3rd August 2018

Breakout Session: Energy, Water, Climate Change, Environment and other Issues

Recognized 3 priority issues –

- I) Integrated Optimum Water Resource Utilization Plan
- II) Combating Climate Change
- III) Energy Trade Facilitation

1st Issue Plan of Action for 2 years

- 1) Defining Priorities and Strategic Engagement including hydropower and its indirect benefits.
- 2) Data exchange and sharing amongst the BIMSTEC member states.
- 3) Build a network of relevant institutions to manage conflicts of interests amongst member states.

Implementation Process

- a) Form and facilitate relevant institutions to bring different stakeholders together, including individual governments.
- b) Involvement should be undertaken at the bottom level to ensure a bottom-up approach.
- c) Expert analysis should be conducted at a BIMSTEC-wide level.

Challenges to Implementation

- Linking optimum water utilization plan to the regional economy, energy, climate change and water trade was identified as a challenge.
- Inadequate funding and lack of methods to ensure a speedy execution was also identified as a challenge.
- Synergies between individual countries also poses a challenge.

2nd Issue Plan of Action for 2 years

- 1) Setting a regional target for greenhouse gas emission level.
- 2) Linking climate change with disaster management institutions.
- 3) Spreading awareness among people at a national and intra-national level.

Implementation Process

- a) Build a joint environmental committee and inter-governmental institutions.
- b) Increase public awareness in the BIMSTEC region.

- c) Ensure natural capital and social capital protection in the region.

Challenges to Implementation

- Diversity in terrain across the region is a likely challenge.
- Social challenges are prevalent across the region.
- Livelihood, security and gender issues pose a challenge in combating climate change.

3rd Issue Plan of Action for 2 years

- 1) Regional Energy Demand Generation Scenario analysis needs to be conducted.
- 2) Energy Banking needs be implemented.
- 3) Guidelines for transmission line ownership need to be established.

Implementation Process

- a) Regional Grid Master Plan should be finalised.
- b) Entity for energy banking needs to be set-up.
- c) Peak-price mechanism across the border should be established.

Challenges to Implementation

- Maintaining of carbon neutrality is a challenge for the region.
- Grid synchronisation may be difficult.
- Infrastructure is inadequate to support energy trade facilitation.

Day II: Friday, 3rd August 2018

Breakout Session: People to People Connectivity through multi-sectoral engagement

Recognized 3 priority issues –

- I) Tourism
- II) Trade in Local Products
- III) Youth Networks through education

1st Issue Plan of Action for 2 years

- 1) Identify and develop sites around history and culture in the BIMSTEC region. Example: The Ramayana Trail.
- 2) Build awareness in the region through media, travel-trade and films.
- 3) Develop seamless low-cost transportation in the region.

Implementation Process

- a) Identify and Commission Universities/Think-Tanks to do research projects on history and culture in the region.
- b) Produce Documentaries on the BIMSTEC region.
- c) Use BIMSTEC website/ travel- trade website to promote goodwill and awareness of the region.
- d) Fiscal incentive should be given to private sector and government to facilitate tourism.

Challenges to Implementation

- Getting cooperation of rival groups and lobbyists is a major challenge.
- Getting individual governments to facilitate movement is a challenge (example: ferry operation between India and Sri Lanka).
- Inadequate Financing and Banking challenges in BIMSTEC countries.

2nd Issue Plan of Action for 2 years

- 1) Work with Chamber of Commerce in the BIMSTEC countries to identify potential products/ industries for trading in local products.
- 2) Building awareness among consumers about these products.
- 3) Facilitating upgradation of skills of local craftsmen by organisation of workshops etc.

Implementation Process

- a) Persuading Chamber of Commerce to organize exhibitions/ workshops.

- b) Use Social media and e-commerce platforms to advertise products.
- c) Facilitate workshops for skill upgradation.
- d) Providing tax incentives for introducing new technology

Challenges to Implementation

- Persuading Chamber of Commerce to focus on local products and micro-trade is a challenge.
- Language barrier in the region. (Use social media platforms in local languages)
- Finding funding for organizing workshops.
- Persuading governments to give fiscal incentives.

3rd Issue Plan of Action for 2 years

- 1) To identify universities in BIMSTEC countries to facilitate intra-regional youth networks.
- 2) To convince region-wide universities to facilitate student exchanges.
- 3) Building awareness/ interest in student community across the region.
- 4) Identification of subject streams that may benefit the most from such exchanges.

Implementation Process

- a) Conduct studies on potential modes of student exchanges.
- b) Organize workshops with Universities: Teachers and Students.
- c) Identify and work on pilot projects for wider implementation after evaluation.

Challenges to Implementation

- Inadequate availability of finance.
- Buy-in from the universities.
- Unavailability of scholarships and grants to facilitate student exchanges.
- Persuading governments and universities to participate and cooperate.

Day II: Friday, 3rd August 2018

Breakout Session: Addressing Gender issues in the BIMSTEC region

Recognized 3 priority issues –

- I) Integration of Gender perspective into BIMSTEC trade.
- II) Ensuring Gender dimensions in disaster management.
- III) Develop a gender framework for BIMSTEC.

1st Issue Plan of Action for 2 years

- 1) Develop promoting female participation in manufacturing & services sector across the BIMSTEC region.
- 2) Undertake a study on gender factor mobility in the region.
- 3) Capacity building for women in entrepreneurship & link it with the international value chains.

Implementation Process

- a) Review Gender certification of products & services with an incentives regime in the region.
- b) Identify partners in BIMSTEC countries to conduct the study.
- c) Identify a network of institutions (Eg: IIMs) to run regular courses on entrepreneurship for women in individual countries.

Challenges to Implementation

- Ensuring access to fairly priced credits can be a challenge.
- Ensuring buy- in from governments and chambers is difficult.
- Ensuring cultural acceptance of women entrepreneurs may not be easy.

2nd Issue Plan of Action for 2 years

- 1) To evolve a disaster mitigation and management plan with a gender perspective.
- 2) Approach lead country to establish disaster management cell & special gender task forces as appropriate.
- 3) Suggest gender sensitive insurance policies for post disaster relief.

Implementation Process

- a) Set up a working group of BIMSTEC comprising officials & civil society representatives.
- b) Study best practices of other countries to evolve a plan/strategy for BIMSTEC.
- c) Establish a network of BIMSTEC insurance companies.

Challenges to Implementation

- Regulatory mechanism for ensuring insurance cover for natural disasters is not in place.
- Funding support from government & corporate sector is inadequate.
- Incentivizing insurance companies to insure against natural disasters is difficult.

3rd Issue Plan of Action for 2 years

- 1) Develop a gender profile of socio-economic indicators of BIMSTEC countries.
- 2) Review from gender perspective of all policies.
- 3) Gender dis-aggregated data for FTA Cost-Benefit Analysis should be in place.

Implementation Process

- a) Review the APEC gender framework & suitably modify it for BIMSTEC.
- b) Undertake a Cost-Benefit analysis of the FTA with a gender dimension.
- c) Establish a 'gender working group'.

Challenges to Implementation

- Convincing stakeholders for need of a gender framework is difficult.
- Un- availability of gender dis-aggregated data.
- Inadequate funding & resource availability.

INAUGURAL SESSION

**DPG Regional Conference
on Advancing BIMSTEC
Cooperation, Colombo,
August 2-3, 2018**

**Welcome Address by Ambassador
H.K. Singh, Director General, Delhi
Policy Group**

Ambassador H.K. Singh
Director General, Delhi Policy Group

Amb. H.K. Singh, Director General of the Delhi Policy Group began his welcome address with pointing out that the placement and timing of this conference in Colombo was most opportune since Sri Lanka is slated to be the next chair for BIMSTEC. He urged that it was in Sri Lanka's interests to be an active participant of the Bay of Bengal Community since this acts as a natural bridge, connecting ASEAN to the Indian sub-continent, especially with the booming economic progress and development that this region is undergoing. He moved on to trace the origin of the BIMSTEC and its objectives and drew contemporary parallels to see how this association has been utilized for the successful completion of cooperation projects in various thematic areas.

He further highlighted India's approach to BIMSTEC, citing over-arching priorities of the economic transformation of India's landlocked North East for better connectivity with the ASEAN. Examples of steady progress with countries of the BIMSTEC were provided by India-Bangladesh relations in areas of energy, coastal and multi modal connectivity, the India-Myanmar-Thailand (IMT) trilateral highway project with its investment of 1.5 billion dollars to enhance linkages of India with South East Asia. India's constant support to such initiatives was further boosted with PM Modi's invitation for all BIMSTEC country leaders to attend a Special Conference of BIMSTEC on the margins of BRICS Summit in 2016.

Ambassador Singh listed the current challenges facing BIMSTEC. The acute lack of public awareness of BIMSTEC, inadequate media coverage and the top down style of functioning since its initiation is the reason why BIMSTEC has lagged behind other successful regional groupings like the ASEAN, that have active people to people interaction. There has also been a failure in developing a cohesive structure of focus areas. Fourteen areas of cooperation are too many and there is a need for prioritization to achieve better implementation. There is need to design a system with fewer focus areas so that progress is visible to the people. Concern must also be extended to fiscal strengths and availability of resources in individual member countries to make BIMSTEC a national priority.

The positives of BIMSTEC were not overlooked either. Trade among BIMSTEC countries amounted to 72 billion dollars over the past year. Transit and multi-modal connectivity have seen rapid advancements with the BIMSTEC coastal shipping agreements and the BIMSTEC motor vehicles agreement making exchange of merchandise across the region a lot smoother. Enormous possibilities exist in the Energy sector with certain countries having a surplus of oil and gas and other resources. However serious efforts must be made in infrastructure to access these resources. The final overarching area of concentration - People to People connectivity should be addressed while including members of civil society, and implementing cross border connections on education, cultural, medical facilities through appropriate platforms and mechanisms. The address concluded with a brief resume on the design, proceedings and framework of the conference.

**DPG Regional Conference
on Advancing BIMSTEC
Cooperation, Colombo,
August 2-3, 2018**

**Keynote Address by His Excellency
Mr. Taranjit Singh Sandhu, High
Commissioner of India to Sri Lanka**

His Excellency Mr. Taranjit Singh Sandhu
High Commissioner of India to Sri Lanka

H.E. Mr. Taranjit Singh Sandhu, High Commissioner of India to Sri Lanka, began his address by pointing out that Sri Lanka was not only a founding, and active member, of the BIMSTEC community, but is also the only island nation as part of the initiative. He quoted the Indian External Affairs Minister of India, while emphasizing the importance of BIMSTEC to fulfill key foreign policy priorities of India's 'Neighborhood First' and 'Act East' policies. While highlighting the importance of regional connectivity through BIMSTEC, he also mentioned how it represented the future of the nations in this region was intertwined. He mentioned that the shared cultural heritage, common aspirations for growth and development, and a relatively young population, were some of the key factors that united the region. The more we were conscious of this fact, the more we built upon our collaboration and cooperation, the more we stood to gain, and grow.

High Commissioner Sandhu drew on parallels between the foreign policy of India and Sri Lanka with respect to BIMSTEC. The core aim of India's foreign policy is to meet the developmental aspirations of its 1.25 billion people while looking at engaging effectively with the world and the region to meet the common challenges. He said that this was in line with Sri Lanka's goals: to forge a peaceful, secure, and prosperous region, where all of us thrive and excel.

Connectivity, and people to people exchanges, lie at the heart of BIMSTEC cooperation and it has been the focus, at all three Summits in the past, as well as at the BIMSTEC Leaders' Retreat. He then proceeded to present examples of the success of Sri Lankan connectivity in the region, citing that Sri Lankan Airlines, has become the largest foreign carrier to India, operating to around 14 cities in India. Both India and Sri Lanka have also demonstrated that it was possible to expand connectivity to the digital sphere as well. Sri Lanka recently joined India's National Knowledge Network (NKN), being the first South Asian country to do so, through which the Sri Lankan Universities will now have digital access to around 1600 universities in India & beyond. This is important considering the need to reach out to the youth. He also highlighted that it was also important to remember that India and Sri Lanka launched the international submarine cable system, Bharat-Lanka Cable as early as 2006, again a first for both countries.

In the sectors of development and infrastructure India had extended concessional financing of around US\$ 1.3 billion for up-gradation of railways in Sri Lanka. More than 70% of Colombo Port transshipment was India related. India had also provided a Line of Credit to Sri Lanka for rehabilitation of the Kankesanthurai Harbour in the North, so that it could be fully utilized as a commercial port, facilitating movement of cargo between Southern India and Sri Lanka. At the request of Government of Sri Lanka, India was looking at options for certain Indian airline operators to operate international flights from Palaly. Coming to trade, when India and Sri Lanka signed a Free Trade Agreement in 2000, it was a first for both the countries, and this had helped increase bilateral trade 8 times since then. He mentioned that India was engaged with Sri Lanka in increasing the scope of FTA and was willing to move at a pace Sri Lanka is comfortable with.

One common thread which bound the BIMSTEC countries together were the cultural and spiritual links. Prime Minister Modi was the Chief Guest at the International Vesak Day (Buddha Pournima) celebrations, which Sri Lanka hosted for the first time in May last year. During the visit, to further strengthen people to people ties, the Prime Minister announced the launch of direct Air India flights

between Colombo and Varanasi, which have been operational since August last year. Recently, India facilitated the visit of Sri Lankan army personnel along with families to Bodh Gaya on a special aircraft. The initiative was widely acclaimed in Sri Lanka. Tourism is a sector which holds great potential. India remains that biggest source of tourist arrivals to Sri Lanka.

Finally, he highlighted the fact that India has been and will remain the first responder for Sri Lanka in times of national disasters. When floods hit Sri Lanka in May last year, Indian Naval Ships touched Sri Lankan shores with men and material precisely within six hours of receiving the Sri Lankan request, and they worked shoulder to shoulder with the Sri Lankan Navy. He concluded by saying that India's foreign policy with regard to Sri Lanka is based on only one blueprint: Sri Lanka's own priorities.

**DPG Regional Conference
on Advancing BIMSTEC
Cooperation, Colombo,
August 2-3, 2018**

**Special Address by Mrs. Grace
Asirwatham, State Secretary,
Ministry of Foreign Affairs, Sri
Lanka**

Mrs. Grace Asirwatham
State Secretary, Ministry of Foreign Affairs, Sri Lanka

Mrs. Grace Asirwatham, State Secretary in the Government of Sri Lanka began by congratulating the Delhi Policy Group for initiating a series of brainstorming sessions to identify a new roadmap to advancing objectives of BIMSTEC cooperation. BIMSTEC enjoys political will at the highest level to make it a viable and effective organization. However, South Asia as a whole continues to remain the one of the least economically integrated regions in the world. Therefore, the focus of Mrs. Asirwatham's speech was on some key aspects that would be important to make BIMSTEC more relevant than ever before.

First, the relevance of the BIMSTEC declaration which was signed in 1997, to address the regional challenges needs to be questioned in the context of today's necessities. The actions undertaken now should not only meet the given challenges but also tap on the new opportunities emerging for connecting the region. Deliberations should also be made to convert the declaration into a charter, accommodating all changes to provide BIMSTEC a solid foundation.

Second, she emphasized that connectivity was the core prerequisite for any regional cooperation since it was multi-faceted and cross-cutting. Connectivity should focus on all modes of transport, information and communication, energy supplies, technology, and people to people contact. In order to achieve the desired results, BIMSTEC should concentrate on well-organized, well-structured and sustainable methods and sources of investments on infrastructure. It should collectively explore ways to pool the regional financial resources as well as request regional and global financial institutions for project-based cooperation and create special funds for infrastructure development, negotiate potential international investment assistance, joint ventures, and collaborations with other regional organizations, within and beyond the region in order to find solutions for regional investments.

Further, she mentioned that though it was often said that BIMSTEC was a bridge between South Asia and South-East Asia, this rhetoric could only become a reality when we have a full-fledged functional connectivity in all areas of regional integration. BIMSTEC was a result of congruence of the 'Look East Policy of South Asia' and 'Look West Policy of South East Asia'. Out of 8 SAARC countries, we have 5 in BIMSTEC and out of 10 ASEAN countries, we have only 2 in BIMSTEC. The representation of more ASEAN countries in BIMSTEC, would not only strengthen cooperation between BIMSTEC and ASEAN but would also open up new opportunities for BIMSTEC. While the criteria for membership would be the consent of all member countries, all must bear in mind an inclusive approach to BIMSTEC and greater geographical context for the member countries to benefit from the expanded markets, production bases and purchasing power in the competitive globalized order.

With reference to the BIMSTEC leader's meeting in Goa in 2016 that provided the platform to interact with the BRICS, BIMSTEC must also consider seeking affiliation as observer status with such organizations, especially the UNO and its agencies to work together to complement and maximize results under sectoral areas as well as to provide regional and international feasibility to BIMSTEC.

The State Secretary then made pertinent points on public awareness of BIMSTEC. She said that the world should consider BIMSTEC as a viable, meaningful and delivering organization.

However, BIMSTEC is yet to be a household term in its member countries. In this regard, some effective measures need to be taken. Tools of social media should be fully utilized to reach out to the public. On a regular basis, the member countries, under the coordination of the BIMSTEC Secretariat should host activities and increase awareness of BIMSTEC. Mechanisms to interact with think-tanks, scholars and industry experts should also be created. We also need to encourage NGOs, private and business communities to deliberate and continue to promote BIMSTEC.

BIMSTEC has been focusing on the primary objective of economic cooperation, especially trade since its inception. According to the BIMSTEC Declaration, the leaders desired to “establish a firm foundation for common action to promote sub-regional cooperation in areas of trade, investment, technological exchange and other inter-related areas.” She questioned, what is this firm foundation that the leaders envisaged 20 years ago? Can we assume that the proposed FTA will provide that firm foundation for trade and investment and services? During the last 20 years, member countries have entered into several bilateral and regional trade arrangements. We need to study if the FTA signed in 2004 is relevant or outdated or whether it needs to be modified. The study conducted by ADB on BIMSTEC transport and logistics will provide the required insights into developing infrastructure for trade promotion. While institutional arrangements are being strengthened in BIMSTEC, the ministerial meetings and heads of state summits should be held on a regular basis in order to renew the interest and provide further guidance on a systematic basis.

Mrs. Asirwatham concluded her remarks by providing a direction for this initiative. The commitment of the member countries to reach economic prosperity through BIMSTEC was vital for the whole process to succeed and more importantly, it was dependent on India’s initiative and political support to sustain the support for making BIMSTEC active. The chair country of BIMSTEC should also steer the organization in a new direction and give it an additional focus to complement the overall objectives of BIMSTEC Cooperation. Sri Lanka, which is to be the next Chair of BIMSTEC has the opportunity to provide proactive leadership to consolidate existing frameworks and inject new dynamism into BIMSTEC for creating awareness.

**DPG Regional Conference
on Advancing BIMSTEC
Cooperation, Colombo,
August 2-3, 2018**

**Special Address by Ambassador Sumith
Nakandala, Additional Secretary,
Ministry of Foreign Affairs, Sri Lanka
& Former BIMSTEC Secretary General**

Ambassador Sumith Nakandala
Additional Secretary, Ministry of Foreign Affairs, Sri Lanka
& Former BIMSTEC Secretary General

Ambassador Sumith Nakandala highlighted the achievements of BIMSTEC since he was a Former Secretary General of the regional organization. He began his speech by quoting Sunil S. Amrith from his book entitled “Crossing the Bay of Bengal”. In it, he reminisced about the region once being at the heart of the global history. However, he said that the Bay of Bengal was forgotten by the second half of the 20th century, carved up by the boundaries of nation-states and was divided into separate compartments of national histories. Amb. Nakandala pointed out that it was time again to revive the golden age of the region by establishing a People to People contact among the countries of the region who had common cultures and shared histories.

He recollected that the BIMSTEC regional cooperation was founded with a focus on economic cooperation and the sequence of events was measured on the basis of achievements only in economic terms. The formation of economic committees in 1998 and the signing of the BIMSTEC Free Trade Framework Agreement in 2004 were highlighted as prime examples. He also referenced to Ambassador H. K. Singh’s address observing that there had been twenty rounds of trade negotiation meetings in BIMSTEC without yielding significant results.

Amb. Nakandala was also of the view that BIMSTEC, as a regional cooperation would have benefitted more if the Secretariat was established before 2014. As a Former Secretary General, he had the role of rejuvenating the organization and the Secretariat along with prominent scholars like Mr. Rohan Samarajiva and Prof. Prabir De who played a major role in doing so. Next, the Ambassador addressed the BIMSTEC Master Plan on Connectivity which was being prepared by the Asian Development Bank (ADB). He said that the Master Plan should be completed by the end of the year and it would be drafted on the same lines as the ASEAN Master Plan on Connectivity.

Recognizing the problems of BIMSTEC, Amb. Nakandala singled out the organization’s huge agenda which included fourteen areas of cooperation. Referring to the BIMSTEC leader’s summit in Goa in 2016, he thought that it was time that the BIMSTEC priority areas be rationalized, especially in trade, investment, connectivity, tourism and countering terrorism.

BIMSTEC is due for its next summit to be held in Kathmandu, Nepal on August 30-31, 2018. Amb. Nakandala was confident that the BIMSTEC Grid Connectivity Agreement would be signed in the summit paving the way for a larger BIMSTEC Grid Connectivity master plan which would be funded by the ADB. Further, he was confident that the BIMSTEC Coastal Shipping Agreement which had been under negotiation, would also facilitate connectivity. Amb. Nakandala concluded by remarking that apart from the lack of a vibrant FTA being place, BIMSTEC is slowly but steadily moving ahead. The cooperation needed a collective political leadership and India was the right state to give this.

**DPG Regional Conference
on Advancing BIMSTEC
Cooperation, Colombo,
August 2-3, 2018**

**Keynote Address by Dr. Indrajit
Coomaraswamy, Governor of the
Central Bank, Sri Lanka**

Dr. Indrajit Coomaraswamy
Governor of the Central Bank, Sri Lanka

Dr. Coomaraswamy reiterated Ambassador H.K. Singh's point that BIMSTEC was going to be, from the early days, a regional entity. He went on to say that the track record of BIMSTEC over the subsequent decades had not met the aspirations that existed when the organization was formed. But however, today, it seems to be an increasingly relevant and salient organization which had the potential to synergize the considerable promise of South Asia with the achievements of East and South East Asia. The plurilateral architecture provided by BIMSTEC was very well placed to make this possible.

Firstly, he addressed the promise that South Asia extended to the East and West Asia. Though South Asia was the least integrated region in the world, yet from a low base we were beginning to see very promising developments particularly in the north-eastern part of the subcontinent in the areas of road and rail connectivity, grid sharing, and water sharing. In the south, Sri Lanka is in the midst of negotiating an Economic Integrity Cooperation Agreement which involves an upgradation of the existing FTA. So, there are signs that progress is being made, even if it is at a slow pace.

Further, he made a personal observation, that those of us living in this part of the world (South Asia) have much to learn from the populations of East and West Asia. Japan and Korea have had a troubled history and the same goes for Japan and China. However, he highlighted that it didn't stop them from doing business worth billions and trillions of dollars. They are pragmatic and that is something South Asia seems to miss. Our nations have not been able to transcend some of the historical baggage that we have inherited, and thus, he thinks that it is better to draw on the experience of those countries.

He was of the opinion that South Asia needed to maximize its potential as before. Regional cooperation was beginning to make some inroads in the area but there were other reasons why there was a considerable promise as far as South Asia was concerned. In a world which was confronted with the challenges of age in many countries, South Asia has a young and dynamic population. Sri Lanka was a bit of outlier when it came to that, but for the region as a whole, the dynamic of demography was extremely important. South Asia was the fastest growing sub region in the world and the developments in India in recent years, have been bound by optimism about the prospects for the whole region. India's 'neighborhood first policy' which H. E. High Commissioner Sandhu referred to meant that India had opened its door to new opportunities.

In addition, he mentioned that the Indian economy was growing well (6.5-6.7% GDP per annum) and the challenges from the implementation of GST and demonetization had been overcome to a great extent. Going forward India would be the fastest growing and large economy in the world and that taken together in a South Asian context could open up many new opportunities of growth and development for the entire region. He says that he was optimistic about this as lessons could be learnt from east and west Asian countries. Over the last 30-40 years when Japan, and China grew, all the other countries in the region grew too through various kinds of supply chains that were created as a result of the manufacturing capacity of Japan and China. He said that Indian

manufacturing in the past and today is growing in a similar way and it is to a large extent a copy of the manufacturing sector of Japan and China. Also, as 'Make in India' started, new opportunities have emerged. For, new supply chains have emerged as a consequence of the 'Make in India' strategy.

The other factor that he addressed was the proximity between member states in BIMSTEC, wherein poor infrastructural connectivity was a problem. High region-wide transaction costs had emerged despite the regional proximity due to a lack of connectivity. He said that as the infrastructural capacity of our countries improved, the advantages offered by proximity would be significantly important and useful. He said that infrastructural improvement in the BIMSTEC countries would be a potential game changer in the coming years.

He went on to talk about the bilateral relationship between a small and a large country. He said that there were plenty of examples from around the world that this asymmetric relationship could be successful for smaller nations (Mexico-US, New Zealand-Australia). Small countries have been able to derive significant advantages through bilateral and plurilateral relationships with larger countries. He said that to hype the business inventory, the relationships between a large and small economy need to be based on the principle of 'special and differential treatment. As far as people in India were concerned they had recognized both these principles. In addition to the already existing bilateral framework, preferential responsibilities between a small and a large country are focused upon. Thus, when it comes to transactions in terms of mobilization, the smaller countries had a longer transaction period. In addition, in terms of the domestic environment there were a number of tasks that a smaller country could undertake to ensure that the consequences of such a relationship were beneficial to them. So, there were well-managed methodologies to manage bilateral relations.

Other important thing was that with the Indian economy growing at approximately 7% per year, the asymmetry in GDP between India and other BIMSTEC countries would increase and when there is such asymmetry it's to the advantage of the smaller countries to have a rule- based system. This is what is often forgotten, that if you can negotiate effective rules then the system will churn out mutual beneficial outcomes. It was much better to have a rule-based system. He said that he hoped that the bilateral agreements that India had with Sri Lanka brought in experience and helped to improve the forthcoming next generation bilateral agreements.

He concluded by saying that South Asia offered considerable advantages and scope for regional integration with the countries that lay to the east of us and see the promise of South Asia. He said that the plurilateral architecture that was put in place was now becoming a vehicle which would drive the development in countries of South and South-east Asia.

SESSION 1:

“TRADE AND ECONOMIC INTEGRATION I- BIMSTEC FTA”

**DPG Regional Conference
on Advancing BIMSTEC
Cooperation, Colombo,
August 2-3, 2018**

**Abstract of Moderator's remarks by
Dr. Ganeshan Wignaraja, Chair,
Global Economy Programme, LKI,
Colombo**

Dr. Ganeshan Wignaraja
Chair, Global Economy Programme, LKI, Colombo

As the moderator of Session 1, which covered the 'BIMSTEC FTA' under Trade and Economic Integration, Dr. Wignaraja said that the FTA was seen as a real opportunity and a building block, connecting South Asia and South-east Asia through trade as well as potential investment. He mentioned that the negotiations on the FTA have been going on for a while and meanwhile, the countries in this BIMSTEC grouping had moved on to bilateral agreements as well sub-regional or regional agreements. Hence, considering this he hoped that the panelists would answer some pertinent questions during the panel discussion, i.e.

- 1) What are the likely potential benefits and costs of the BIMSTEC FTA?
- 2) What are the sticking points in the FTA negotiations? Is it asymmetric information, asymmetric size etc.?
- 3) How might the BIMSTEC FTA, eventually concluded, fit into the emerging regional architecture connecting South Asia and South East Asia and indeed the global trading system?

After the panel discussions, he summarized the presentations made by the panelists and said that the benefits of the FTA would come through the issue of market access, investment, and services. In terms of the cost, he spoke about adjustment of small countries in this type of arrangement; he further also spoke about specific issues like gender. Moving beyond economics to politics, he said that if you belonged to a bigger club you had benefits that you could enjoy, like the membership of WTO.

While addressing the sticking points, he mentioned the cuts in tariffs and non-tariff barriers and said that it was obviously problematic in what sectors we opened up, what was the negative list and so on and what were the exclusions – they were very important. He also highlighted the other aspect of sticking points which was the movement of professional labor and mentioned that it is also a problem in the ASEAN agreements. ASEAN partners worry very much about movement of multi-media professions across the ASEAN countries, in the IT sector and others and there are problems from the ASEAN side to India partly because of the issue. The same kind of issues came between Thailand and India in the same context. He also mentioned that there was an issue of setting the agenda for further negotiations on the political side, there are issues concerning Pakistan, amongst others. So BIMSTEC might have a sticking point.

Addressing how the FTA would fit into the emerging regional architecture, he said that on its formation, about 20 years ago the BIMSTEC was the first connector between East Asia and South Asia on a sub-regional basis, but now we have RCEP and other bilateral agreements as competitors. Comparing BIMSTEC to SAARC he said, that considering BIMSTEC also has some sort of the DRO compliance behind it, there was reason to believe that resources would come through and that they may have value in terms of a functional cooperation arrangement for foreign aid and technical cooperation, after which if need be we can institutionalize BIMSTEC further. However, he had doubts about the capacity of the BIMSTEC Secretariat and said that we need properly equipped professionals if we want the FTA to be finalized.

He concluded by saying that he hopes for fruitful results to emerge out of the action-plans of the conference.

**DPG Regional Conference
on Advancing BIMSTEC
Cooperation, Colombo,
August 2-3, 2018**

**Paper by Dr. A. Didar Singh, Senior
Fellow, Delhi Policy Group &
Former Secretary General, FICCI**

Rationale for a BIMSTEC Free Trade Agreement

Dr. A. Didar Singh

July 2018

That most people, even of this region, haven't heard about a BIMSTEC FTA speaks volumes for the state of affairs! Member countries of BIMSTEC initiated negotiations for a Free Trade Agreement (FTA) as early as 2004¹. However even after 20 rounds of negotiations (and 14 long years) the FTA itself has yet to be signed by the BIMSTEC members. (India wanted all to sign this by 2017 but that year too has passed).

Rationale for a BIMSTEC FTA

The BIMSTEC area continues to be one of the least integrated of regions across the globe, despite the fact that it's an Asian sub-region with member countries being contiguous to each other. Table/Map 1:



(This map highlights the contiguous element of the geographical position of BIMSTEC members)

¹ The BIMSTEC Free Trade Framework Agreement was concluded in 2004 and the Trade Negotiating Committee (TNC) of BIMSTEC was set up thereafter to come to an agreement on trade related measures such as, tariff concessions on trade in goods, custom cooperation, trade in services, investments and dispute settlement mechanisms.

Rationale for a BIMSTEC Free Trade Agreement

Dr. A. Didar Singh

July 2018

Bangladesh and India share a 4,096-km long border and there are numerous bilateral trade agreements between the two. Similarly, India and Sri Lanka signed a FTA in 2005. India also has an FTA with Thailand and has open borders with Bhutan and Nepal. India's north-eastern states have an unfenced border with Myanmar. For India, BIMSTEC is already a sub-region with few trade and investment barriers, yet trade in the region has not reached its optimum level.

However, the other countries in BIMSTEC do not have agreements amongst themselves. For instance, Thailand has trade agreements in place with countries like Australia and Peru but none bilaterally with its immediate neighbours. Multilaterally though, they are part of the ASEAN FTA. Thus, it is imperative that the member countries push forward for a timely consensus on a BIMSTEC FTA.

In effect history shows us several traditional trade routes in this area:

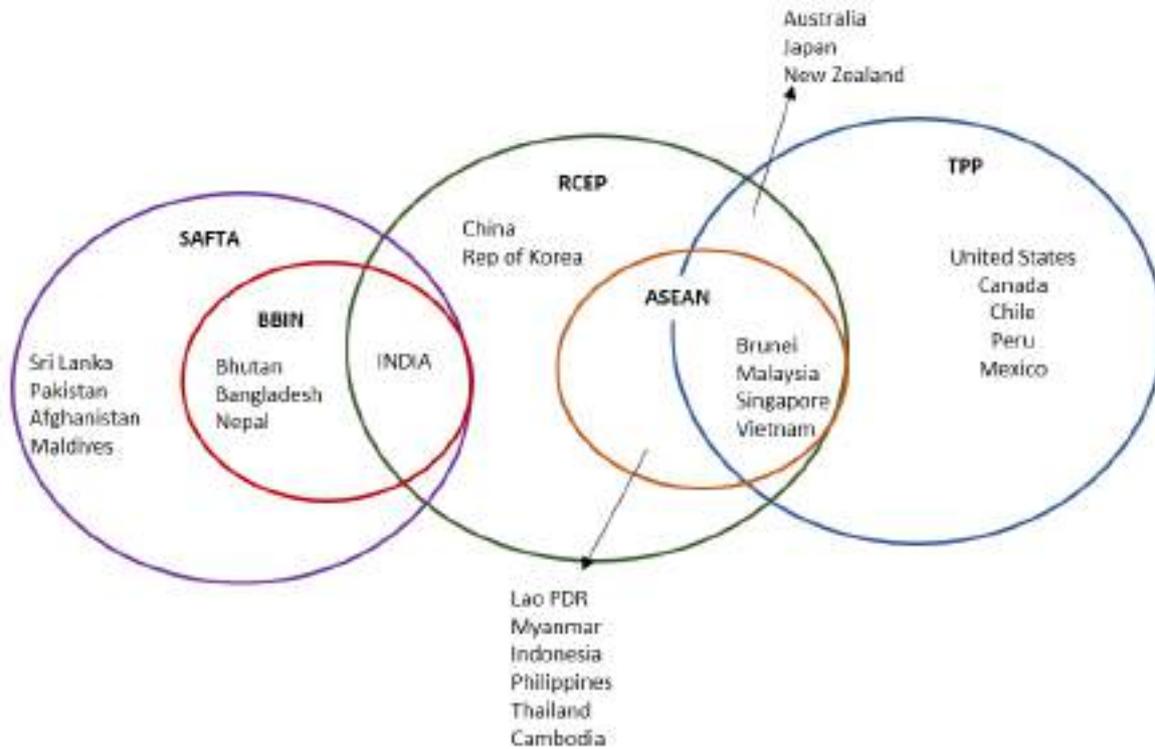


Eastern Indian Ocean regional trade networks, c. 1300-1500

Adopted from © Ports-of-Trade, Maritime Diasporas, and Networks of Trade and Cultural Integration in the Bay of Bengal Region of the Indian Ocean: c. 1300-1500. Kenneth R. Hall. *Journal of the Economic and Social History of the Orient* 53 (2010) 109-145

fppt.com

However, in terms of economics, connectivity, mobility, and geostrategy, countries adjacent to the Bay of Bengal are less integrated today than they were fifty years ago. Against this backdrop must be seen the host of trade agreements operating in the region:



Why FTA

There are three types of trade agreements: A) unilateral (eg. when a country imposes trade restrictions and no other country reciprocates or it unilaterally reduces tariffs – but this hardly happens). B) Bilateral, which are between two countries where both countries agree to loosen trade restrictions to expand business opportunities between them; and C) Multilateral, involving three or more countries, which are the most difficult to negotiate but have the greatest benefits since the whole region can benefit. Regional trade agreements have covered more than half of international trade throughout the world since the beginning of the 1990's. A shining example has been the ASEAN Free Trade Area (AFTA) which was established to improve regional economic competitiveness with a strong export focus that helped all its members improve their economic performance.

FTAs have several advantages, from increased economic growth, FDI and technology transfer to a more dynamic business environment and spreading economic reform. Free trade agreements enhance the trade of goods efficiently sourced between member countries and lead to trade creation that improves welfare.

Of course, there are disadvantages such as possible job outsourcing (example of NAFTA where US jobs went to Mexico), crowding out of domestic industry and reduced customs revenue. All such disadvantages are short-term and the benefits of liberalization and open markets is well documented and well-known. The key is domestic regulation to protect

against possible disadvantages and a transparent and liberal regime that supports business and economic growth.

BIMSTEC FTA

Sandwiched between SAARC and ASEAN, BIMSTEC can be and is a bridge that would benefit and link both regions. In fact, the original intention of the member states of this inter-regional body was inspired by the idea of turning the two regional groupings into a free trade area and opening the door for investment, identifying priority projects on trade, transportation, tourism, energy, health and agriculture through collective action.

It is in this context that we should view the plans for the construction of a trans-Asian Highway and setting up airline connections linking important cities of the member countries. The motivation was the tremendous opportunities that would arise among the member countries and would be of great significance in the emerging globalised environment. Experts have examined the requisite characteristics based on the criteria of income, production and trade flows and found favourable indications for an FTA that would create relative advantages for all member states.

The free trade area idea (FTA) would not only enhance trade and investment, but also liberalise trade in both goods and services and facilitates economic integration of the region. This inter-regional body could even help the countries of the region to collectively take up WTO issues for a better deal in their favour.

Every BIMSTEC Ministerial and annual summit has called for an early conclusion of a free trade agreement (as well as expeditious negotiations on the Agreement on Services and Investment) besides agreement on technology transfer, along with transportation connectivity and trade facilitation among the BIMSTEC countries. All these are linked issues that together would transform the region into a dynamic economic growth area. In effect the smaller BIMSTEC countries should see regional multilateralism as a potential check on the rising capabilities of China, India, and major external powers be they the US, UK or Europe.

All these member states around the Bay of Bengal need to recognise and work on the premise that their national economic and security interests are increasingly tied to the ability to cooperate across borders through regional institutions. An FTA is the obvious way to move forward.

Despite these obvious benefits the fact is that the FTA remains unsigned. The key issue is the negative list for each country, the pruning and tariff reduction schedule for each country.

Experts have opined that, given existing trade preferences among the BIMSTEC countries under various existing bilateral and regional FTAs, implementing the BIMSTEC FTA may not necessarily increase intra-BIMSTEC trade in the short term, but it could certainly activate

production links among member countries, generating new value chains and become globally more attractive.

Economic Landscape

BIMSTEC members are Bangladesh, Bhutan, India, Myanmar, Nepal, Sri Lanka, and Thailand. As Table 2. Below shows, there are certainly differences in Per Capita, GDP growth and Ease of Doing Business, however all seven are developing countries that are quite dependant on trade for their growth and development.

Table 2. Development and GDP Indicators for BIMSTEC Members

	GDP Per Capita (PPP in 2016)	Average Annual GDP Growth (2012–2016)	2016 UNDP Human Development Index Rank (out of 188)	2017 World Bank Ease of Doing Business Rank (out of 190)	Trade as a Percent of GDP (2016)	2016 World Bank Logistics Performance Index Rank (out of 160)
Bangladesh	\$3,587	6.5%	139	177	38.0%	87
Bhutan	\$8,918	5.5%	132	75	82.8%	135
India	\$6,583	6.9%	131	100	39.8%	35
Myanmar	\$5,732	7.3%	145	171	45.5%	113
Nepal	\$2,483	3.7%	144	105	48.9%	124
Sri Lanka	\$12,337	5.3%	73	111	50.5%	N/A
Thailand	\$16,946	3.4%	87	26	123.1%	45

Sources: UN Development Program, World Bank

These differences in growth performance may remain for some time as the countries are at varied stages of development and yet we cannot ignore the fact that all member countries are developing countries (four are LDCs) with a whole host of common issues from addressing inequality to harnessing agricultural growth. The highly populated Bay of Bengal carries a lot of economic promise with a combined gross domestic product (GDP) close to \$2.7 trillion. IMF estimates show an overall GDP growth for this region at 6.9% against a global average of 3.1. It's also home to 1.5 billion people with a geographical contiguity between the member states. In other words, the stage is set for things to happen here – especially for regional and mutually beneficial trade.

Should other countries like Japan be included in a BIMSTEC FTA?

Japan has had close relations with several of the BIMSTEC countries. There is thus a case for Japan to join this regional grouping, first as an ‘observer’ and later moving up as a ‘dialogue partner’ before being accorded membership.

There are several benefits for Japan cooperating with BIMSTEC. These range from infrastructure and connectivity projects to tourism and investment. BIMSTEC presently lacks an economically and technologically advanced partner that could provide significant ODA assistance.

Moreover, BIMSTEC member countries are agrarian economies. So, a proper framework agreement to identify areas of economic cooperation including issues of Sanitary and Phytosanitary (SPS) and technical barriers to trade (TBT) is required to increase intra-BIMSTEC trade. Japan is considerably dependent on imported agricultural and food products. BIMSTEC countries can produce and supply food and agricultural products at lower price points as compared to other developed countries. This would particularly benefit the smaller countries.

Though China too is working to enlarge its footprint in the region through significant investment in infrastructure projects, not only do these investments lack transparency but could well lead to debt traps for the host countries, as many experts are today predicting. Moreover, as experts opine, bringing China into BIMSTEC may initially lead to immediate financial dividends but could weaken the organization in the long term, given Beijing’s history of adopting divide-and-rule practices toward other regional organizations like ASEAN and the EU.

There is a valid case made out to open up BIMSTEC to cooperation with other extra-regional powers committed to inclusive regionalism. These could include Australia, the European Union, and the United States (and of course Japan), as well as multilateral institutions like the Asian Development Bank, World Bank, UNESCAP and IORA etc. It could also include “natural partners” beyond the region, such as Cambodia, Laos and Vietnam.

Expanding the BIMSTEC grouping may have certain pluses but it would substantially change the composition and culture of the group. This only member states can discuss and decide upon. Meanwhile having a regional FTA could provide a platform for specific economic and trade cooperation with key countries and regions that already have an FTA (e.g. ASEAN or even SAFTA and later RCEP).

Conclusion and Recommendations

It’s not just the FTA but in fact the idea of BIMSTEC itself that is missing from the public consciousness in the region despite the historical connect that the Bay of Bengal and south east Asia had. This perception needs to be reversed.

Rationale for a BIMSTEC Free Trade Agreement

Dr. A. Didar Singh

July 2018

Trade accounts for over 60 per cent of combined GDP of BIMSTEC members. Between 2002 and 2017, the share of intraregional trade among BIMSTEC member states rose from 3.6 to 5 percent. This remains lower than comparable figures in other regional trade blocs, including 7 percent among SAARC members, and 29 percent among ASEAN states. However, tariffs are no longer the major barrier to intra-regional trade, but cost and time to trade remain relatively high. At the same time, BIMSTEC countries face huge trade burden due to a wide variety of non-tariff measures (NTMs).

Any discussion on BIMSTEC and an FTA between the member states invariably raises the example of SAARC and SAFTA and the possible lessons to be learnt from there. It has been argued that Intra-regional trade among SAARC countries is low mainly because of the lack of comparative advantages in their economies. The argument is that being mostly agrarian economies they export similar products and therefore intra-regional trade remains low (at just 6-7%). One example is tea exports from India and Sri Lanka. Question is whether this holds true for BIMSTEC also? Probably does. Even though there are some complementarities in the exports and imports of the member countries, intra-regional trade is low due to many hurdles like tariff barriers, lack of connectivity and transportation problems.

While accepting the basis for this argument, it would also be important to note that trade and economic collaboration are both dynamic issues in a fast changing economic world.

Comparative advantage itself is today being questioned. The classical theory (Ricardo, 1817) explained international trade in a free market concept. It is however dependent on similar stages of development of the production facilities and market. This may not be applicable to vast parts of the globe, and moreover today that market and large production in it, is based on global supply chains (and in BIMSTEC we see little signs of any strong regional value chains). The availability of productive resources (land, labour and capital) keep changing in every modern economy. Now there is a fourth factor that impacts – technology, or specifically AI (Artificial Intelligence). This can and is transforming all manufacturing, services and trade. Countries of BIMSTEC must learn to absorb the positive potential of this new technology. Sharing best practice for correct policy formulation would strengthen both the sub-region and each of its economies. An FTA for trade and economic collaboration would ensure this.

BIMSTEC E-Commerce Collaboration

As an example, as with the India-ASEAN FTA, trade will jump if there is promotion of e-Commerce, since digital economy and connectivity are growing across the region. The Indian e-commerce market (\$40bn) itself is expected to reach US\$64bn by 2020 and US\$200bn by 2026. This would be a large opportunity for all of BIMSTEC. The main advantage here is low entry costs which can help Startups and MSMEs to access both the Indian and global markets. For example, they could have shared platforms for handicrafts, arts, photography etc, all of which are so dynamic in the region. To promote this of course there would be need to establish common Market-place EC Models that would work on common standards, IPR, Payment models and skilled human resources. Such collaboration would promote innovation;

PPP and socio-economic collaboration across the region. The FTA would provide an excellent platform for this.

It is also argued that all the BIMSTEC economies are labour surplus countries with high unemployment of unskilled labour as an issue. Analysis shows that removal of tariffs among the countries (FTA) would result in significant welfare gains. There may of course be some initial adverse impact on trade and industry but opportunities for employment would increase with full implementation of a BIMSTEC FTA. This is a very positive finding since it addresses the common problem of poverty and inequality that all the members face.

India is by far the region's largest economy. Its interest and responsibility has to be portrayed as particularly notable. After all India's exports to the BIMSTEC economies depends on their market and GDP. Similarly, these economies export to the Indian market opportunities and price is dependent on the exchange rate prevailing. India's role as an informal leader must be projected especially in the BIMSTEC FTA. The 'gravity model²' suggests this as an obvious for India. New Delhi however must back up its intentions by bolstering its investment in the organization and concluding the FTA while appreciating the interests of other members.

Prospects for an early signing are not so bright and therefore the members should focus on other trade related improvements such as trade facilitation via liberal transit, business-friendly customs, transport corridors, etc. Such a process will partly address some of the non-tariff barriers in the region and give the required fillip to trade. In fact, tariff reductions may not matter as much as nontariff trade barriers. It has been emphasized that these less tangible obstacles are the "actual culprits" impeding integration. BIMSTEC should focus on facilitating the (1) mutual recognition of national standards, (2) harmonization and development of common standards, and (3) identification and targeted exploration of existing value chains across the region. This would escalate any future FTA. In all of this business has a key role and the Chambers of Commerce and Industry, including the BIMSTEC Chamber have to push all of this because its business that ultimately stands to gain.

There is also a view from experts that BIMSTEC members can consider settling for a limited FTA since a limited trade deal is currently better than no deal. It is also argued that BIMSTEC itself will take shape only after an FTA is signed. The trade negotiations have presently covered; tariff concessions on trade in goods; Customs cooperation; trade in services; investment cooperation; and dispute settlement. Four draft agreements already exist: (i) Trade in goods; (ii) Rules of Origin; (iii) Dispute Settlement; and (iv) Customs. These could form the limited trade deal right away.

As the new BIMSTEC Secretary General, Mr. Shahidul Islam stated recently, "that FTAs were no panacea for development, but they represented a crucial first step towards spurring growth and development in the region".

² *The Gravity model* of international trade is a model that, in its traditional form, predicts bilateral trade flows based on the economic sizes (often using GDP measurements) and distance between two units

References:

- Anderson, K., B. Hoekman and A. Strutt** (2001), “*Agriculture and the WTO: Next Steps*”, *Review of International Economics* 9(2): 192-214.
- Bhattacharya, S.K. and B.N. Bhattacharyay** (2006), “*Prospects and Challenges of Regional Cooperation and Integration in Trade, Investment and Finance in Asia: An Empirical Analysis on BIMSTEC Countries and Japan*”, CESifo Working paper No 1725, May.
- Bhattacharya, S.K. and B.N. Bhattacharyay** (2007), “*An Empirical Analysis on Prospects and Challenges of BIMSTEC-Japan Trade Integration*”, *Journal of Asian Economics* 18: 509-536.
- Bchir, M.H., S. Jean and D. Laborde** (2005), “*Binding Overhang and Tariff Cutting Formulas: A Systematic, World-wide Quantitative Assessment*”, paper presented at the Eighth Annual Conference on Global Economic Analysis, Lübeck, Germany.
- BIMSTEC** (2004), Framework Agreement on the BIMST-EC Free Trade Area, http://www.bimstec.org/free_trade.html
- Constantino Xavier** (2018), *Bridging the Bay of Bengal: Toward a Stronger BIMSTEC*, Carnegie
- CSIRD** (2007), “*Regional Enlargement and Its Impact on Trade: An Analysis on BIMSTEC+Japan*”, CSIRD Discussion Paper #29, Centre for Studies in International Relations and Development, Kolkata.
- Prabir De** (2017), “*Big ideas to shape BIMSTEC’s future*”, Research and Information System for Developing Countries (RIS), New Delhi
- Devi, T.N** (2005), “*BIMSTEC-Japan Economic Cooperation: Trends and Prospects*”, CSIRD Discussion Paper 11/2005, CSIRD, Kolkata
- Dimaranan, B.V. (Ed.)** (2006), *Global Trade, Assistance, and Production*:
- The GTAP 6 Data Base, Centre for Global Trade Analysis, Purdue University.** Harrison, W.J., and K.R. Pearson (1996), “*Computing Solutions for Large General 2004b Equilibrium Models using GEMPACK*”, *Computational Economics* 9, 83-127.
- Hertel, T.W. (ed.)** (1997), *Global Trade Analysis: Modeling and Applications*, Cambridge and New York: Cambridge University Press.
- Huff, K.M. and T.W. Hertel** (2001), “*Decomposing Welfare Changes in the GTAP Model*”, GTAP Technical Paper, No. 5.
- Ianchovichina, E. and R. McDougall** (2001), “*Theoretical Structure of Dynamic GTAP*”, GTAP Technical Paper No. 17, Purdue University.
- Pupphavesa, W. (Ed.)** (2008), “*BIMSTEC-Japan Comprehensive Economic Cooperation: A Step in the Future*”, CSIRD and TDRI, New Delhi: Bookwell.

Rationale for a BIMSTEC Free Trade Agreement

Dr. A. Didar Singh

July 2018

Sengupta, Jayshree, (2017), “*BIMSTEC-FTA: A new hope for enhanced regional trade*”, ORF, New Delhi

Shoumik Hassin, (2017), “*Building a Stronger BIMSTEC in Next 20 Years*,” bdnews24.com, May 29, 2017, <http://bdnews24.com/neighbours/2017/05/29/building-a-strongerbimstec-in-next-20-years>.

Strutt, A. and S. Lim (2005), “*Trade Liberalization and Poverty in the GMS*”, Journal of GMS Development Studies 2(1): 1-20.

Strutt, A. and A.N. Rae (2007), “*Interacting Preferential Trade Agreements: Illustrations from Asia-Pacific*”, Presented at the 10th Annual Conference on Global Economic Analysis, Purdue University, USA, 7-9 June 2007 and also the Research Workshop on Emerging Trade Issues for Developing Countries in Asia-Pacific Region, Macau, 10-11 December 2007.

Siriwardana, M. and Yang, J. (2007), “*Effects of Proposed Free Trade Agreement between India and Bangladesh*”, South Asia Economic Journal 8(1): 21-38.

Walmsley, T.L. (2006), “*A Baseline Scenario for the Dynamic GTAP Model*”, Mimeo, GTAP, Purdue University.

Walmsley, T.L. and T.W. Hertel (2001), “*China’s Accession to the WTO: Timing is Everything*”, World Economy 24: 1019-49.

Walmsley, T.L., T.W. Hertel and E. Ianchovichina (2006), “*Assessing the Impact of China’s WTO Accession Investment*”, Pacific Economic Review 11(3): 315-339.

World Bank (2008), World Development Indicators, www.worldbank.org, May 2008.

**DPG Regional Conference
on Advancing BIMSTEC
Cooperation, Colombo,
August 2-3, 2018**

**Presentation by Dr. A. Didar Singh,
Senior Fellow, Delhi Policy Group &
Former Secretary General, FICCI**



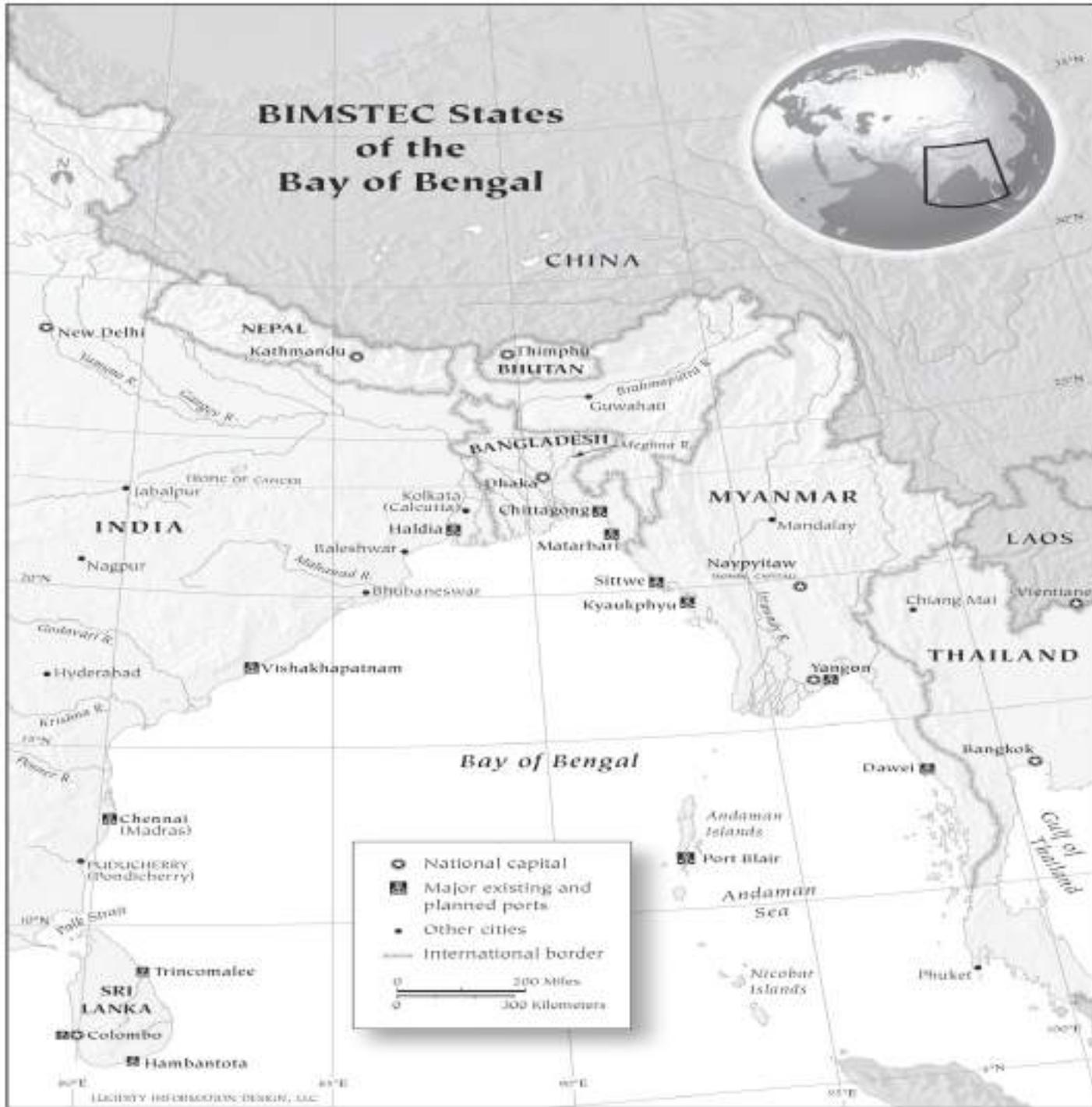
DPP

BISMSTEC

Rationale for a Free Trade Agreement

Dr A Didar Singh, Sr Fellow DPG

Colombo 2nd August 2018



This map highlights the contiguous element of the geographical position of BIMSTEC members

Not to Scale

History shows us several traditional trade routes in this area



Eastern Indian Ocean regional trade networks, c. 1300-1500

Adopted from © Ports-of-Trade, Maritime Diasporas, and Networks of Trade and Cultural Integration in the Bay of Bengal Region of the Indian Ocean: c. 1300-1500. Kenneth R. Hall. *Journal of the Economic and Social History of the Orient* 53 (2010) 109-145



Landscape of Select Regional and Sub-Regional Formations

- *In terms of economics, connectivity, mobility, and geostrategy, countries adjacent to the Bay of Bengal are less integrated today than they were fifty years ago.*
- *Against this backdrop must be seen the host of trade agreements operating in the region*

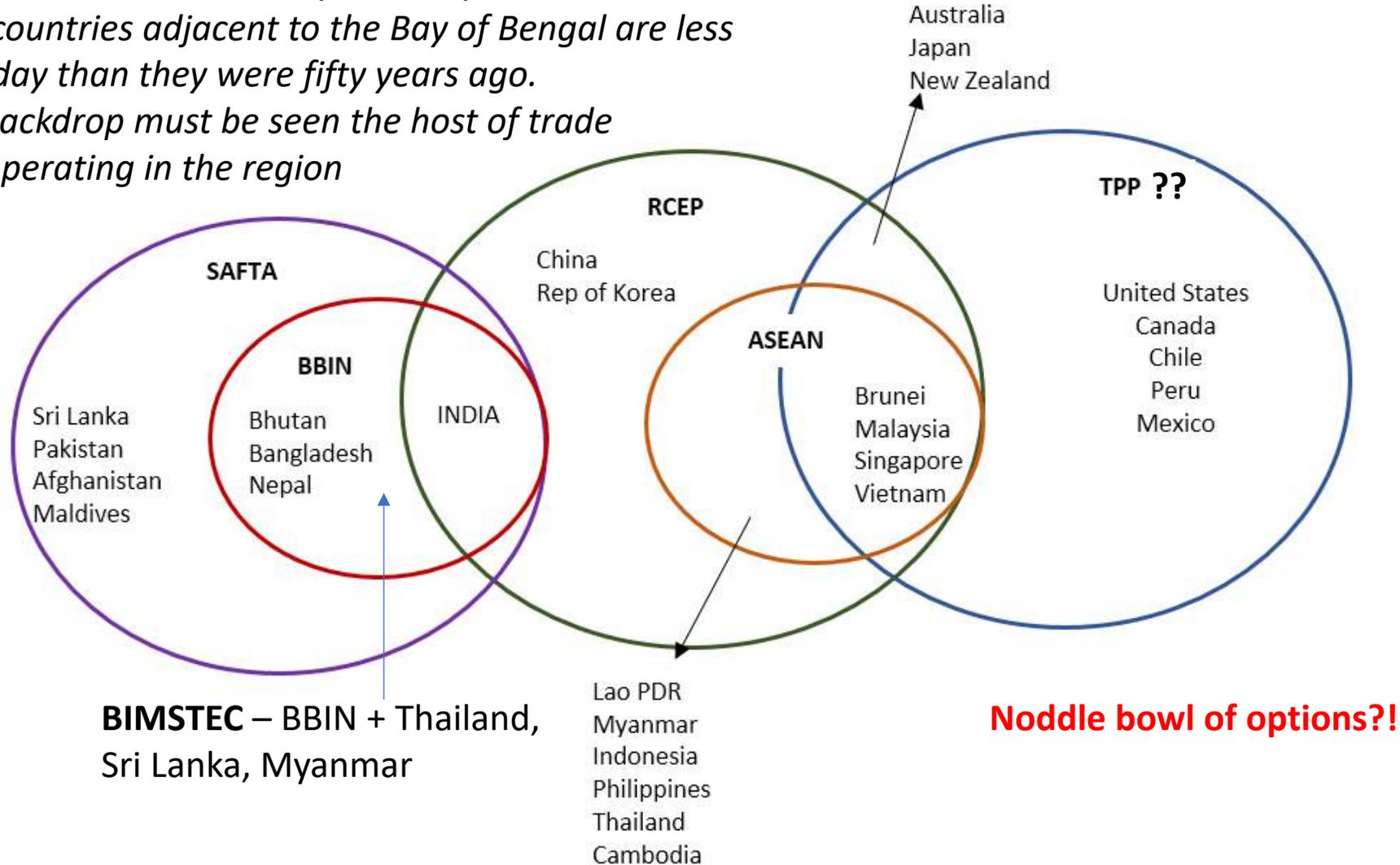


Table 2. Development and GDP Indicators for BIMSTEC Members

	GDP Per Capita (PPP in 2016)	Average Annual GDP Growth (2012–2016)	2016 UNDP Human Development Index Rank (out of 188)	2017 World Bank Ease of Doing Business Rank (out of 190)	Trade as a Percent of GDP (2016)	2016 World Bank Logistics Performance Index Rank (out of 160)
Bangladesh	\$3,587	6.5%	139	177	38.0%	87
Bhutan	\$8,918	5.5%	132	75	82.8%	135
India	\$6,583	6.9%	131	100	39.8%	35
Myanmar	\$5,732	7.3%	145	171	45.5%	113
Nepal	\$2,483	3.7%	144	105	48.9%	124
Sri Lanka	\$12,337	5.3%	73	111	50.5%	N/A
Thailand	\$16,946	3.4%	87	26	123.1%	45

Sources: UN Development Program, World Bank

All seven developing countries quite dependant on trade for their growth

Why a BIMSTEC FTA?

- With various existing bilateral and regional FTAs, implementing the BIMSTEC FTA may not increase intra-BIMSTEC trade in short term, but could activate new value chains and become globally attractive.
- Bridge between SAARC and ASEAN
- Experts opine relative advantages for all member states
- would transform region into a dynamic economic growth area.
- Smaller BIMSTEC countries should view regional multilateralism as a potential check on China, India, and major external powers
- Every BIMSTEC Ministerial and annual summit has called for an early conclusion of a free trade agreement

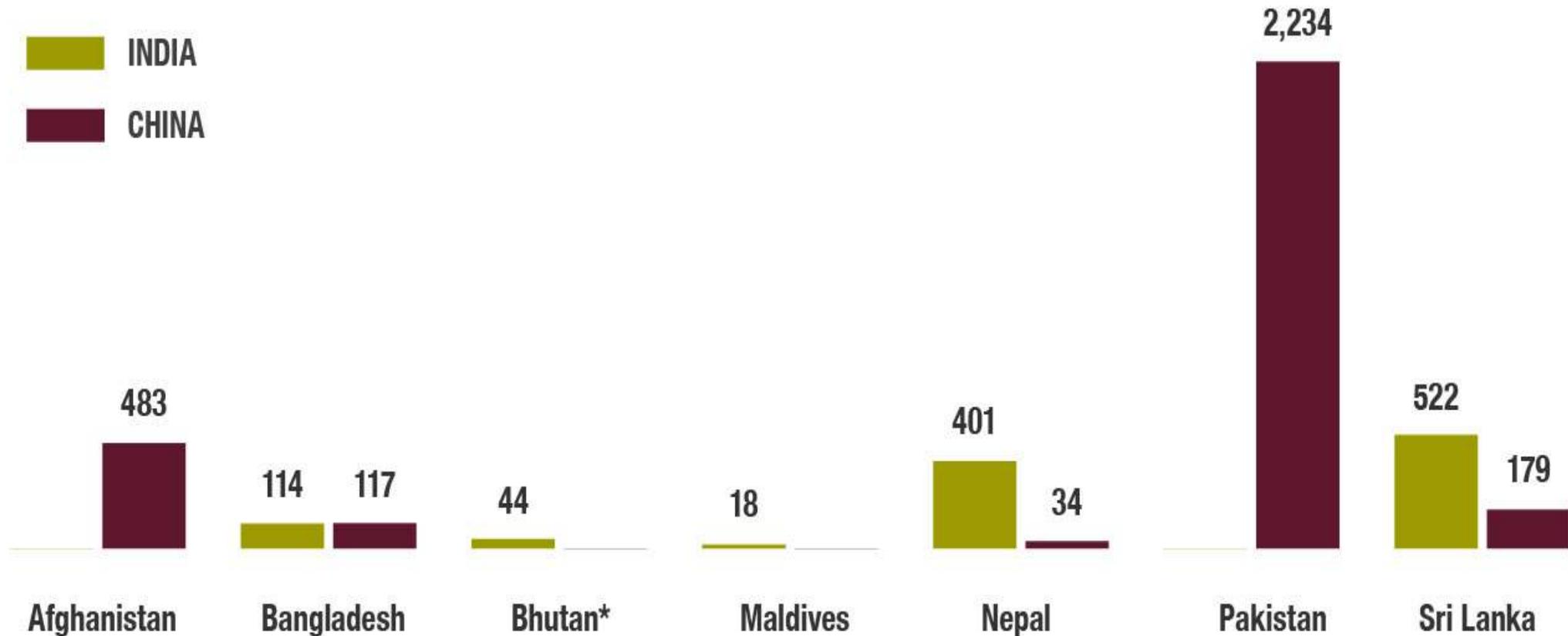
The Elephant in the Room!

Trade CHINA/INDIA with BIMSTEC countries (2016)

CHINA (USD Billion)	Trade Balance	Exports	Imports
Bangladesh	13.4	14.3	0.8
Bhutan	0.04	0.04	0.0001
India	46	58	11.7
Sri Lanka	4	4.2	0.2
Nepal	0.8	0.8	0.02
Thailand	(-)1.3	37	38
Myanmar	4	8.1	4

INDIA (USD Billion)	Trade Balance	Exports	Imports
Bangladesh	4.9	5.6	0.7
Bhutan	0.2	0.3	0.1
Sri Lanka	3.4	4.1	0.6
Nepal	4.1	4.5	0.3
Thailand	(-)2.3	2.9	5.3
Myanmar	0.05	1.1	1

CHINA'S AND INDIA'S FDI STOCK IN SOUTH ASIAN COUNTRIES, 2012 (\$US MILLIONS)



*India did not report its FDI stock in Bhutan so figures provided are reported by Bhutan

Source: UNCTAD Bilateral FDI Statistics, as reported by China and India

Credit: Ashlyn Anderson, Julia Ro

COUNCIL *on*
FOREIGN
RELATIONS

Importance of Remittances

WORLD BANK BILATERAL REMITTANCE ESTIMATES FROM INDIA AND CHINA TO SOUTH ASIA, 2014 (\$US MILLIONS)

REMITTANCE-RECEIVING COUNTRY	Afghanistan	Bangladesh	Bhutan	India	Maldives	Nepal	Pakistan	Sri Lanka	Total
FROM INDIA	1	4,163	1	-	0	832	2,061	488	7,546
FROM CHINA	0	10	0	57	-	4	16	20	107

Source: World Bank Bilateral Remittances Matrix 2014

Credit: Ashlyn Anderson, Julia Ro

COUNCIL on
FOREIGN
RELATIONS

Should other countries like Japan be included in a BIMSTEC FTA?

- several benefits for Japan cooperating with BIMSTEC.
- range from infrastructure and connectivity projects to tourism and investment.
- BIMSTEC presently lacks an economically and technologically advanced partner that could provide significant ODA assistance.
- Bringing China into BIMSTEC may initially lead to immediate financial dividends but could weaken the organization in long term – debt issue
- Beijing's history of adopting divide-and-rule practices toward other regional organizations like ASEAN and the EU.
- Other options - Australia, EU, US and multilateral institutions
- Regional FTA could provide platform for trade cooperation with key countries and regions that already have an FTA (ASEAN, SAFTA, RCEP)

BIMSTEC realities

- In terms of economics, connectivity, mobility, and geostrategy, countries adjacent to the Bay of Bengal are less integrated today than they were fifty years ago.
- The highly populated Bay of Bengal carries a lot of economic promise.
- Combined gross domestic product (GDP) close to \$2.7 trillion
- all seven countries were able to sustain average annual rates of economic growth between 3.4 and 7.5 percent from 2012 to 2016
- BIMSTEC should aim to develop an internal dialogue on the role of democracy in promoting economic development, security, and stability among its member states.

Why FTA has not worked?

- Comparison with SAARC - lack of comparative advantages
- The argument is that being mostly agrarian economies they export similar products and therefore intra-regional trade remains low (at just 6-7%). One example is tea exports from India and Sri Lanka.
- Theory of Comparative advantage itself being questioned
- today markets and production based on global supply chains
- Moreover AI (Artificial Intelligence) transforming all manufacturing, services and trade – BIMSTEC must use these technologies
- Key issue is the negative lists and pruning and tariff reduction schedule for each country.

Recommendations

- Automation
 - Electronic Data Interchange/ECommerce
 - 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.
- Training of customs officials to ensure trade facilitation
- Align domestic standards with international norms and also build capacity of institutions to be able to face global competition.
- Industry esp. BIMSTEC Chamber of Commerce and Industry should be active
- BIMSTEC members can consider settling for a limited FTA
- Four draft agreements already exist: (i) Trade in goods; (ii) Rules of Origin; (iii) Dispute Settlement; and (iv) Customs. These could form the limited trade deal right away.

Benefits of BIMSTEC FTA – E-Commerce

- As with the India-ASEAN FTA, trade will jump as also e-Commerce (since digital economy and connectivity growing across region)
- Indian e-commerce market (\$40bn) itself expected to reach US\$64bn by 2020 and US\$200bn by 2026
- Inclusive Trade: Lower entry cost helps SMEs access global markets
- As in RCEP needs to be added to BIMSTEC FTA
- StartUps and MSMEs in BIMSTEC could have a win-win eg. Shared platform for handicrafts, arts, photography etc.
- Need to establish common Market-place EC Model: Need common standards, IPR, Payment models and human resources
- Would promote innovation; PPP; socio-economic collaboration

BIMSTEC Secretary General Shahidul Islam:

“that FTAs were no panacea for development, but they represented a crucial first step towards spurring growth and development in the region”

THANK YOU

a. didar singh, Senior Fellow DPG

didar.singh@dpg.org.in



**DPG Regional Conference
on Advancing BIMSTEC
Cooperation, Colombo,
August 2-3, 2018**

**Abstract of Presentation by
Ambassador Nihal Rodrigo, Former
Foreign Secretary, Sri Lanka and
Former Secretary General, SAARC**

Ambassador Nihal Rodrigo
Former Foreign Secretary, Sri Lanka
and Former Secretary General, SAARC

Ambassador Nihal Rodrigo focused on three aspects in his presentation. He mentioned that the BIMSTEC FTA concerned the interests of 1.5 billion people, roughly equivalent to around 22% of the total global population. Firstly, he listed current areas of concern for BIMSTEC under the umbrella of Trade. It included, non-tariff barriers and measures; customs and electronic data interchanges, banking, border trade infrastructure and connectivity, finding practical solutions to the issues of trade facilitation of the Sri Lankan economy, especially for the promotion of female livelihood, while all along encouraging enterprise in the BIMSTEC region. A Convention Against Terrorism is also sought to be adopted by the organization since this is a threat affecting many Asian countries among others.

The second facet of his address was extensive and rather contemporary. He emphasized the importance of a people centric approach, placing specific focus on gender issues. He argued that BIMSTEC needed to concentrate, plan and ensure that its beneficial cooperation continued to find acceptance among its female population. He mentioned the areas within the trade session that highlighted his assertion, namely, (i) the potential impact of a BIMSTEC Free Trade understanding on women's livelihood and (ii) the need to encourage Women Entrepreneurs in the BIMSTEC region. He proudly declared that Sri Lanka was the first country to have democratically elected the modern world's female Prime Minister and Head of Government, Mrs. Sirimavo Bandarnaike back in 1960. He said that women's engagement in all forms of economic, academic and political aspects should be encouraged.

His final remarks revolved around Sri Lanka's growing importance within China's Maritime Silk Road initiative with the ports of Colombo and Hambantota acting as significant shipping lanes in the Indian Ocean. China has shown significant interest in Sri Lanka's export of its black tea, rubber products, gems and textiles. He said that this would only deepen China-Sri Lanka's traditional friendship. He concluded by saying that he looked forward to the participation of India and Sri Lanka at the first China International Import Expo (CIIE) in Shanghai.

**DPG Regional Conference
on Advancing BIMSTEC
Cooperation, Colombo,
August 2-3, 2018**

**Presentation by Dr. Amita Batra,
Professor, Centre for South Asian
Studies, School of International
Relations, JNU, New Delhi**

BIMSTEC FTA & GENDER

Amita Batra

BIMSTEC

- BIMSTEC
 - Seven members inter sub regional formulation
 - Bangladesh, Bhutan, India, Myanmar, Nepal, Sri Lanka & Thailand
- Bridge between South Asia-Southeast Asia
 - Intra regional trade
 - Low and stagnant
 - Economic integration
 - Least integrated: SA
 - SEA: Successful economic integration
 - Market-led: Production networks and value chain integration
- South and SEA: Apparent mismatch?
- Positives
 - Growth dynamism
 - Potential for RVC integration
 - FTA: means towards this EI

BIMSTEC FTA

- FTA: BIMSTEC FW Agreement: 2004
 - Slow progress
 - Disagreement between India and Thailand over market access for professionals duty cuts on traded goods and policy relaxation
 - India: easing of rules for its professionals
 - Thailand: relaxation in the foreign investment rules in multi-brand retail trade for its retailers
 - Successive ministerials: Importance of early conclusion of FTA
 - In the process important to ensure the FTA does not duplicate or contradict other existing or proposed bilateral and multilateral trade agreements of BIMSTEC member states

BIMSTEC Member FTAs

- Intra
- Bangladesh -Bhutan
- Bhutan- India
- Bangladesh- Sri Lanka (under study)
- India- Sri Lanka
- India- ASEAN
- India-Thailand
- India -Nepal Trade Treaty
- Myanmar (ASEAN)
- Sri Lanka -Thailand (Under study)

RVCs

- Textiles
- Food processing
- Light engineering goods
- Forward and backward linkages
 - Overall low but a small percentage in textiles sector
- But
 - If India's "Make in India" initiative is successful
 - provide an opportunity to connect to those value chains and expand trade with India.
 - Thailand is another important connecting point
 - strong links to Japan and the automobile industry
- Finalisation of the (all parts of the BIMSTEC FTA)
 - Trade Facilitation Agreement
 - Agreements on Cooperation and Mutual Assistance in Customs Matters
 - Dispute Settlement Procedures and Mechanisms
 - Could further facilitate RVC integration process
- Possibilities of resumption of negotiations: July, 2018??

Trade and Women

- Varied trends
 - In general Trade: increase the number of jobs available for women
 - However, quality of these jobs is less clear
 - Trade has been shown to have a differential effect on women
 - Rise of GVCs has changed trade patterns
 - Increased opportunities for more countries to engage in trade.
 - For developing economies, entering a GVC usually at the lower end of VA
 - Thus, the opportunities through GVCs expansion also more limited w.r.t women
 - Women in manufacturing jobs that are more labor intensive: textile and apparel industries
- (Shepherd and Stone, 2017 ,ADBI WP 648)

Border Trade: Informal Trade & Women

- Typically proximity trade involving the move of produce between markets close to the border
- Women are being highly used as a vehicle to carry out informal cross-border trade with India (Sawtee Report)
- This female-intensive sector has broad poverty and development ramifications
- As a source of employment and livelihood for the poor, in particular for low-income and low-skilled women, in border districts.
- If properly supported, it can generate significant rural non-farm income and become a catalyst for value chain creation and support in rural areas

Engendering FTAs

- Important to understand that the FTA/RTA assessment is in terms of a net economic benefit and market-based criteria
- And this has largely ignored societal imbalances
- But also important to understand that these very agreements can be used to streamline sectoral choices
 - Female labour intensity
 - Neighbouring markets
 - Border Trade

Engendering FTAs

- Gender friendly FTAs would
 - Support enterprises and sectors and target trade related assistance) to sectors where women are dominant
 - Collect sex disaggregated statistics on women's activities in both formal and informal economies
 - Identify gender sensitive product lists
 - Consult and engage non-state actors, making special efforts to include women's organizations
 - Include gender expertise at senior levels in negotiating teams

FTAs and Trade Policies

- Improving women's access to resources
- Capacity strengthening opportunities
 - Training and education for entrepreneurship and trade
 - Develop projects to educate women about the impacts of and opportunities arising from trade agreements
- Complementary social and labour policies
 - Skill development to take advantage of trade opportunities and employment expansion
- Research on gender dimensions of RTAs/ FTAs and

**DPG Regional Conference
on Advancing BIMSTEC
Cooperation, Colombo,
August 2-3, 2018**

**Presentation by Dr. Janaka
Wijayasiri, Research Fellow, IPS,
Colombo, Sri Lanka**



Challenges to a BIMSTEC Free Trade Agreement (FTA): A Sri Lankan Perspective

Janaka Wijayasiri, IPS

Outline

- Background
- Current status of trade within the region
- Sri Lanka's existing trade agreements
- Role for the BIMSTEC FTA?
- Issues relating to existing FTAs and lessons for BIMSTEC

Background

- BIMSTEC has been slow in moving towards regional economic integration under a FTA
- BIMSTEC FTA proposed in 2004 and agreement expected to finalised by 2006, aims to strengthen economic cooperation by providing preferential treatment in trade in goods and services while facilitating investment cooperation.
- Even after more than a decade and several rounds of negotiations, the grouping has not been able to reach a consensus and finalize the agreement
- Despite delays, a BIMSTEC FTA still remains in its agenda.

Trade in the BIMSTEC

- Intra-regional exports from BIMSTEC increased from US\$ 10.4 bn (2006) to 35.4bn (2015); growth of 18% vis-a-vis 9% with ROW
 - Intra-regional exports have increased from 4%(2005) to 6.7%(2015)
 - Main exporters within region: IN(50%) and TH(30% of intra-regional exports)
- Intra-regional imports from BIMSTEC also show an increase from US\$ 12.1bn to 33.5bn; a growth of 14 % vis a vis 10 % with ROW
 - Intra-regional imports increased from 3.7% (2006) to 4.9% (2015)
 - IN, TH, BG are important importers (65% of imports from region)



Intra-regional Exports in BIMSTEC (2015)

2015	BG exports	BH exports (2011)	IN exports	MY exports	NP exports	SL exports	TH exports
Bangladesh		5.83	2.09	0.15	1.04	0.94	0.40
Bhutan	0.01		0.14	0.00	0.23	0.00	0.01
India	1.63	75.73		8.31	63.48	6.80	2.47
Myanmar	0.07	0.00	0.33		0.00	0.02	1.95
Nepal	0.01	0.36	1.21	0.00		0.03	0.03
Sri Lanka	0.08	0.00	2.08	0.01	0.06		0.20
Thailand	0.11	0.02	1.18	27.54	0.26	0.36	
BIMSTEC	1.91	81.94	7.02	36.03	65.06	8.16	5.05

- BIMSTEC is an important destination for exports of BH, MY and NP due to substantial portion of exports from these countries are sent to IN & TH.
- BIMSTEC accounts for 8 % of SLs exports in 2015

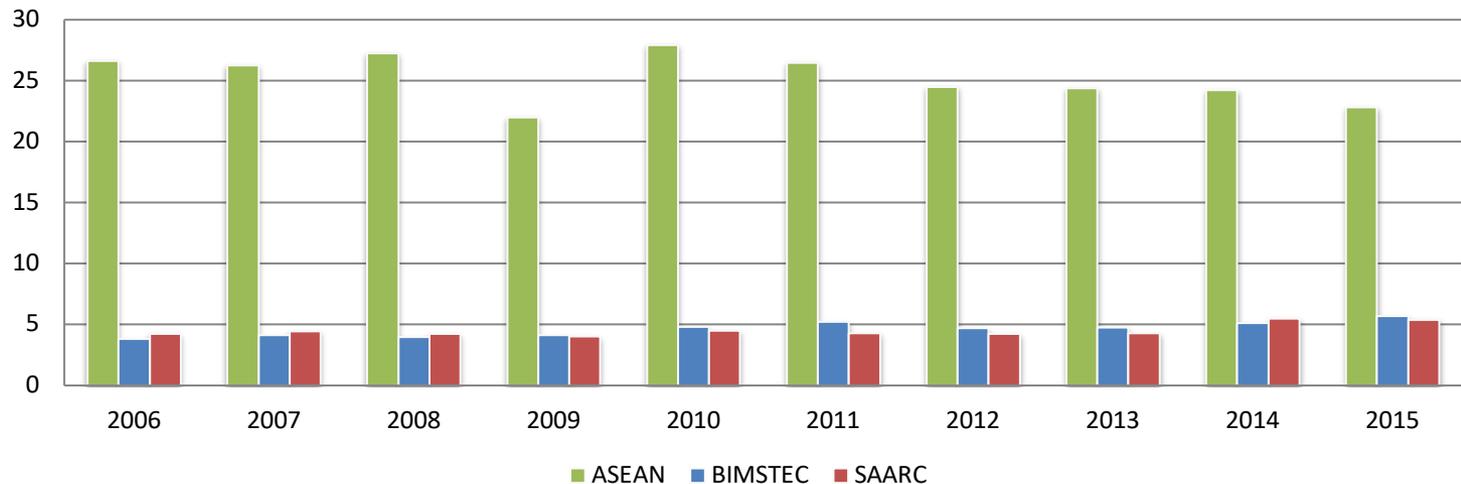
Intra-regional Imports in BIMSTEC (2015)

2015	Imports by BG	Imports by BH (2011)	Imports by IN	Imports by MY	Imports by NP	Imports by SL	Imports by TH
Bangladesh		0.35	0.16	0.06	0.38	0.20	0.02
Bhutan	0.08		0.05	0.00	0.05	0.00	0.00
India	12.24	72.28		2.80	60.62	22.50	1.30
Myanmar	0.09	0.00	0.26		0.15	0.11	1.76
Nepal	0.00	0.29	0.13	0.00		0.00	0.00
Sri Lanka	0.23	0.00	0.22	0.00	0.03		0.03
Thailand	1.79	2.51	1.45	11.58	1.26	2.62	
BIMSTEC	14.44	75.43	2.26	14.44	62.48	25.44	3.11

- In terms of imports in the region, BIMSTEC is an importance source of imports not only to BH and NP but also to SL
- These countries are mainly dependent on IN

Current Status of Trade

Intra-regional trade in BIMSTEC, ASEAN, SAARC



BIMSTEC intra-regional trade in goods has improved over time and accounted for 6% of member states' total trade with the world.

BIMSTEC's intra-regional trade is marginally better than SAARC, and notably less than ASEAN's intra-regional trade

SL's Existing Trading Arrangements



- Currently, SL participates in five trade agreements:
 - South Asian Free Trade Agreement (SAFTA)
 - Asia-Pacific Trade Agreement (APTA)
 - Indo-SL Free Trade Agreement (ISFTA)
 - Pakistan-SL Free Trade Agreement (PSFTA)
 - Sri Lanka-Singapore Free Trade Agreement (SLSFTA)
- On-negotiations with IN and China on comprehensive agreements while BG and some ASEAN countries (TH) have expressed some interest for FTA
- BIMSTEC is one of many regional trade agreements that SL has signed up to
- At present potential benefit from a BIMSTEC agreement to SL is limited to increased market access to TH and MY since SL already has some access to IN, BG, BH, and NP through bilateral and regional trade agreements

Role for BIMSTEC FTA?

- Provisions made under bilateral agreements are much more favorable than SAFTA.
- Both bilateral agreements have given SL greater market access to IN & PK
- Nevertheless, the trade between SL and IN, and SL and PK still occur outside FTAs.
- Although there has been improvement in trade between SL and FTA partners, utilization of agreements has been low.
- ISFTA utilization rate 65% (exports) and 14% (imports) in 2013.
- In this context, BIMSTEC FTA could provide greater access to IN, BH, BG, NP beyond the existing agreements as well as to TH and MY
- **BUT** BIMSTEC Agreement has to be more comprehensive in its coverage of trade and address problems which have limited the use of the existing agreements.

Issues Related to Existing RTAs & Lessons for BIMSTEC

- Negative List - BIMSTEC should be mindful in its approach to liberalisation considering the lessons learnt from the existing FTAs in the region.
- NTMs –These should be identified during negotiations and addressed along with tariff reductions/eliminations.
- Rules of Origin - Relax and simplify so that they are easy for traders to understand and comply
- Mutual Recognition Agreements - MRA should be signed together with the trade agreement specifying the mutually recognized or agreed standards.
- National Consultation

Issues Related to Existing RTAs & Lessons for BIMSTEC

- Institutional support - absence of a fixed body to address problems arising when trading under the agreement is an impediment in using FTAs.
- Trade Facilitation - there is a need to reduce bureaucratic delays and paper work at the border, and upgrade customs procedures.
- Comprehensive Agreement - a comprehensive agreement can address shortcomings of existing agreements to a large extent and boost FDI
- Connectivity - In addition to trade facilitation issues, and weak supply side issues, the full potential of the region will remain largely untapped due to poor connectivity.



Institute of Policy Studies of Sri Lanka

100/2 Independence Avenue,
Colombo 7, Sri Lanka

T: +94 11 2143100

www.ips.lk

 www.ips.lk/talkingeconomics

 [/instituteofpolicystudies](https://www.facebook.com/instituteofpolicystudies)

 [@TalkEconomicsSL](https://twitter.com/TalkEconomicsSL)

**DPG Regional Conference
on Advancing BIMSTEC
Cooperation, Colombo,
August 2-3, 2018**

**Abstract of Discussant's Comment's
by Ambassador Dr. John
Gonneratne, Former Ambassador of
Sri Lanka to Iraq**

Ambassador Dr. John Gonneratne
Former Ambassador of Sri Lanka to Iraq

As a discussant, he said that since he was not a trade specialist, his understanding of the BIMSTEC trade and integration came via reading on the topic. He mentioned that considering that the member states took seven years to sign a framework agreement and spent thirteen years negotiating on the terms of the FTA, a further negotiation process would not be easy for the negotiators.

He said that everyone present at the conference was talking about BIMSTEC as if it was a live entity, but it was not. We should think about it practically and not emotionally. He went on to recall the origin of BIMSTEC as BIMST-EC, comprising of the Bangladesh, India, Myanmar, Sri Lanka and Thailand and said that now BIMSTEC had an enormously fancy title with little known about it. He said that he tried to locate and read about the Bangkok Declaration from the internet but couldn't find any relevant text on google and considering that Bangkok has been initiating all types of other declarations before and after, and they're all there but nothing on the BIMSTEC Declaration. There was a lot of hype that BIMSTEC was up and working but it was something he would like to disagree with.

He then mentioned that Dr. Janaka and others in their presentations spoke about 'trade in BIMSTEC' and that countries are bilaterally trading with each other, but that has nothing to do with BIMSTEC. He requested participants to be very precise in their terminology, as otherwise BIMSTEC would hold a role much wider than it had now. He said that while BIMSTEC had the potential, it was not catching up and talking about it as if it was yielding fruitful results would only heighten expectations, which was wrong.

SESSION 2:

“TRADE AND ECONOMIC INTEGRATION II- Other Issues”

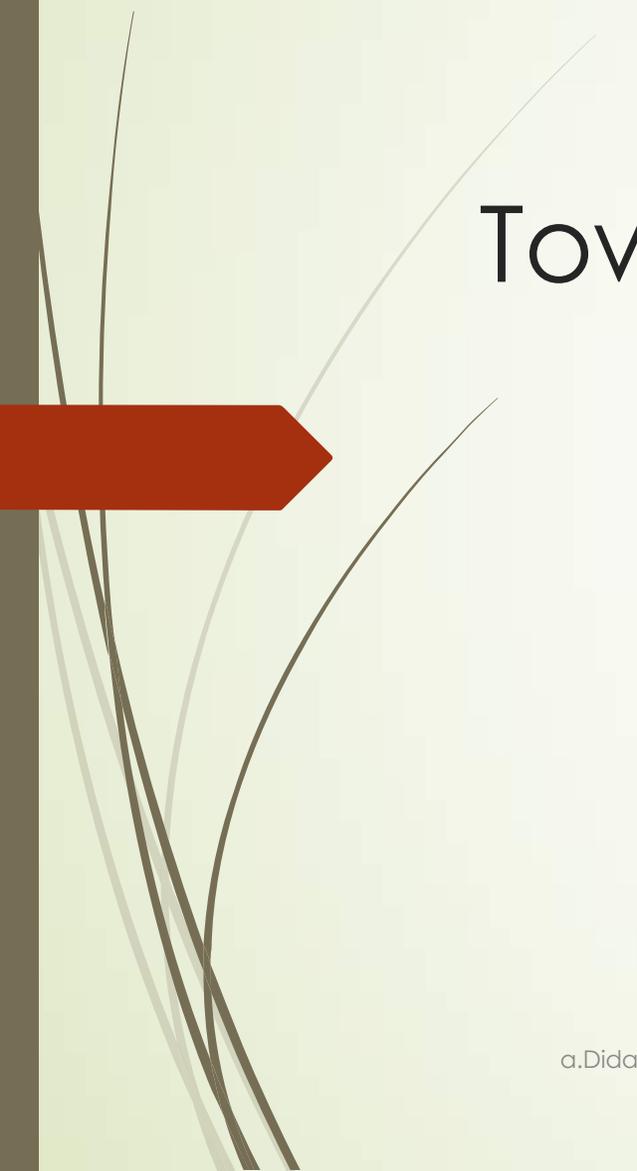
**DPG Regional Conference
on Advancing BIMSTEC
Cooperation, Colombo,
August 2-3, 2018**

**Presentation of Moderator's remarks
by Dr. A. Didar Singh, Senior Fellow,
Delhi Policy Group & Former
Secretary General, FICCI**

Session II: Trade and Economic Integration II

Other Trade Issues

- **Non-Tariff Barriers/ Measures**
- **Customs and Electronic Data Interchange**
- **Banking**
- **Border Trade and Border Infrastructure**
- **Potential impact of trade facilitation**
- **The impact of the BIMSTEC FTA on female livelihood issues**
- **Encouraging women entrepreneurship thru Trade**



Towards Economic Sustainability

Green Logistics



What is Green Logistics?

Green logistics describes all attempts to measure and minimize the ecological impact of logistics activities.

This includes all activities of the forward and reverse flows of products, information and services between the point of origin and the point of consumption.

FINANCIAL BENEFITS

- Lower Cost
- Higher Revenue
- Efficient utilization of assets
- Enhanced customer service
- Competitive advantage

ENVIRONMENTAL BENEFITS

- Waste reduction
- Increased energy efficiency
- Reduced pollution
- Reduced fuel consumption

SOCIAL BENEFITS

- Improved health
- Low traffic congestion
- Improved health
- Reduce community impacts

Implementing Green Logistics thru sharing of best practices

➤ 1. Effective Transportation Management

- Eg. efficient routing & scheduling of vehicles, ensuring full truck loads and optimization of the logistics operation efficiency, thereby saving fuel and increasing profitability.

➤ 2. Technology Solutions

- automation of the logistics processes.

➤ 3. Reverse Logistics

- Greening entire supply chain and proper management of returned goods

➤ 4. Reduced Packaging

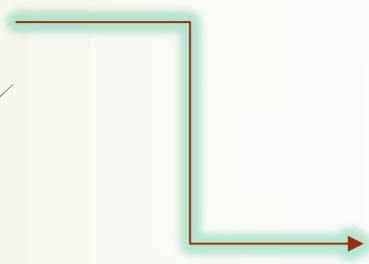
- Eg. Use materials that can be reduced, reused, and recycled!

➤ 5. Preventive maintenance & Damage Analysis

- an efficient warehouse management system and a well managed system for return of damaged products



Towards a better
BIMSTEC.....



**DPG Regional Conference
on Advancing BIMSTEC
Cooperation, Colombo,
August 2-3, 2018**

**Presentation by Mr. Luxman
Siriwardena, Executive Director,
Pathfinder Foundation, Colombo**

Non tariff barriers and measures: why not look beyond for regional economic integration ?

BY: LUXMAN SIRIWARDENA

To ensure consumers being satisfied with diverse quality products at competitive prices,

Producers benefiting from economies of scale from larger regional markets, lowering the average costs of products

Optimal resource allocation due to specialized production.

Most commonly practiced NTBs

- 1) *Effective Rates of Protection (ERPs) and Effective Rates of Assistance (ERAs)*
- 2) *Trade Restrictiveness Index (TRI)*
- 3) *Applied General Equilibrium (AGE) Model Measures*
- 4) *Import licensing*
- 5) *Subsidies and aids*
- 6) *Customs delays*
- 7) *Technical barriers ex: health, and sanitary regulations and quality standards, Advertising and media reg, Safety and industrial standards and Regulations,*
- 8) *Rules for valuation of goods at customs*
- 9) *Pre-shipment inspections*
- 10) *Rules of origin*
- 11) *Countertrade*
- 12) *Border tax adjustments*
- 13) *Countervailing duties*
- 14) *Advance deposit requirement*
- 15) *Prohibitions*
- 16) *16. Government industrial policy and regional*
- 17) *development measures*
- 18) *Competition policies*
- 19) *Foreign Investment Policies*
- 20) *Immigration Policies*
- 21) *Custom classification, clearance and valuation procedures*

Our proposals as a think tank are:

1. Study undertaken to identify by BIMSTEC members for a few measures which will enhance the connectivity and trade with one or more countries rather than addressing broad areas of policy reforms. Such as study could be undertaken, on a bilateral basis or even involving a several BIMSTEC members.
2. Explore the constraints or limitations including the various pressure groups that may raise objections for liberalization of or implementation of identified measures.
3. Promoting and facilitating air connectivity by establishing single window provision of visa clearance for passengers for air travel.
4. Provision of facilitation of ferry services. For example between Sri Lanka and Indian ports to promote tourism and pilgrimages.
5. Promoting & facilitating e-commerce at least for selected products.

Policy Recommendations to minimize adverse impact of NTBs and NTMs.

1. All existing identified NTBs should be subjected to a World Trade Organization Compliance review to ensure that the measure is transparent, non-discriminatory, and minimizes trade restrictiveness.
2. With immediately effect, all proposed new regulatory measures/procedures should be required to be reported to all BIMSTEC Partners in advance to allow time for consultation and review.
3. Prior to any modifications or new technical regulations being announced, the Partner Country of the collective should undertake a **regulatory impact analysis (RIA)**. While the RIA is widely used in developed economies it is rarely undertaken in developing countries. The RIA assesses the likely economic and social impact of a proposed regulation.
4. Partner States should commit to ensuring all existing policies, regulations, administrative procedures, and any related fees and charges relating to the importation and export of goods are readily available through a publicized web site for interest parties to make their suggestions and express their opinions.
5. Partner States and the Secretariat should ensure that the dispute settlement system is in place and ready to address NTBs.

- *Lets be self-critical more pragmatic!*
- *1. how long we have been discussing regional integration?*
- *2. have we been genuinely interested low-tariff, low barrier trade?*
- *3. should we (think tanks/ track II dialogue) waste our scare resources on discussion on big picture issues where we have limited influence ?*
- *4. why not we approach well targeted small steps which will generate more connectivity, free a-trade and movement of people?*

**DPG Regional Conference
on Advancing BIMSTEC
Cooperation, Colombo,
August 2-3, 2018**

**Abstract of Presentation by Mr.
Shiran Fernando, Chief Economist,
The Ceylon Chamber of Commerce,
Colombo**

Mr. Shiran Fernando

Chief Economist, The Ceylon Chamber of Commerce, Colombo

He thanked DPG for inviting him to the conference and said that he would be primarily looking at banking, border trade and border infrastructure in his presentation. He analyzed banking from 3 angles: in terms of financing infrastructure, financing connectivity and the commercial side, like the private banks which then looked to venture out within the region. For example, the operation of Sri Lankan private sector banks in Bangladesh and Myanmar, showed that the banking sector had moved out of the country, improving connectivity platforms and was creating opportunities in terms of establishing business in other neighboring countries as well.

Further, he mentioned the role of the digital aspect in banking which he thought was the number one uncapped potential. There was a lot going on not only in terms of electronic banking but also in terms of payments, in terms of facilitating and in terms of things like blockchain technology coming into banking. The member countries of the BIMSTEC region were looking forward to discussing these. Moving forward, he raised pertinent questions whether the member nations were seeing the big picture on using this technology and facilitating trade in the region? In terms of infrastructure financing from the banking sector, there are some institutional set-ups like the AIIB and the new developmental bank as well. But are these really improving infrastructure or are we still relying on partners like China to fund some of the infrastructure? He said that this needed to be addressed.

Moving to the other aspect which is border trade and border infrastructure, he said that there were a few low hanging fruits and some quick remedies that could be taken on board without looking at the next tumbling box of the FTA. One was clearly the trade-investment nexus, which Sri Lanka already has at the bilateral level, so why not have it at a more regional level – a more concrete one – where you have set guidelines and codified what is the current practice and maybe could promote intra-investment and maybe could use that as a basis to promote free trade investment (FTI) from other regions because if you look at FTI in this region it is quite low relative to what it should be.

Looking at some of the other issues in border trade he said, one aspect has been product diversification. If you look at the goods that have been exported, they are very much limited. It's also in low-tech once again. So, going on to cooperation in terms of technology, why not get cooperation in terms of R &D, in terms of marketing in particular given some of the cottage industries. The last part is on the trade facilitation agreement. He said that we need to look at things like a single-window BIMSTEC, which has been under the cards but still not integrated because these are tools and mechanisms to both increase the interest but also ensure that these interests turn into investment realities.

**DPG Regional Conference
on Advancing BIMSTEC
Cooperation, Colombo,
August 2-3, 2018**

**Presentation Ms. Vidya Nathaniel,
Economics Team Leader, Verite
Research, Colombo**

Addressing compliance related NTBs

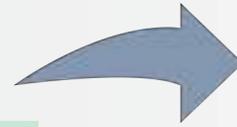
Case Study of Food Trade Between India and Sri Lanka

Non-Tariff Measures vs Non-Tariff Barriers

They are not the same

Non-Tariff Measures (NTMs)
e.g.: Standards, testing, certification

- ✓ Achieve public policy objectives
- ✓ Allowed by WTO
- ✓ All exporters must comply with importing country NTMs



NTMs become Non-Tariff Barriers (NTBs) to trade when:

- × Imposed only on imported products
- × Updated and reliable information is not easily accessible
- × Time and cost taken is unreasonable

Structure

Focus on food trade between India and Sri Lanka

Current status and issues

Lessons from other jurisdictions

Measures to be taken to address barriers arising through CAPs

The way forward

MRA as a feasible option and challenges

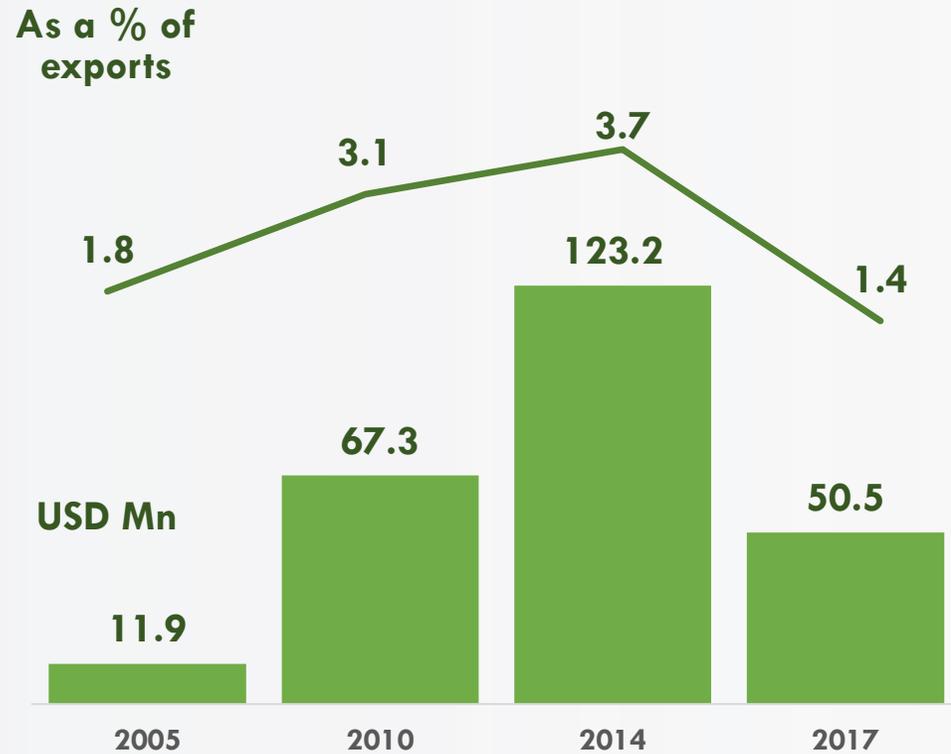
Food Trade Between India and Sri Lanka

Current status and issues

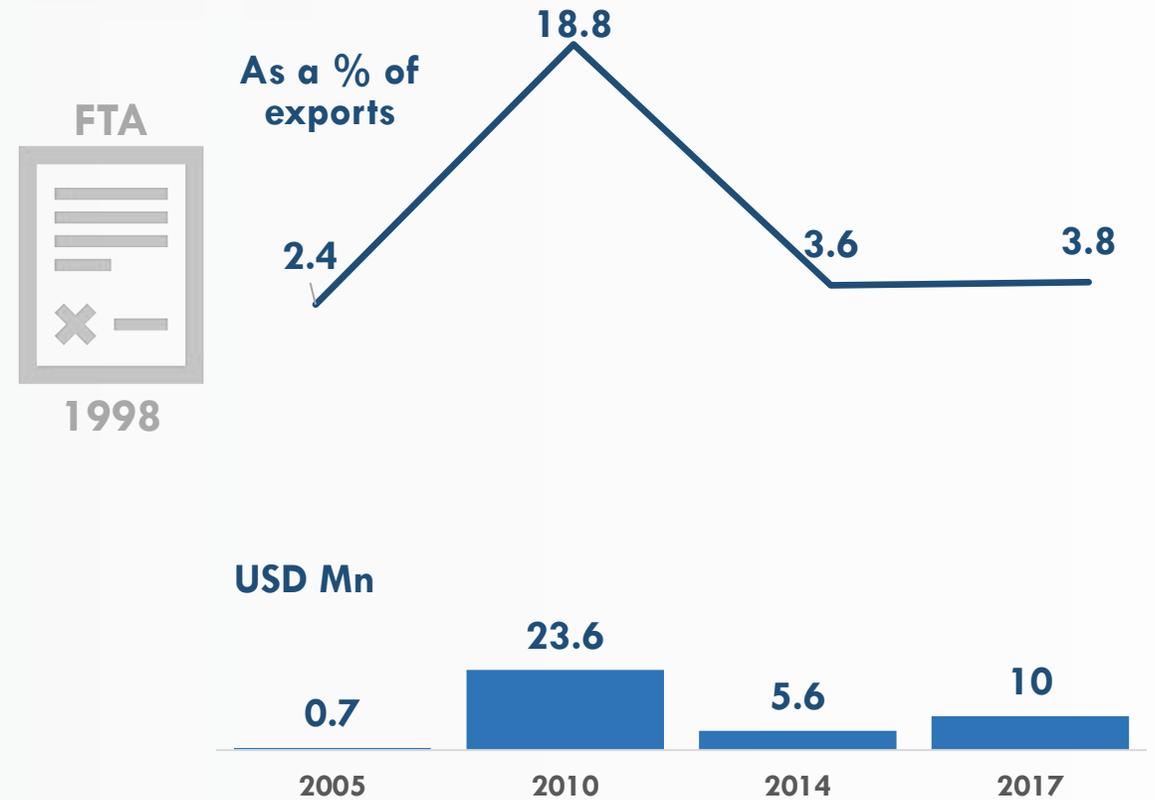
Why India?

Despite FTA, NTBs prevent expansion of trade

INDIA'S EXPORTS TO SRI LANKA (HS 16-21)



SRI LANKA'S EXPORTS TO INDIA (HS 16-21)



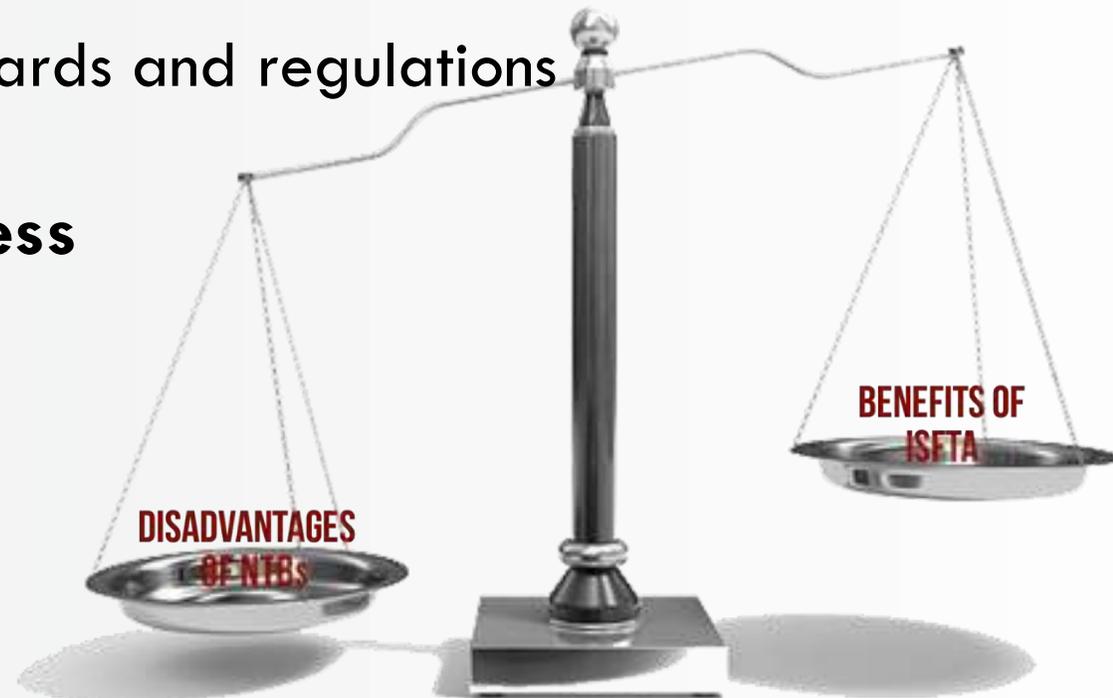
Exporting to India

More trouble than it's worth?

NTBs preventing export to India:

- Quotas
- Import permit requirements
- Labelling requirements
- Cost and time taken to comply with standards and regulations

**ISFTA does not have provisions to address
NTBs faced by exporters**



Compliance related NTBs in India

The process involved in assessing compliance results in:



DELAYS



COST



UNCERTAINTY



Delays

- No. of days to obtain laboratory reports and release goods
- Problems for products with limited shelf life





Cost

- Cost of testing samples
- Demurrage and storage costs
- Excessive sampling





Uncertainty

- Unaware of when goods will be released
- Lack of clarity with regard to reason for hold up
- Difficulty in retaining Indian buyers



Acceptance of compliance related certification

Benefits to Indian exports not reciprocated

Sri Lankan exporters are subject to further checks and assessment as India does not accept third party or exporting country certification

	Voluntary Acceptance of Third Party Certification	Agreement Between SLSI and EIC (2002)
Sri Lankan exporters to India	No	No
Indian exporters to Sri Lanka	Yes	Yes

Agreement between EIC and SLSI - 2002

EIC

- 1 EIC shall operate export inspection and certification scheme for each product providing for:
 - a) Consignment wise inspection
 - b) Quality assurance system based certification
 - c) Food safety management system based certification

to ensure that products exported to Sri Lanka conform to prescribed Sri Lanka Standards and any other Regulations applicable.

SLSI

1. SLSI will recognise EIC to provide export inspection and certification of products covered under the Agreement so that the Certificates of Inspection issued under EIC's system are accepted by Sri Lanka reducing its requirement of inspection on arrival (the level to be agreed from time to time).

Lessons from Other Jurisdictions

*Measures taken to reduce compliance
costs & facilitate trade*

International best practices

Measures taken by other countries in similar situations

Measures to reduce cost of compliance (time and money)

**Voluntary
acceptance of
certification**

**Harmonisation
of standards**

**Mutual
recognition of
conformity
assessment**

**Equivalence
Agreements**

**Accreditation
of foreign
manufacturer**

Mutual Recognition Agreement (MRA) in Conformity Assessment Procedures (CAPs)

Lessons from other Countries

- Agreement between trading partners to mutually accept certificates on conformity issued by recognized accredited and competent authorities in the partner country
- Allows both countries to keep their own standards (no harmonization)
- Only requires importing country to accept certificates stating that the product meets with “Importing Country Standards”

MRA in CAPs do?

How does it work?

	Sri Lanka	India
Current method		 Testing + Checking
Proposed method	 Testing + Checking	 Accepts certificates without further checking

MRA in CAPs

Benefits and limitations

Benefits

- Reduce time and costs
- Improve predictability and precision in moving goods
- Increase transparency
- Build confidence between conformity assessment bodies of both countries

Limitations

- Does not challenge prevailing standards/ tests required by the importing country (shifts responsibility)
- Therefore, if the standard itself or the tests required is questionable and unreasonable, MRA on CAPs will not address that problem

Mutual Recognition Agreements (MRA)

A feasible way forward?

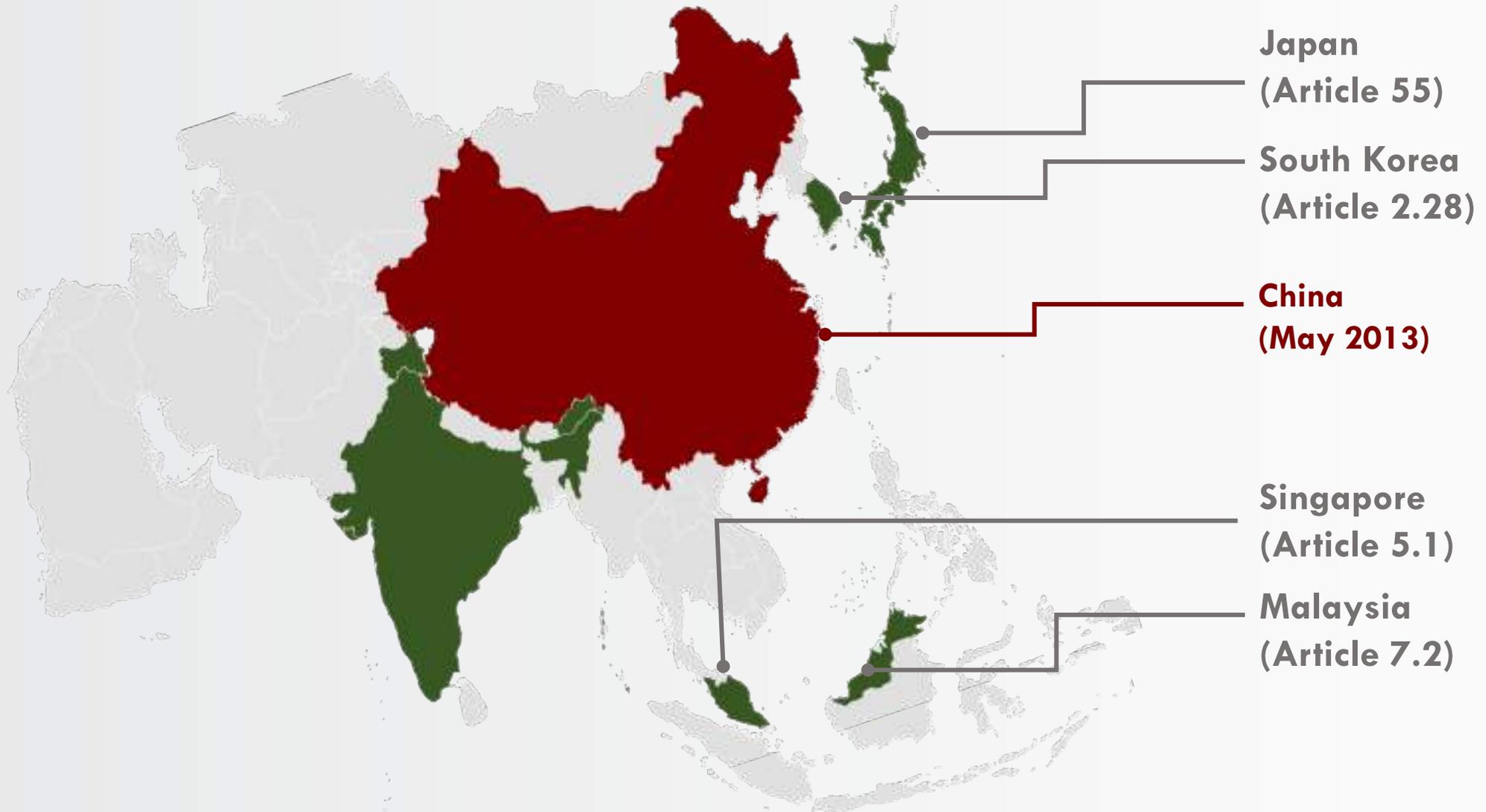
Entering into a MRA – way forward

To facilitate trade with India

- India is already familiar with MRA – has entered into MRAs in CAPs with countries with or without FTAs
- Sri Lanka already has a FTA for trade in goods with India – not necessary to tie it in with a more comprehensive agreement

India's experience with MRAs

New trade agreements have provisions to enter into MRAs



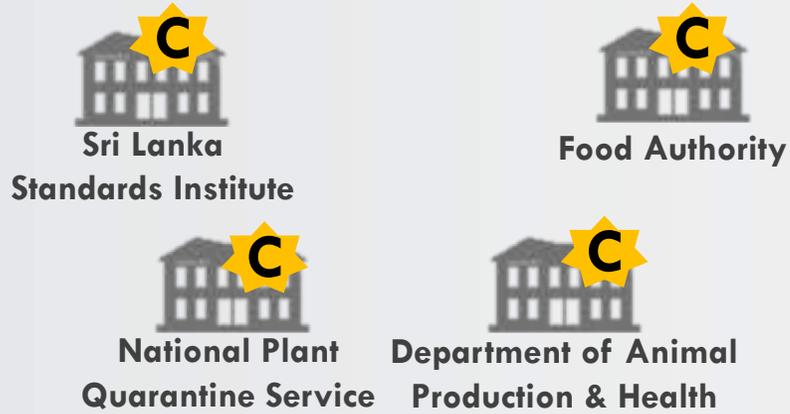
Challenges

Confidence in Conformity Assessment Bodies

- 1** Confidence and Capacity in terms of Accreditation
 - Legislation to make accreditation to be a mandatory feature for CABs
 - Ensure that the National Board of the country to have the capacity to accredit CABs to test for standards
- 2** Developing confidence and capacity in the CABs
 - Location of the CABs
 - Identify gaps in existing facilities, assess feasibility of investment in such facilities, and invest accordingly
- 3** Possibly move towards an Export Inspection Body – similar to the Export Inspection Council maintained by India

A comprehensive MRA

SRI LANKA



INDIA



MRA – is not a solution specific to trade with India

Asia-Pacific Trade Agreement (APTA)
Global System of Trade Preferences (GSTP)
South Asian Free Trade Area (SAFTA)
SAARC Agreement on Trade in Services
Bay of Bengal Initiative for Multi-Sectoral Technical
and Economic Cooperation (BIMSTEC)
Indo-Sri Lanka Economic and Technology
Cooperation Framework Agreement (ETCA)
India-Sri Lanka
Pakistan-Sri Lanka
Singapore-Sri Lanka
Sri Lanka-Iran
China – Sri Lanka



Thank you

**DPG Regional Conference
on Advancing BIMSTEC
Cooperation, Colombo,
August 2-3, 2018**

**Presentation by Mrs. Seevali
Wijewantha, Assistant Director,
Department of Commerce, Sri Lanka**

Non-Tariff Measures/ Barriers

Department of Commerce

Background

“Domestic Trade Politics have become more difficult and trade deals have become more complex because the nature of obstacles to trade has evolved. We no longer negotiating just the reduction of tariffs, but also of non-tariff barriers, which have gained enormous importance.
(Pascal Lamy, Former Director General of the WTO)

Trade policies and regulations in international trade grow more complex and complicated over a period and restricted market access particularly for developing countries in a great extent beyond tariff liberalization programs and preferential trading arrangements.

Under GATT, countries applied and imposed divers array of policies with protectionist intentions to substitute tariff reduction.

NTM contains which are by, a detailed classification for better understanding the various forms of NTMs.

Compliance of these measures become an burden for the developing countries. Effective trade liberalization required that not only tariff barriers had to be reduced, but also agree on multilateral disciplines to address these policies & regulations.

- Understanding of uses and effects of these trade policies and regulations which are commonly known as Non-Tariff Measures (NTM) and Non-Tariff Barriers (NTB) become vital for actual trade liberalization under Multilateral Trading System.
- Properly Addressed NTMs should ,
 - Not raise trade cost un-necessarily
 - Do not effect in ways unfavorable to Developing Countries
 - Sustain & Support development objectives/agenda

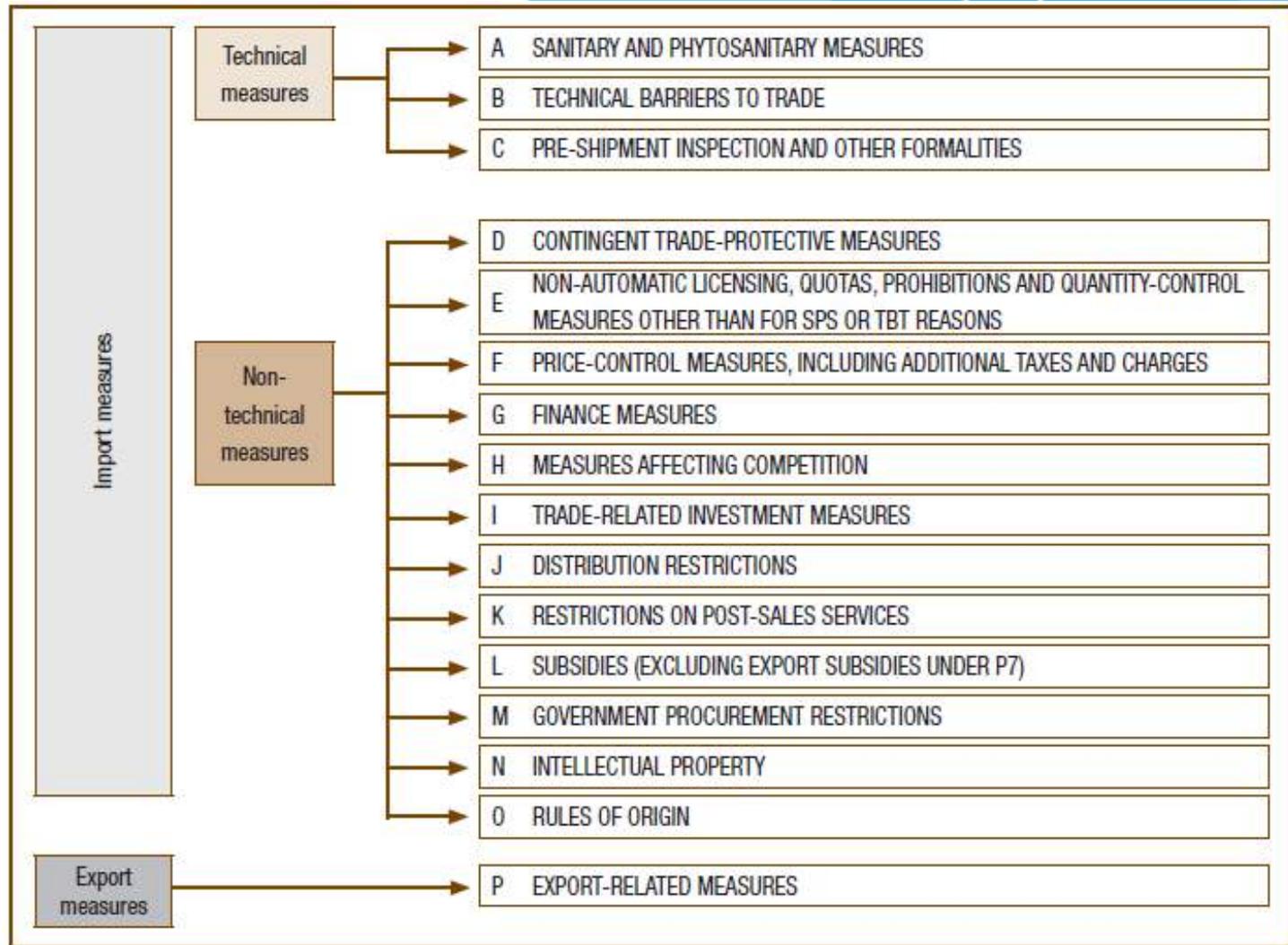
What is NTM/ NTB

There is no agreed definition in the WTO for NTM or NTB, However literature reviews in UNCTAD describes

NTM as a Policy measures, other than ordinary customs tariffs, that can potentially have an economic effect on international trade in goods, changing trading quantities or prices or both.

NTB as also a Policy measures that surely affect on trading quantity and prices and have proven discriminatory effects against trading partners.

International Classification of NTM (UNCTAD)



Imposition of NTMs

Selected search criteria

Measures: Sanitary and Phytosanitary [SPS] [A], Technical Barriers to Trade [TBT] [B], Pre-shipment inspection [INSP] [C], Contingent trade protective measures [CTPM] [D], Quantity control measures [QC] [E], Price control measures [PC] [F], Other measures [OTH] [G,H,I,J,K,L,M,N,O], Export-related measures [EXP] [P]

Country(ies) imposing: Any

Partner(s) affected: Any [Include the category "All partners"]

Date(s): 24/07/2018 [in force]

Product(s): Any

Reset to defaults

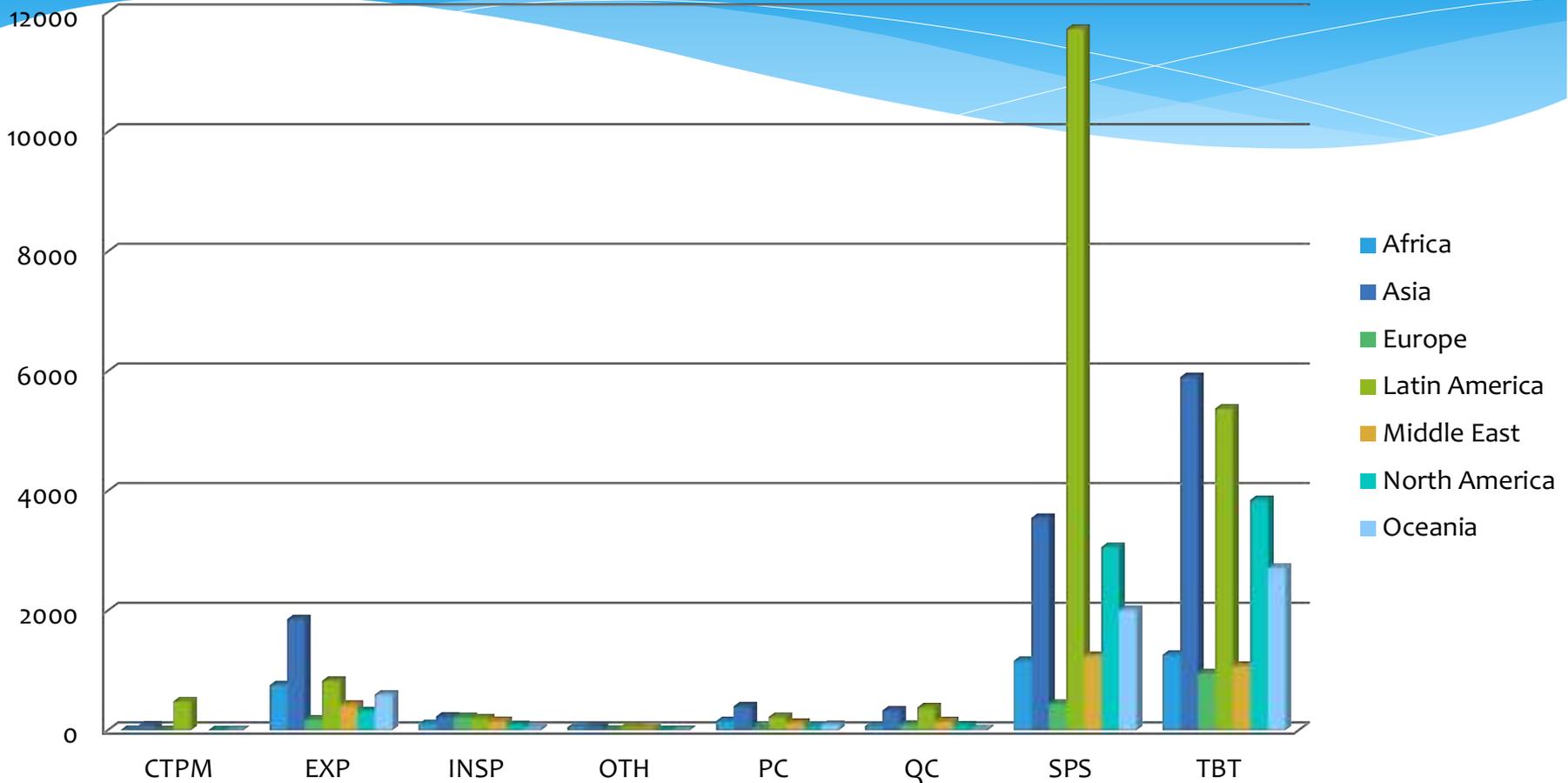
Modify

Search result

 Numbers cannot be compared

NTM Code	Description	AFRICA	ASIA	EUROPE	LAC	MIDDLE EAST	NORTHERN AMERICA	OCEANIA
▶ A	Sanitary and Phytosanitary	<u>1161</u>	<u>3549</u>	<u>443</u>	<u>11726</u>	<u>1241</u>	<u>3062</u>	<u>2011</u>
▶ B	Technical Barriers to Trade	<u>1261</u>	<u>5903</u>	<u>952</u>	<u>5377</u>	<u>1076</u>	<u>3849</u>	<u>2715</u>
▶ C	Pre-shipment inspection	<u>102</u>	<u>229</u>	<u>222</u>	<u>200</u>	<u>155</u>	<u>85</u>	<u>34</u>
▶ D	Contingent trade-protective measures	<u>6</u>	<u>80</u>	<u>2</u>	<u>480</u>		<u>1</u>	<u>2</u>
▶ E	Quantity control measures	<u>70</u>	<u>331</u>	<u>91</u>	<u>382</u>	<u>151</u>	<u>78</u>	<u>19</u>
▶ F	Price-control measures	<u>153</u>	<u>401</u>	<u>35</u>	<u>222</u>	<u>125</u>	<u>59</u>	<u>87</u>
▶ G,H,I,J,K,L,M,N,O	Others	<u>49</u>	<u>68</u>	<u>8</u>	<u>52</u>	<u>33</u>	<u>3</u>	<u>4</u>
▶ P	Export-related measures	<u>752</u>	<u>1857</u>	<u>179</u>	<u>827</u>	<u>427</u>	<u>317</u>	<u>595</u>

NTM imposed by Countries in the World



CTPM-Contingent trade protective measures

INSP- Pre-shipment inspection [INSP] [C]

PC - Price control measures [PC] [F]

SPS -Sanitary and Phytosanitary [SPS] [A]

EXP- Export-related measures [EXP] [P]

OTH -Other measures [OTH] [G,H,I,J,K,L,M,N,O]

QC -Quantity control measures [QC] [E]

TBT -Technical Barriers to Trade [TBT] [B]

Why countries impose NTM/NTB

- To Protect consumers (SPS TBT)
- Protect the environment (SPS TBT)
- Regulate domestic markets (Pricing, Licenses)
- Protect domestic firms (AD, subsidies, quotas)
- Avoid unintended spillovers (ROO)

Key Initiatives To Address NTM in Multilateral Level

- MFN Requirement
- TBT & SPS Agreement
- TRIMs Agreements
- Trade Facilitation Agreement (TFA)
- Agreement on Anti-Dumping & Subsidies and Countervailing Measures (SCM)
- Agreement on Customs Valuation
- Import Licensing Agreement
- Agreement on Licensing
- Agreement on Safeguard
- Agreement on Rules of Origin
- Agreement on Government procurement
- Agreement on Trade on Services
- Agreement on Trade Related Intellectual Property

NTMs Effect on Developing countries and LDCs

NTMs pose a particular challenge for LDCs for two reasons,

- NTMs tend to be more prevalent in products that are naturally exported by LDCs Ex. Agriculture, Textiles and Apparel.
- NTMs can have a potentially distortionary effect
Ex. Even though, Standards such as SPS and TBTs are generally applied to imports in a non-discriminatory manner, the costs related to such measures are often asymmetrical because their compliance depends on technical know-how, production facilities, and infrastructural base which are usually available in developed and emerging markets, is lacking in many LDCs (Athukorala and Jayasuriya, 2003)

DATA Availability & Transparency

The main source of Data on NTM is Trade Analysis and Information System (TRAINS) data base by UNCTAD

- <http://trains.unctad.org>
- World Integrated Trade Solution (WITS)
 - <https://wits.worldbank.org>
- Integrated Trade Intelligence Portal (I-TIP) UNCTAD
 - <https://i-tip.unctad.org/>
- WTO Notifications
 - <https://docs.wto.org>

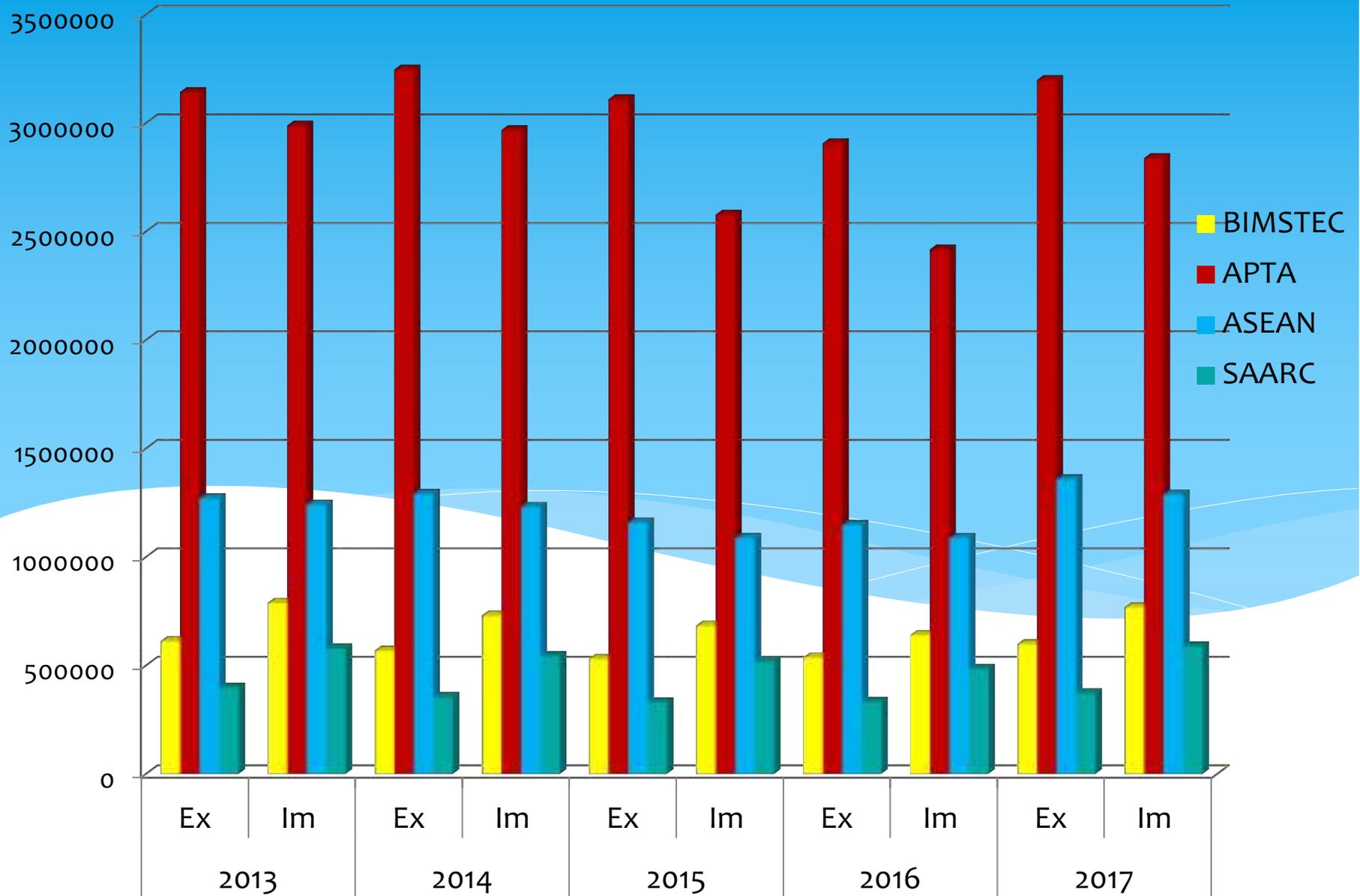
BIMSTEC & NTM

Draft Agreement on Trade In Goods of the framework Agreement on the BIMSTEC Free Trade Area

ARTICLE 13 Address Non-Tariff Measures

1. The Parties shall neither adopt nor maintain any prohibition, restriction, on the import of any originating goods of the other Parties or on the export or sale for export of any originating goods destined for the territories of the other Parties, except in accordance with Articles XI, XII, XIII and XVIII of GATT 1994.
2. Each Party shall ensure the transparency of its non-tariff measures taken pursuant to Paragraph 1 and shall ensure that such measures are not , adopted or applied with a view to or with the effect of creating unnecessary obstacles to trade among the Parties.
3. An exporting Party may notify to the importing Party the non-tariff measures, if any, it considers as trade restrictive and not consistent with the WTO Agreement with a view to eliminating them within a mutually agreed timeframe. Once the timeframe has been agreed upon, the Parties concerned shall notify such agreed timeframe to the other Parties.

RTA Aggregation of Trade (USD Mn)



NTMs imposed by India

Measure	No. of Measures
Contingent trade protective measures	66
Export-related measures	32
Other measures	7
Pre-shipment inspection	2
Price control measures	11
Quantity control measures	30
Sanitary and Phytosanitary	72
Technical Barriers to Trade	46

Source: <http://trains.unctad.org>

NTMs imposed by Thailand

Measures	No. of Measures
Export-related measures	90
Other measures	01
Pre-shipment inspection	07
Price control measures	19
Quantity control measures	35
Sanitary and Phytosanitary	430
Technical Barriers to Trade	506

Source: <http://trains.unctad.org>

NTMs imposed by Sri Lanka

Measures	No. of Measures
Export-related measures	55
Other measures	01
Pre-shipment inspection	04
Price control measures	07
Sanitary and Phytosanitary	56
Technical Barriers to Trade	67

Source: <http://trains.unctad.org>

NTMs imposed by Myanmar

Measure	No. of Measures
Export-related measures	35
Other measures	01
Pre-shipment inspection	02
Price control measures	13
Quantity control measures	05
Sanitary and Phytosanitary	75
Technical Barriers to Trade	41

Source: <http://trains.unctad.org>

NTMs imposed by Nepal

Measure	No. of Measures
Export-related measures	19
Other measures	05
Price control measures	05
Quantity control measures	02
Sanitary and Phytosanitary	118
Technical Barriers to Trade	130

Source: <http://trains.unctad.org>

Contact : Department of Commerce
fortrade@doc.gov.lk
011-2329733

Thank you

**DPG Regional Conference
on Advancing BIMSTEC
Cooperation, Colombo,
August 2-3, 2018**

**Abstract of Presentation by Ms. Jayani
Ratnayake, Economist, Economic
Intelligence Unit, The Ceylon Chamber
of Commerce, Colombo**

Ms. Jayani Ratnayake

Economist, Economic Intelligence Unit, The Ceylon Chamber of Commerce, Colombo

She thanked the DPG for the opportunity to present at the conference. She based her remarks on the practical aspects of the non-tariff barriers. She said that in the first panel, there were eminent panelists making comments about whether the time is right for BIMSTEC to get into the next level of free trade agreement. That's because there was little progress being made at the multilateral level and many countries were now short-circuiting the system to form a powerful trading alliance that could give better outcomes than what could be raised in a multilateral forum. However, there are also other types of progress that were being achieved in a multilateral setting. For example: there was a trade facilitation agreement that was signed and came into effect in 2017.

So, concerning those kinds of measures, there were two aspects to it, one was non-tariff measures that could come to play due to duty inefficiencies within the border and the other was, barriers that came into play due to practices that were adopted by governments beyond the border. So, when you look at within the border, certain measures and commitments that were there on the trade facilitation agreement will definitely help out most member countries and address some of the issues at the border-level that can bring a real facilitation to member countries within borders and eliminate some of the non-tariff barriers around there.

Non-tariff measures are always inter-woven and are the tip of the iceberg which is under the water, so the practice of regional trade agreements or partnerships has proven that it is real easy exercise to eliminate tariffs, but the most difficult part is to find feasible solutions, to find effective ways of integrating non-tariff barriers. Take the example of Sri Lanka, which has signed three trade agreements, with India, Pakistan and Singapore. But none of these three FTA have an MRA agreement in place, although the third one has a provision of MRA. Why is it so difficult to come to a solution like signing an MRA to an agreement?

Further, she explained her point practically and said that when you take the example of Sri Lanka and India, Sri Lanka has more than 7500 tariff lines at an 8-digit level and India has close to 11,500 tariff lines at an 8-digit level. Hence, when you look at that sort of coverage of goods in an FTA, it requires the two countries to do a very long negotiating process and understand what sort of MRA needs to be worked out for different types of goods that are covered in an agreement.

So, even with the renegotiation of the existing I-S FTA, Sri Lanka and India will still be struggling to find a feasible solution to enter into an MRA. So, within the BIMSTEC context, where we have so many countries involved with different economic levels, where there is so much of an asymmetry, in the middle of economic development, so then it will require a very strong commitment from the BIMSTEC members to really find a feasible solution to work-out NTB's and then also to find a way to help other countries, who are less developed and have a fresh start approach to really building a goods based value-system to eliminate some of these non-tariff barriers which could really kindle the potential that BIMSTEC could bring to the member countries.

SESSION 3:

“TRANSIT AND MULTIMODAL CONNECTIVITY”

**(ROADWAYS, WATERWAYS,
RAILWAYS AND AVIATION)**

**DPG Regional Conference
on Advancing BIMSTEC
Cooperation, Colombo,
August 2-3, 2018**

**Abstract of Moderator's Remarks by
Dr. Dayaratna Silva, National
Project Coordinator, EU-Sri Lanka
Trade Related Assistance, Colombo**

Dr. Dayaratna Silva

National Project Coordinator, EU-Sri Lanka Trade Related Assistance, Colombo

He thanked the DPG for inviting him to moderate the challenging topic. He said that the panelists in the inaugural session highlighted a couple of points on why connectivity was important for the region. But suffice to say, within the member countries in the BIMSTEC region, there was a significant growth-rate in facilitating the connectivity, infrastructure development, roadways and transport mechanisms, etc.

So, in this regard, he recalled that at the Goa Retreat of the BIMSTEC leaders, they gave a clear political mandate for the much-needed political direction for seeking greater connectivity between South and South-East Asia. Some of the proposals in that retreat, which were documented very clearly, were to develop and advance the multimodal digital connectivity in the BIMSTEC region, to prepare the Master Plan for the BIMSTEC Connectivity and to conclude the BIMSTEC Coastal Shipping Agreement.

Furthermore, he recalled that during the past year, at the BIMSTEC Ministerial meeting in Kathmandu progress was made on a joint statement on connectivity. He said that this was a softer aspect of connectivity. The political commitment on enhancing connectivity would be translated into a concrete outcome through the conclusion of an Agreement on the Enhancement of Grid Connectivity and forthcoming BIMSTEC Summit in Kathmandu. He also said that members of the BIMSTEC Countries shared similar thoughts on some of the agreements and thus, some agreements were also in the process of implementation.

**DPG Regional Conference
on Advancing BIMSTEC
Cooperation, Colombo,
August 2-3, 2018**

**Presentation by Prof. Prabir De,
Research and Information System
for Developing Countries, New Delhi**



BIMSTEC



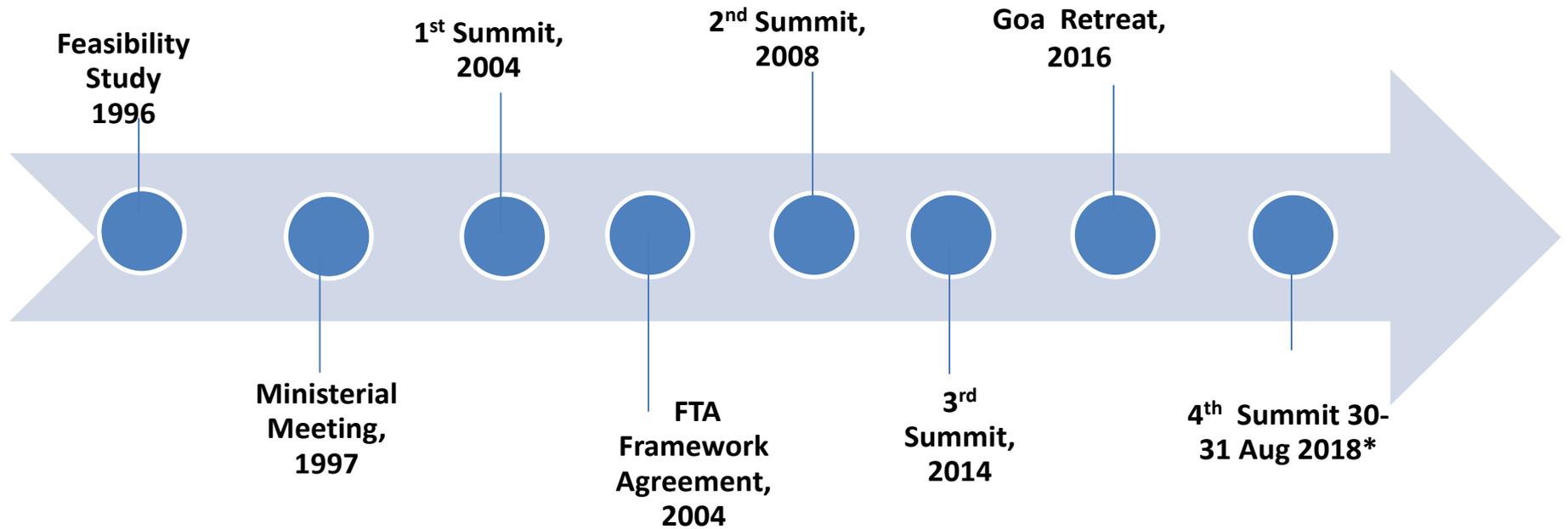
**Regional Conference on
Advancing BIMSTEC
Cooperation, Taj Samudra,
Colombo, 2-3 August 2018**

Transit and Multimodal Connectivity in BIMSTEC: Dealing the Challenges

**Prabir De
RIS, New Delhi**

2 August 2018, Taj Samudra, Colombo

BIMSTEC: major milestones crossed



*To be held at KTM

Goa Retreat 2016 – leaders extended much needed political direction to BIMSTEC

- In the Goa Retreat in October 2016, the Leaders of BIMSTEC have given the following directions:
 - to seek greater physical and economic connectivity between South and South East Asia.
 - to advance multi-modal physical connectivity (air, rail, roads and waterways) in the BIMSTEC region
 - to prepare a Master Plan for BIMSTEC Connectivity.
 - to conclude BIMSTEC Coastal Shipping Agreement.
 - to explore the possibility of having a BIMSTEC Motor Vehicle Agreement.



Connectivity Initiatives

Connectivity Initiatives

Beyond
ASEAN
region

BIMSTEC

Mekong +

**APEC
Connectivity**

**ASEM
Connectivity**

**Belt Road
Initiative**

**Indo-
Pacific**

Cooperation and Partnership

ASEAN

**APT
Connectivity**

**Master Plan
on ASEAN
Connectivity
2025**

**EAS on
ASEAN
Connectivity**

Within
ASEAN
region

GMS

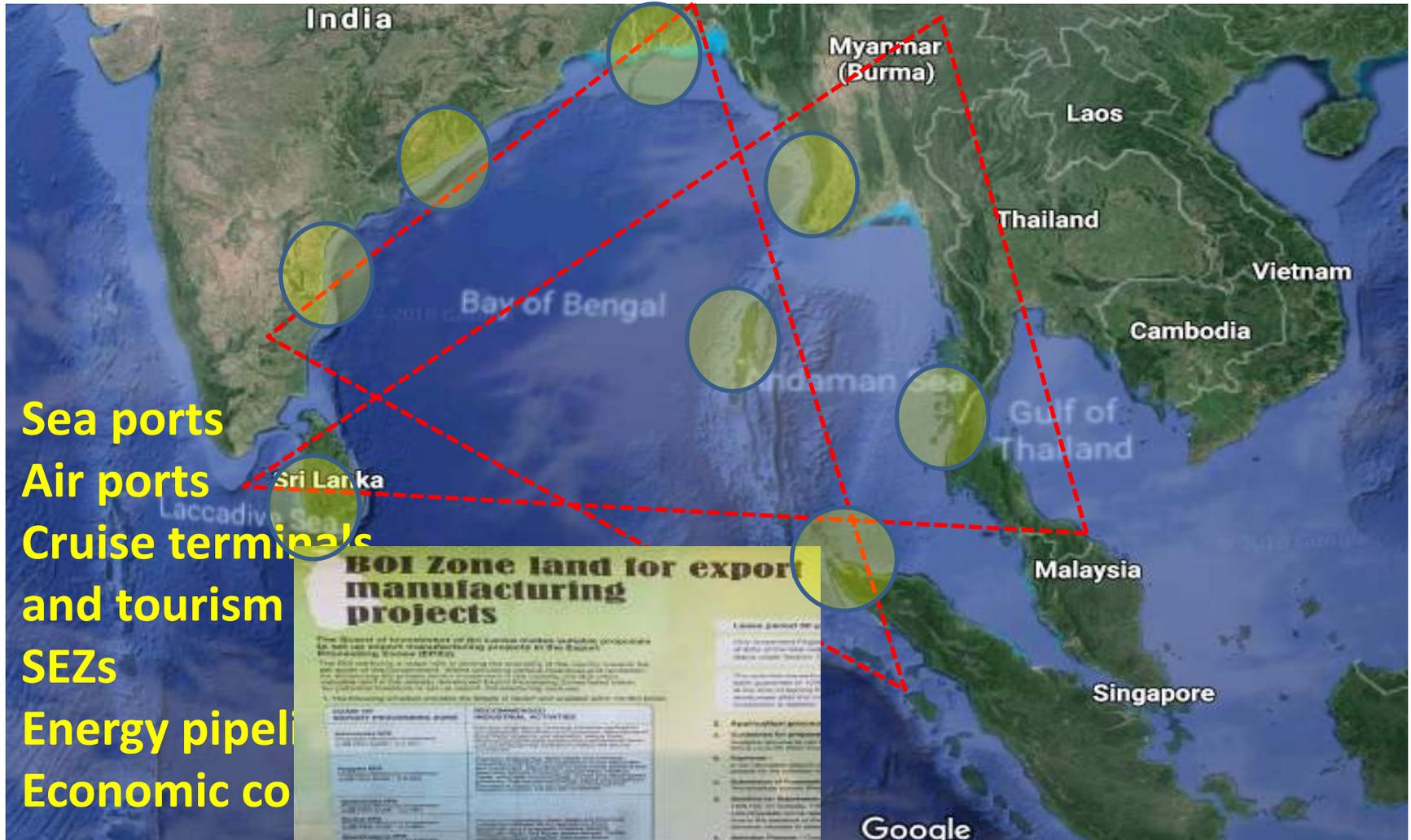
IMT-GT

**BIMP-
EAGA**

CLMVT

National and Sub-National Undertakings

Most happening place in Asia-Pacific / Indo-Pacific: Bay of Bengal



Need a transformed trade facilitation

- Tariffs are (often) already low and getting lower. But, trade liberalisation in a reverse direction in recent months.
- Trade flows increasingly associated with regional/global production networks
 - Predictability / timeliness is essential
 - High import content of exports
- Rise in trade in creative goods and services, IT services, a.o.
- Differentiated logistics services (e.g. Economic Corridor, Express Delivery services, etc.)
- Supply chain security initiatives
- Trade facilitation standards and certification
- Easier and cheaper trade procedures important for implementation of SDGs
- WTO TFA a new baseline for TF, but BIMSTEC needs a Regional trade facilitation arrangement to strengthen economic integration

Transition of BIMSTEC connectivity

Connectivity	Focus	Agreement
1997- 2005	<ul style="list-style-type: none"> •Road and rail connectivity •Border development 	<ul style="list-style-type: none"> •Asian Highway •Trans-Asian Railway
2006 - 2011	<ul style="list-style-type: none"> •Corridors •Road, rail and waterways •Customs cooperation 	<ul style="list-style-type: none"> •E-customs •BTILS
2011 - 2014	<ul style="list-style-type: none"> •Digital connectivity •Border development •Customs cooperation 	<ul style="list-style-type: none"> •ICP •Border haats •E-customs
2015 – Till date	<ul style="list-style-type: none"> •Corridors •Digital connectivity •Paperless trade •Coastal shipping + IWT 	<ul style="list-style-type: none"> •BBIN MVA •UNESCAP paperless trade agreement •IBCSA •BIMSTEC MVA* •BIMSTEC CSA*

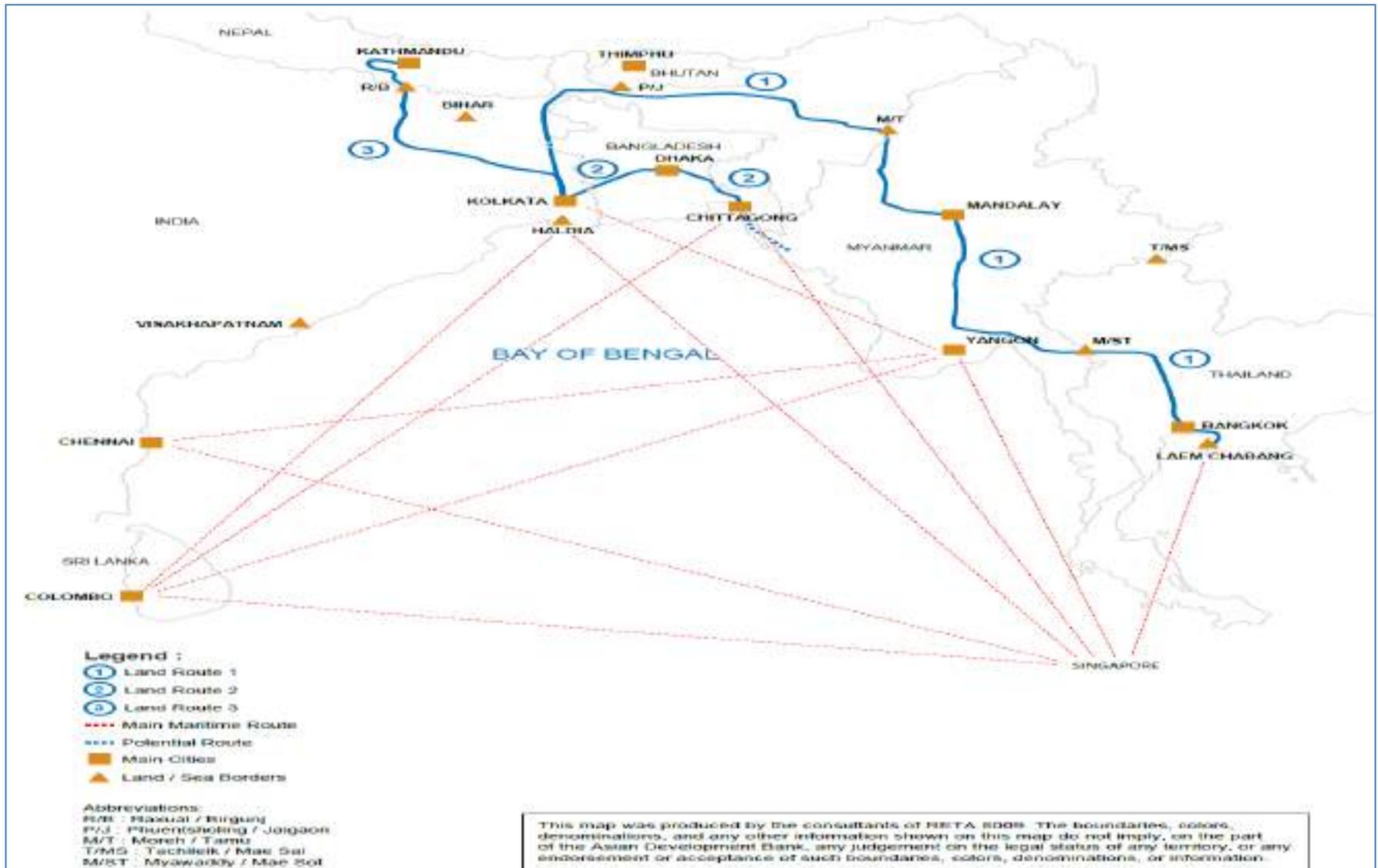
India's recent initiatives in connectivity

1. Single market through GST and transparency
2. Customs single window (SWIFT), AEO, a.o.
3. Ratification of TIR convention
4. Ratification of WTO TFA
5. Improved services and information for traders (Trade portals; Trade facilitation committees)
6. Synchronization of border (24x7 Petrapole-Benapole border)
7. Acceptance (and on-arrival) of visa at Myanmar-India border
8. Improved banking and payment system
9. Strong security establishment
10. Enhanced construction on corridors

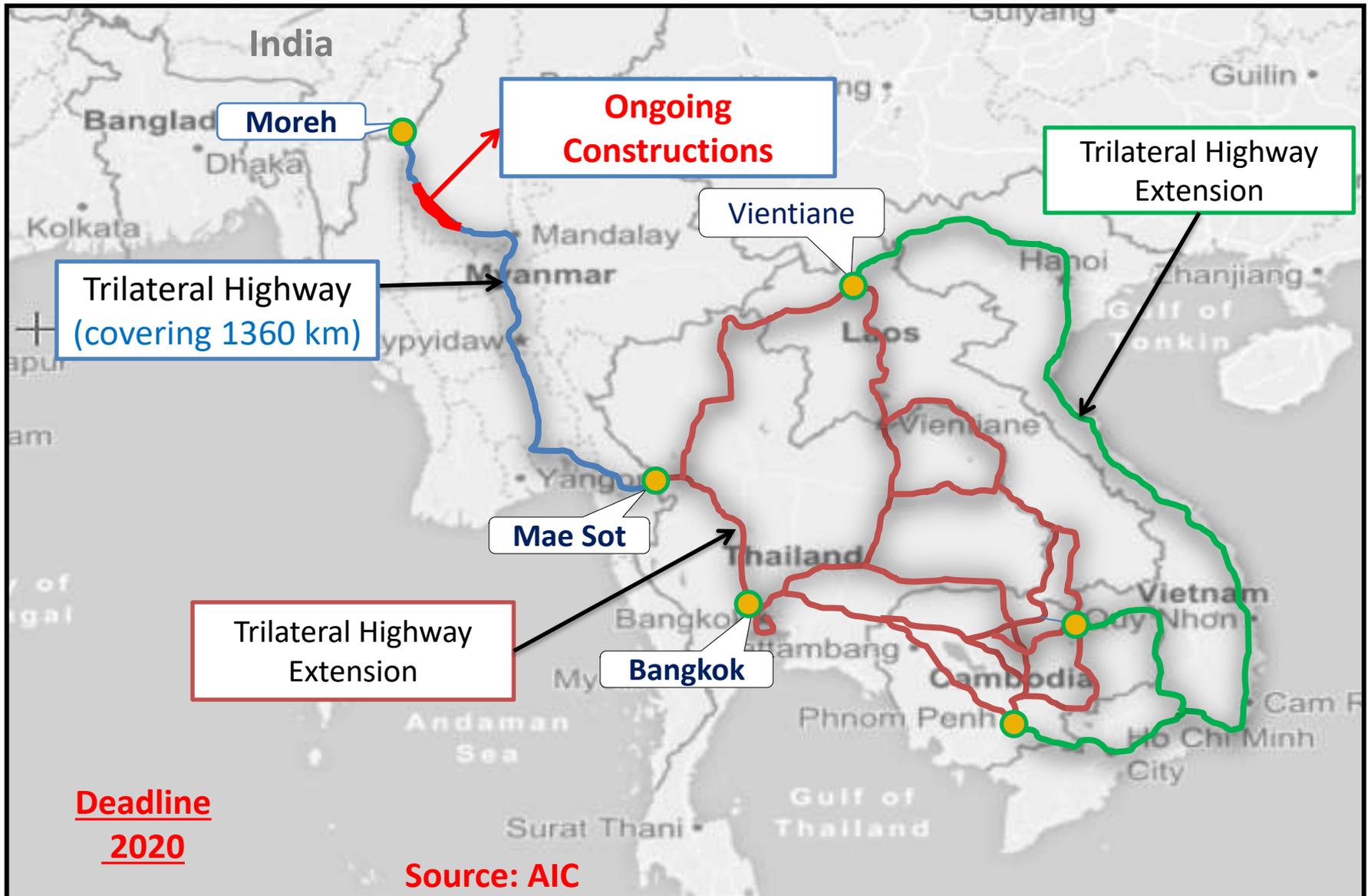
BIMSTEC yet to witness major progress in regional connectivity

- ADB has already finished the project so called BIMSTEC Transport Infrastructure and Logistic Study (BTILS). BTILS Updating completed in July 2014 by ADB
- Updated BTILS: Road projects: 74; Railway projects: 34; Maritime projects: 22; IWT projects: 3; Aviation projects: 21; Trade facilitation projects: 13
- Three major surface routes identified:
 - Route 1: Kolkata – Siliguri – Guwahati – Imphal - Moreh/Tamu – Mandalay – Bago -Myawaddy/Mae Sot – Tak – Bangkok - Laem Chabang;
 - Route 2: Kolkata - Petrapole/Benapole – Jessore - Dhaka - Chittagong; and
 - Route 3: Kolkata – Raxaul/Birgunj - Kathmandu.
- BIMSTEC Connectivity Master Plan getting ready by ADB

BIMSTEC key trade routes



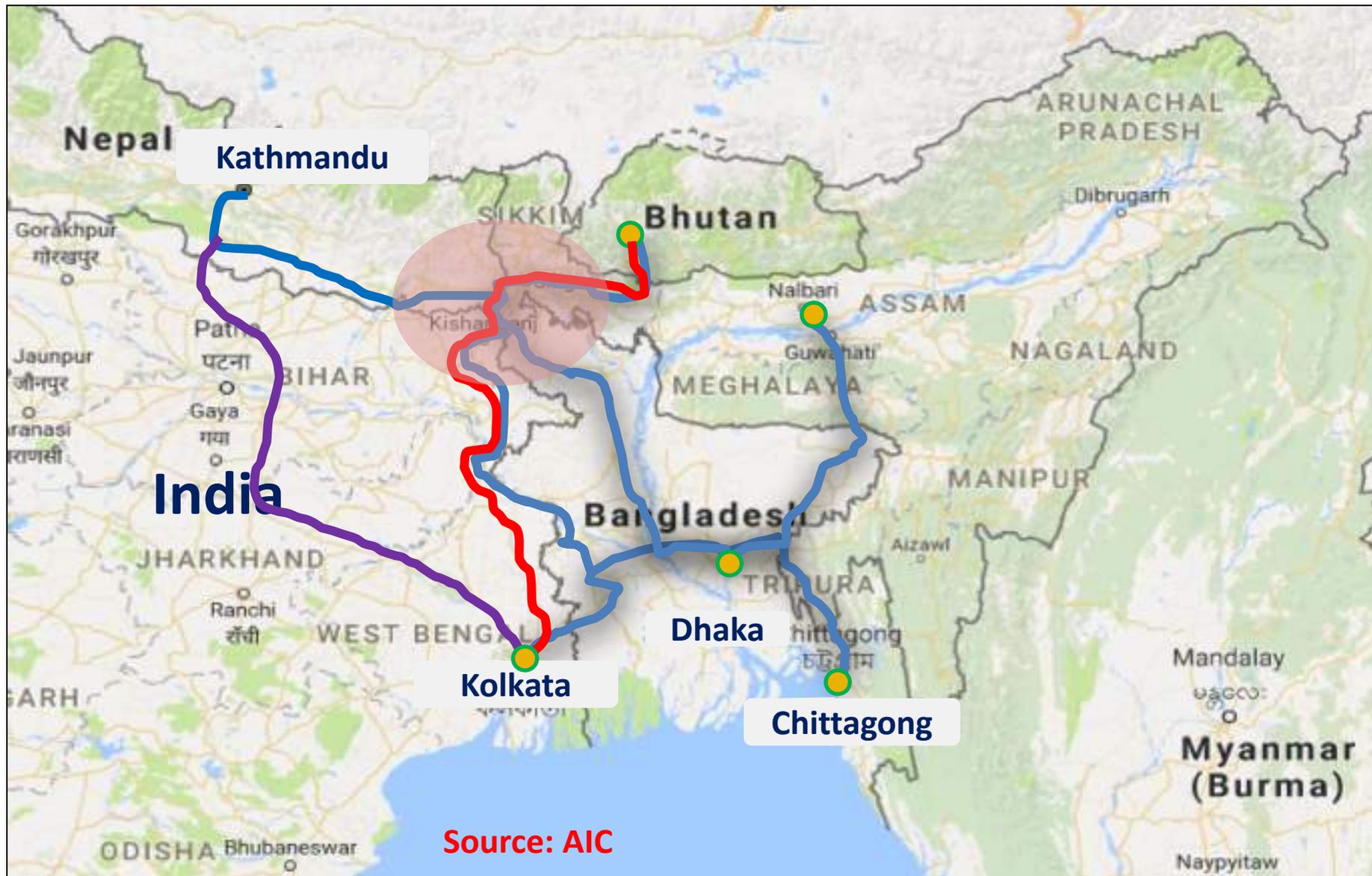
Trilateral Highway and its extension



Kaladan Multi-modal Transit Transport Corridor

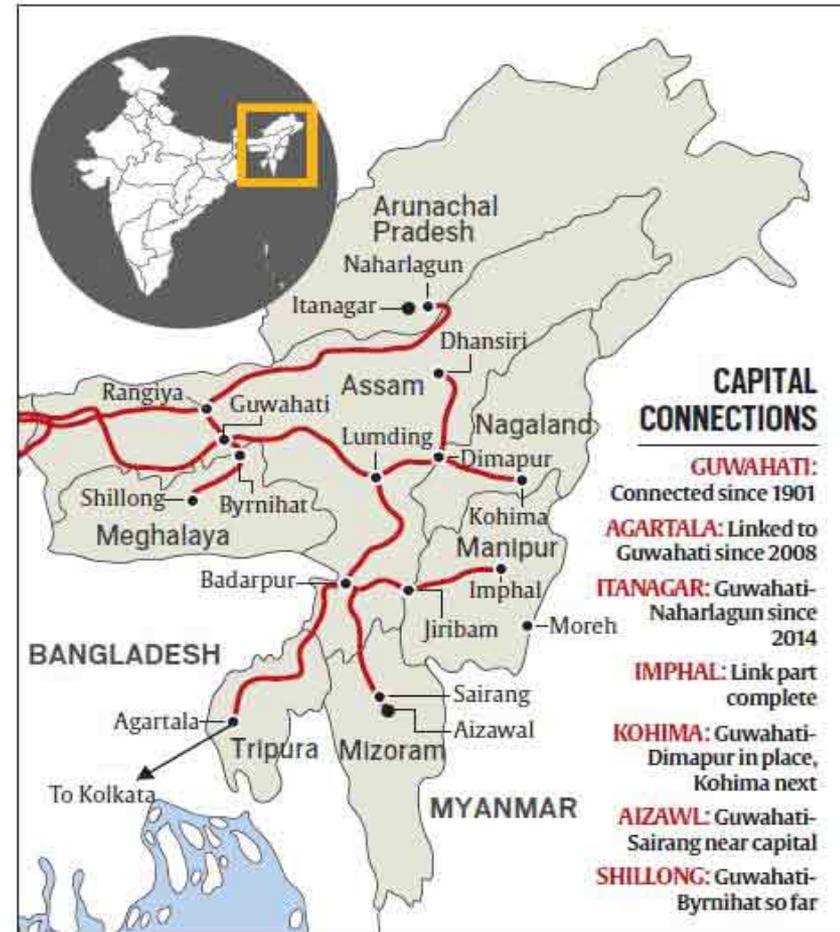


Bangladesh-Bhutan-India-Nepal (BBIN) Corridors



Railways making extensive progress in India's Northeast, opening opportunities for BIMSTEC Rail Connectivity

- Connect all state capitals in Northeast India with railways
- Recently, Mizoram and Manipur connected by broad-gauge railway lines
- Tripura already connected, and regular trains are running
- Railway will reach Imphal by 2020
- Arunachal Pradesh: Bhalukpong-Tenga-Tawang (378 km), North Lakhimpur-Bame-Aalo-Silapathar (247.85 km) and Pasighat-Tezu-Parsuram Kund-Rupai (227 km)
- Challenges: Terrain; technology and funding
- Possible to connect with Myanmar railway



Source: Samudra Gupta Kashyap (2016)

Connectivity plans in BIMSTEC - status

- BIMSTEC connectivity master plan – Ongoing
- BIMSTEC MVA negotiation – ongoing
- BIMSTEC coastal shipping agreement – Ongoing
- BIMSTEC TFA - ?

BIMSTEC Trade Facilitation Agreement yet to be negotiated

- **BIMSTEC countries have completed the negotiations for the Agreement on Mutual Assistance on Customs Matters.**
- Since all the BIMSTEC countries have ratified the WTO TFA, a regional trade facilitation agreement in BIMSTEC with greater commitments and possibly higher levels of obligation and wider coverage (WTO+) would pave the way to facilitate regional trade and value chains.
- Stronger cooperation between the Customs authorities of BIMSTEC countries is needed to not only facilitate trade but also link up each other's EDI systems, establishment of a 'single window', promote safe and secure trade, particularly at the border.
- BIMSTEC regional trade facilitation agreement is for cooperation in the matter of customs, training and capacity building, exchange of information, setting disputes, etc.
- This draft Agreement is yet to be negotiated

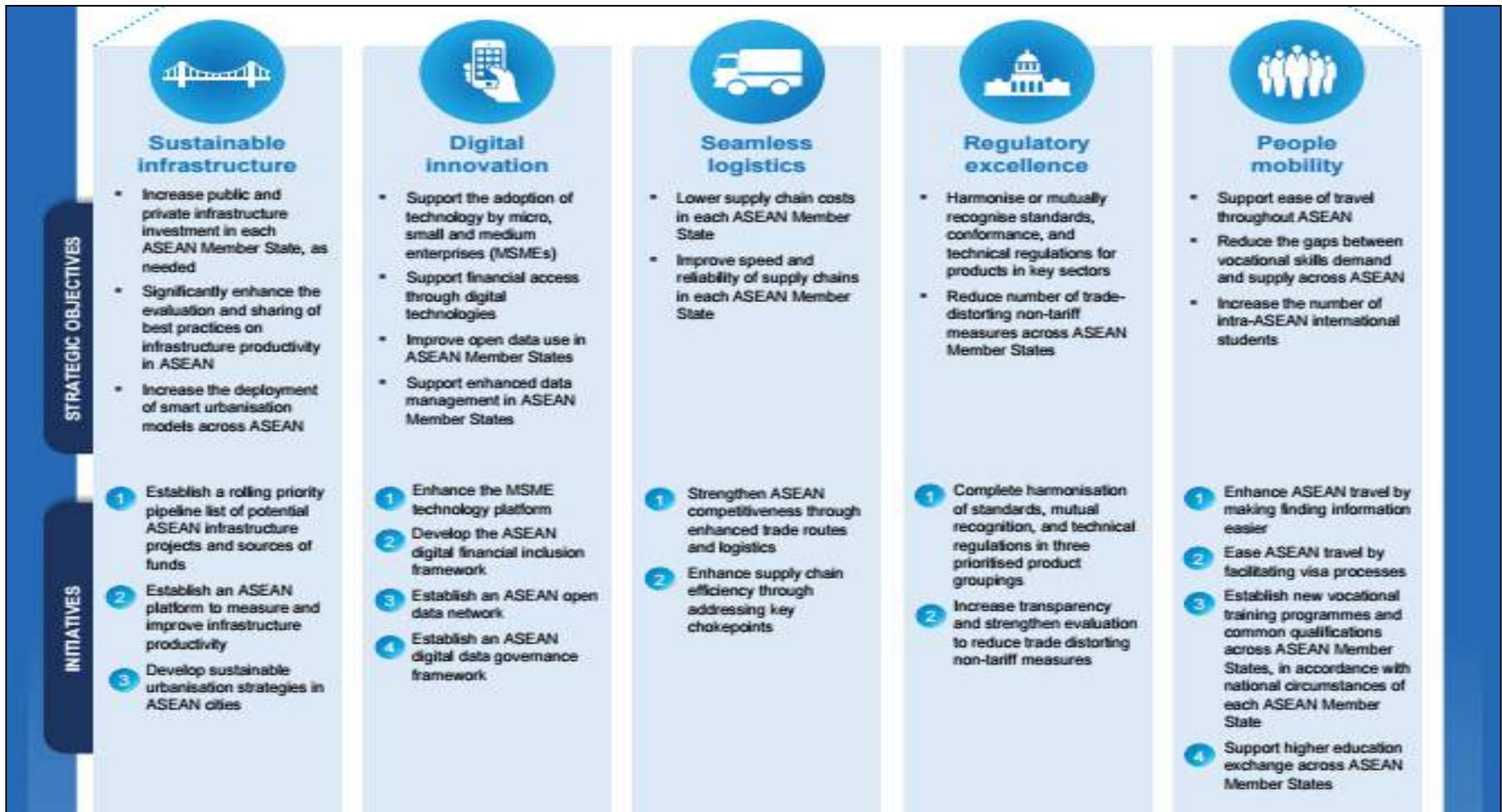
Identification of Priorities

Priority 1: Build synergy with connectivity plans

- BIMSTEC to have synergy with connectivity plans with:
 - ASEAN's focus on sustainable infrastructure
 - Connectivity plans of INSTC, CAREC, SCO, ECO, GMS, ASEAN, etc
 - Japan's quality infrastructure initiative

ASEAN Connectivity Master Plan 2025

Vision: “To achieve a seamlessly and comprehensively connected and integrated ASEAN that will promote competitiveness, inclusiveness, and a greater sense of Community.”



Priority 2: Closer cooperation with ASEAN, GMS, SAARC, SASEC on connectivity

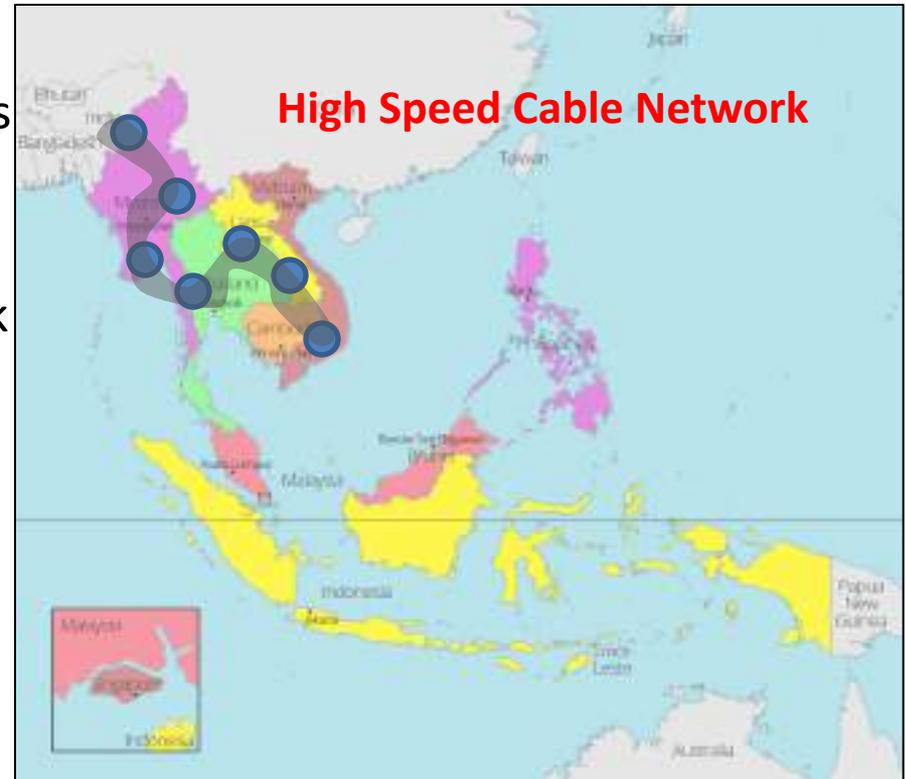
- Regular interactions are needed to:
 - review the progress
 - identify new projects
 - mitigate the challenges

Priority 3: Complete constructions of ongoing corridors

- Trilateral Highway and MVA
- Kaladan multi-modal transit transport project
- BBIN corridors and MVA
- Coastal shipping

Priority 4: Focus on BIMSTEC e-commerce and digital connectivity

- Digital India - The National Optical Fibre Network (NOFN) – flagship project to connect rural India (offering a 100-Mbps connectivity to 0.25 million villages)
- To build digital connectivity, India's Gigabit-capable Passive Optical Network (GPON) technology has been welcomed by ASEAN.
 - Link with BIMSTEC members
- Line of Credit of US\$ 1 billion to promote projects that support physical and digital connectivity between India and ASEAN.
- BIMSTEC countries (Myanmar and Thailand) to gain; Sri Lanka to be connected with India
- Time for BIMSTEC e-commerce and digital network



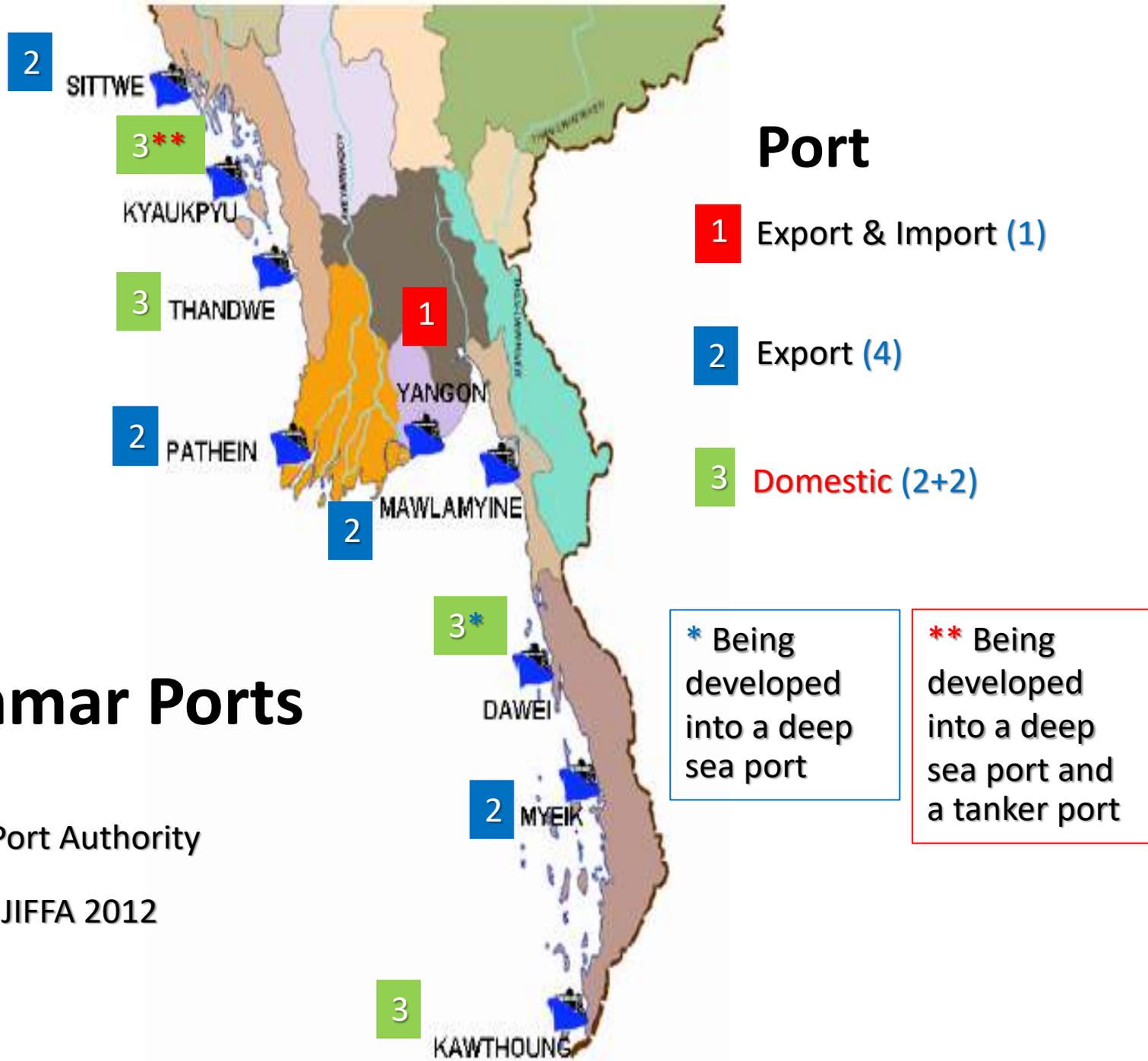
Priority 5: Identify and implement new projects

- Islands connectivity – cruise, ro-ro, tourism, etc
- Port connectivity
 - Ports in Bay of Bengal Sittwe, Dawei, Ranong, Myeik
- BIMSTEC Rail Links
 - Route along trilateral highway and south of Myanmar (e.g. Dawei – Myeik (*In Progress*) – Kawthaung)
- Energy cooperation
 - Renewable energy, training and capacity
- New SEZs in Myanmar (e.g. Sittwe), Thailand, etc.
- Development of dry ports, logistics hubs, etc.
- BIMSTEC open sky in air

Myanmar Ports

Myanmar Port Authority

Cited in JIFFA 2012



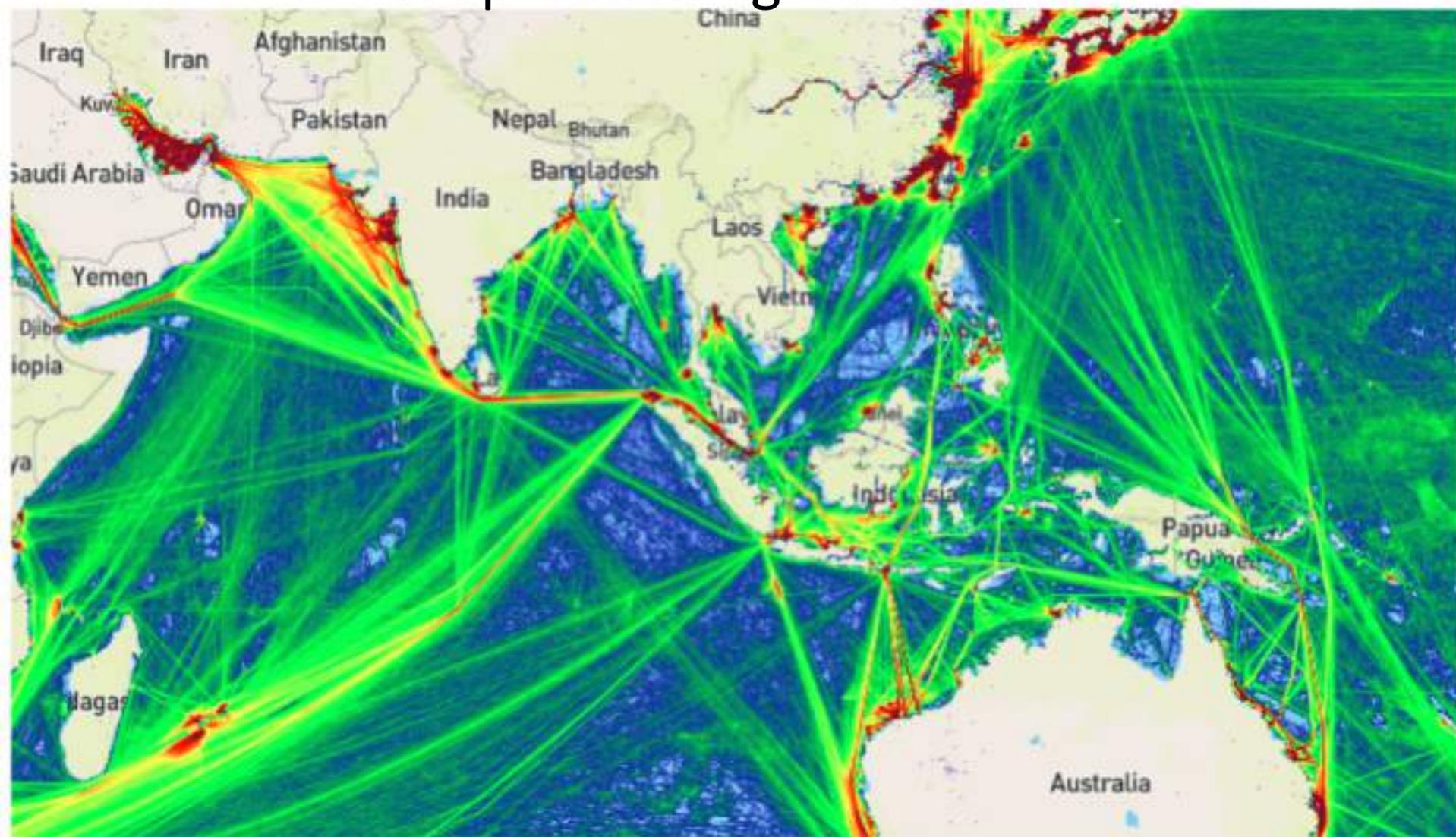
Priority 6: A comprehensive BIMSTEC FTA in goods and services needed

- An FTA in BIMSTEC would be able to rationalize NTMs which, in turn, would facilitate regional trade as well as production networks.
- BIMSTEC countries must complete FTA in goods, services and investment
- Alternative would be sector-specific BIMSTEC services agreement
- Regional investment agreement is essential to encourage regional and/or global value chains

Priority 7: BIMSTEC countries to enhance energy cooperation

- Hydropower potential of the mountainous Myanmar, Nepal and Bhutan regions, and India's Northeastern region offers opportunities to overcome these shortages in a sustainable manner if investments in hydropower can be realized and the necessary regional cooperation is put in place.
- BIMSTEC countries have completed negotiations for the Memorandum of Understanding (MoU) on the Establishment of the BIMSTEC Grid Interconnection. This needs to be signed quickly so that its implementation begins soon.
- BIMSTEC grid interconnection would help energy deficient areas in BIMSTEC to tap power from energy surplus part of BIMSTEC.
- New projects such as BIMSTEC Gas Grid, BIMSTEC Renewable Energy Cooperation, etc.

Priority 8: Securing shipping lanes - BIMSTEC may consider signing BIMSTEC maritime security and cooperation agreement



Priority 10. Regional Customs EDI in BIMSTEC

Country	EDI System	Status
Bangladesh	ASYCUDA	Working for Single Window
Bhutan	Own EDI	No plan for Single Window
India	SWIFT	Operational
Myanmar	MACCS	Working for Single Window
Nepal	ASYCUDA	Feasibility study for Single Window
Sri Lanka	ASYCUDA	Operational
Thailand	NSW	Operational

Source: Author

Priority 11. Border area development, next big investment opportunity in BIMSTEC

Dawki (India) – Tamabil (Bangladesh) Border



Priority 12. Dealing BIMSTEC observer countries and induct new members

- Engage them in regional infrastructure projects
 - ACCC in ASEAN for implementation of MAC
- Financing projects, technical assistance, training and capacity building, etc.
- Indonesia may be added as a new member

Agenda for BIMSTEC Connectivity

1. Agree to BTILS corridors and look for connectivity master plan
2. Accept regional transit – road and rail
3. Set-up maritime network – Colombo being hub
4. Regional trade facilitation programme
 - BIMSTEC single window, customs cooperation, etc.
5. Sign and ratify BIMSTEC MVA (road), BIMSTEC coastal shipping agreement
6. Establish BIMSTEC Open Sky for cargo and then passengers
7. New areas: BIMSTEC railway agreement, BIMSTEC TFA, BIMSTEC e-commerce and digital network, BIMSTEC energy network, etc.

Next steps

1. BIMSTEC may form an Expert Group / EPG to help design BIMSTEC connectivity
2. Track 1.5 BIMSTEC Forum on Connectivity may be constituted
3. An industry group with national chambers on connectivity shall be formed
4. Induct Japan as development partner of BIMSTEC
5. New dialogues on sectors

Thank you

prabirde@hotmail.com

**DPG Regional Conference
on Advancing BIMSTEC
Cooperation, Colombo,
August 2-3, 2018**

**Abstract of Presentation by Mr.
Rohan Masakorala, CEO, Shipper's
Academy, Colombo**

Mr. Rohan Masakorala
CEO, Shipper's Academy, Colombo

He thanked the DPG for giving him the opportunity to present at the conference. He said that since he is more of a business man than a policy-maker in Sri Lanka, he has attended 10 maritime conferences over the last 12 months, out of which 6-7 were on the BRI focusing on the Bay of Bengal. He said that while the BIMSTEC region caters to a considerable percentage of the world population, yet there is considerable difference in shipping connectivity in the region. For example: a look at shipping connectivity of India-Bangladesh tells us that two-third of container shipment from these countries goes further east and not Colombo. Thus, in his presentation he focused on how shipping connectivity happens, based on the concepts of nearshoring, off shoring and onshoring.

Further, he said that ship-owners go where the cargo is, and it is something that is definitely happening in the BIMSTEC region. Currently, the Sri Lankan bases are more focused on the concept of B2C as even the customs ordinance has changed to accommodate new business models, and thus considerable business patterns are quickly changing. In light of this, he asked why it was important to have a multi-modal transport system in place. He said that multi-modal connectivity is being used to achieve speed as seen between the transit lines of Asia and EU. He further added, that as far as BIMSTEC was concerned, though the region boasted of multi-modal transport, yet the member states did not utilize the multi-modal transport system due to the lack of knowledge and the lack of proper infrastructure in the port and logistics sector.

According to the World Bank report in 2016, as far as the existing infrastructure in South Asia is concerned, the efficiency level is about only 50%. Hence, not only hard infrastructure is missing but, the soft infrastructure like the trade facilitation agreement, logistics and reducing the number of people in lowering the value of the logistics chain is also missing. Advancing infrastructural development will bring efficiency in transportation, provided the region starts going in terms of output of cargo. At the same time, there are a lot of gaps which the governments and businesses in the BIMSTEC region need to fill up if they want to have a good and efficient multi-modal transport system.

Developing the multi-modal transport system is also important because better connectivity can boost trade relations between the member states as the trade among the countries is low and the ship owners basically look at certain criteria's, particularly in the financial sector. For deploying a fleet in the region, the ship companies first start with cargo potential, moving to the unit cost of calculating cargo, then looking at the costs of carrying it out. Then they will look at the level of infrastructure that is to be deployed. For example, you can't put an 18,000 vessel into a Bangladesh port. You cannot put it in most of the Indian ports too. Then they will look at the time of the service and quality of services to be used. So, depending on these international transport companies who are not mostly South Asian create depositions and connect. How ever much, we decide to fully utilize the capacities of ports, roads, and airports, finally, the decision to use the port or the airport is in the hands of the vessel owners, aircraft owners, etc. So, we have to be very conscious of that fact while building infrastructure. So, the first thing is to look at cargo and that is what BIMSTEC must improve. We need more cargo shipments happening out of these ports.

The BIMSTEC region has a low level of traffic which is a reality that we're facing today in the region in terms of connectivity. So, obviously fewer ships mean less cargo in this part of the world. And less cargo means less infrastructure building and expanding. So, the final point is that we

must start trading more, and manufacturing more – make in India more. And then probably the transport will automatically happen in terms of increasing transport connectivity.

He said that since two-third of business actually goes to Singapore and Malaysia in terms of feeder vessels. This feeder vessels charge and about one-third comes to Sri Lanka. However, this will not continue because the more countries as strong as India, Bangladesh or other BIMSTEC countries import more from Far-East, the traffic will be coming and going only from those ports. So, if there are no exports, there is no balancing trade, then the traffic will continue to go onto East Asian ports rather than coming to South Asian ports. So that's a major factor that needs to be considered.

Finally, he said that because of Sri Lanka's geographical advantage and maritime routes, China has invested in Colombo and made it a part of its BRI initiative. Most of the goods and cargo are moving through this route. So, Sri Lanka is the obvious choice for connectivity for China and the BIMSTEC countries. However, talking of protectionism, he said that there is a massive problem in the country. He said that trade connectivity is needed in the region and an increase in trade will increase a certain international onus and airlines and land transport companies will come to this area, provide the productivity for products and goods. He also said that the BIMSTEC countries must not wait for the World Bank to improve their own performance logistics index but work towards achieving the ideal goal themselves because only then will they know about the existing logistics gaps in their country and fix them before anyone else tells them. He concluded by saying that whoever commands the sea, commands the trade and that's why every country needs to advance an efficient road towards prosperity.

**DPG Regional Conference
on Advancing BIMSTEC
Cooperation, Colombo,
August 2-3, 2018**

**Presentation by Dr. Pritam Banerjee,
Independent Consultant & Former Senior
Director South Asia Corporate Public
Policy Deutsche Post DHL Group, New
Delhi**

Connectivity in the BIMSTEC: Finding Institutional Solutions to Operational Issues

Pritam Banerjee

DPG Regional Conference on Advancing BIMSTEC Cooperation

***August, 2nd, 2018
Colombo, Sri Lanka***

Connectivity in the BIMSTEC

- Physical connectivity needs to be complemented with operational and business viability to create robust transport solutions and services
- Combination of trade facilitation, institutional solutions, optimal use of existing infrastructure, and business development
- Given the economic geography of BIMSTEC, road and coastal/short sea shipping are the 2 most important modes-so this presentation focuses on these 2 modes
- Connectivity and Transactions Costs from a Business Operations Perspective

Effective Connectivity = Cost+Quality+Reliability

- Costs are a direct function of the quality of the physical infrastructure, the cost of feasible transport options available and the operational challenges that arise from regulatory issues . Costs are also directly influenced by trade volumes, and have a tendency to fall as trade increases
- Transit time of a trade-lane is directly related to quality of transport solutions, the strength of the transport network, and the frequency of services. It is also subject to the time taken to negotiate regulatory requirements and procedures
- Reliability is direct function of certainty. One aspect of certainty is directly an outcome of the quality of transport solutions available (i.e. on time delivery and frequency of services). The other relates to availability of transport options (for e.g. can goods typically shipped by road easily and at a feasible cost be shipped through air in an emergency). Another critical aspect relates to regulatory functions and institutions providing a predictable environment

Road: BBIN MVA is great beginning/next stop BIMSTEC MVA and associated protocols

Transport and Customs related protocols and rules

TRANSPORT

- **A common BIMSTEC bond and common permit**
- **Allowing both trucks and trailers carrying containers to cross borders:**
- **A special visa category for drivers and crew**
- **Rules should not prevent change of drivers and crew at the border**

Customs Protocols: Breaking the 'barrier'

- **Allow inland border clearances**
- **Allow multi-consignment trucks to avail inland clearances**
- **A common customs declaration document for BIMSTEC for goods transported by land and message exchange system between Customs IT platforms**
- **Integrate border procedures with a common check-point for both customs of both sides at a border**
- **Allow multi-modal trans-shipment as part of MVA operations**

A Viable 'Bay of Bengal' Coastal and Short Sea Shipping Network

- **Conducive regulatory environment:** Developing a conducive regulatory environment would mean addressing several operational issues in coastal shipping. These include treatment of each other's vessels by BIMSTEC member states, the fees and licensing where these are applicable, insurance, and rights of cabotage. Progress in this region in this context has already been made in the form of the India–Bangladesh agreement on coastal shipping, which addresses concerns related to bilateral certification of coastal ships and a bilateral understanding of insurance coverage for such vessels, as well as preferential berthing and conditional cabotage rights to each other's vessels.
- Most importantly, under the agreement India and Bangladesh have agreed to render the same treatment to the other country's vessels as it would have done to its national vessels used in international sea transportation
- **Development of services**
 - *Starting Pilot Routes*
 - *Business Development*
 - *Liberalization*

Continued....

- **Incentive programs to help sustain services in the medium term:**
 - *Reduced berthing charges for coastal ships serving the intra-BIMSTEC network*
 - *Elimination of duty on bunker fuel*
- **Infrastructure development**
- **Extending the BIMSTEC Coastal Shipping Agreement to ASEAN**

THANK YOU

SESSION 4:

**“ENERGY, WATER,
ENVIRONMENT, CLIMATE
CHANGE AND OTHER ISSUES”**

**DPG Regional Conference
on Advancing BIMSTEC
Cooperation, Colombo,
August 2-3, 2018**

**Abstract of Moderator's Remarks by
Prof. Prabir De, Research and
Information System for Developing
Countries, New Delhi**

Prof. Prabir De (1.27.30)

Research and Information System for Developing Countries, New Delhi

As a moderator of the session on energy, water, climate change, environment and other issues, he said that he will facilitate the panel discussion. Without going into further details, he introduced the first speaker and hoped for a fruitful result of the dialogue.

**DPG Regional Conference
on Advancing BIMSTEC
Cooperation, Colombo,
August 2-3, 2018**

**Presentation by Dr. Arbind Kumar
Mishra, Former Member of the
National Planning Commission,
Nepal**

Advancing BIMSTEC Cooperation: Energy

Arbind Kumar Mishra
Nepal

Background

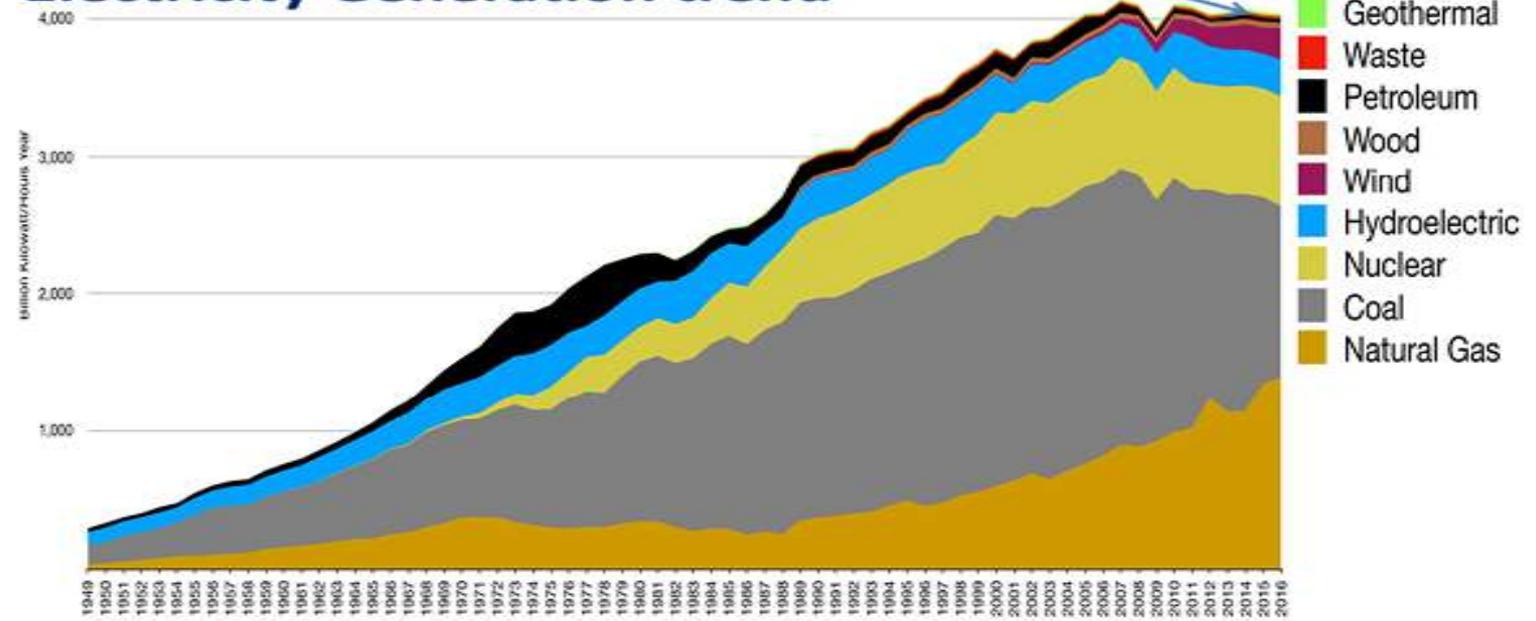
- Last decade world
 - Renewable Energy
 - Energy efficiency

Solar vs coal based energy generations cost (India)



Source: NTPC, Bloomberg New Energy Finance, Livemint, Bloomberg Gadfly

USA Energy efficiency Electricity Generation trend



Created a New domain in Energy mix:

Opportunity & Complexity Enhanced;

– Energy security

- Diversity and sustainability
- Climate change
- Dispatch-able

– Optimum Local resources utilization

– Energy as a business commodity

Energy efficiency: optimization and fuel replacement

Nation-wise electrical energy status

Nepal

- Hydro dominated
- Only 1% Exploitation
- Lowest per capita consumption

India

- Regional 83% of installed capacity
- Rich in coal and hydro
- Last decade
 - Successful minimizing demand generation disparity
 - low success in Hydro, nuclear RE high success

Sri Lanka

- Hydro almost exploited
- Innovative Solar home grid connection
- Growing GDP

Bhutan

- Hydro dominated
- Small domestic market
- High per capita consumption

Myanmar

- Hydro , gas major
- Less energy access
- Last few year gen addition high

Bangladesh

- Gas dominated
- Electricity demand surging rapidly
- Shifting towards coal and Emphasizing imports

Thailand

- Gas dominating hydro very small
- RE increasing
- High per capita consumption

BIMSTEC Energy-Mix Trend 2011-2016

	2011		2016		Addition	
	GW	%share	GW	%share	GW	%share
Total	186	-	358	-	172	92.47%
Coal	95	51.08%	193	53.91%	98	103.16%
Oil	2	1.08%	6	1.68%	4	200.00%
Gas	23	12.37%	62	17.32%	39	169.57%
Hydro	47	25.27%	58	16.20%	11	23.40%
RE	19	10.22%	39	10.89%	20	105.26%

Source: BIMSTEC Energy Outlook 2030

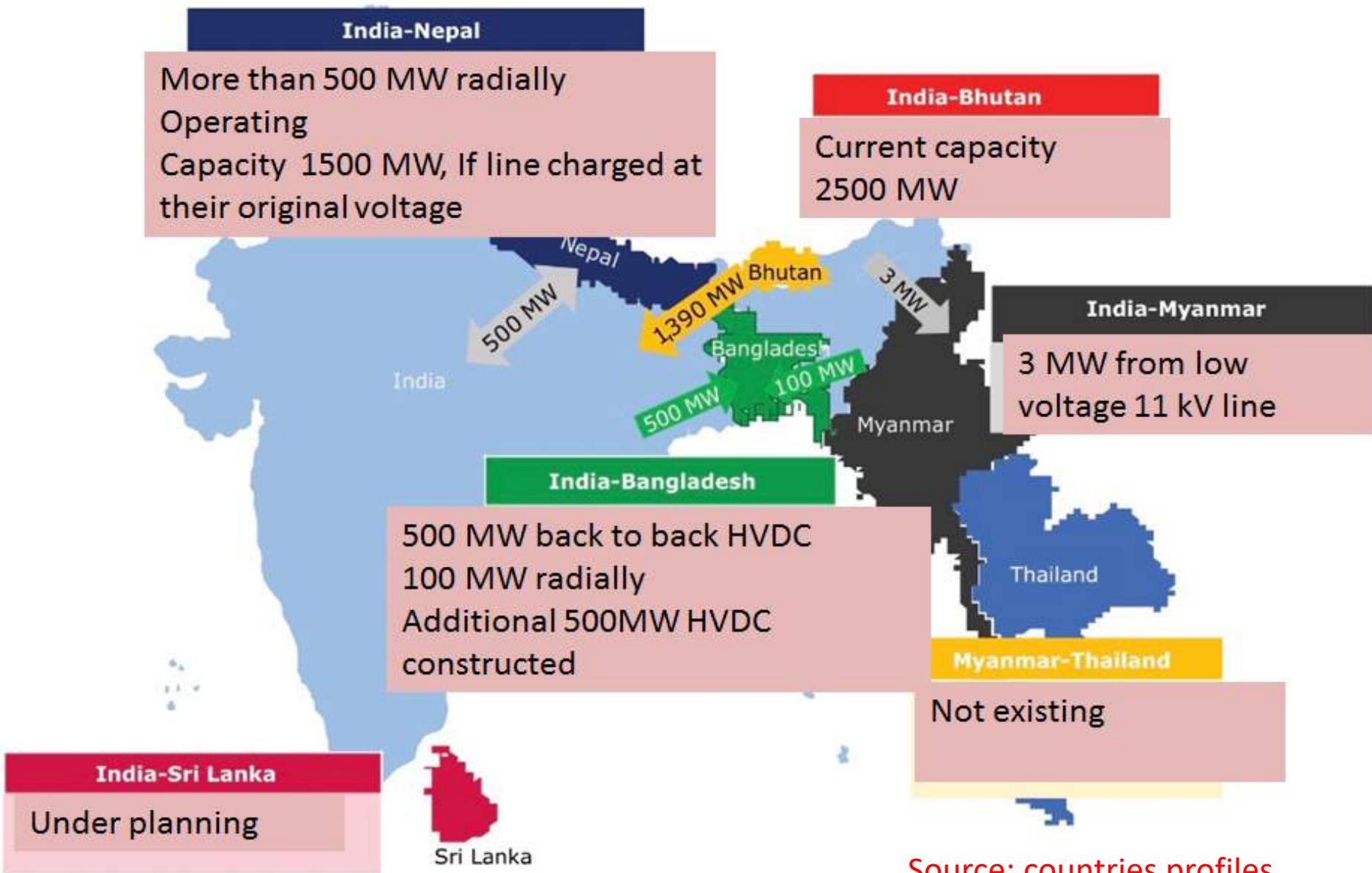
- **Capacity almost doubled**
- Hydro not impressive
 - **Cost and connectivity major barrier**
 - Unable to link with indirect benefits
 - **Inevitable for energy security**

Nation	Hydro capacity
India	150 GW
Myanmar	108 GW
Nepal	83 GW
Bhutan	30 GW
Thailand	17 GW
Sri Lanka	2 GW

BIMSTEC Grid interconnection Timeline

- **Formulated:** Formulated the "Plan of Action for Energy Cooperation in BIMSTEC" in New Delhi ([October 4, 2005](#))
- **Task force led by Thailand:** with representatives of member countries to prepare draft MoU for "BIMSTEC Trans-Power Exchange and Development Project"
- **Finalised by the task force:** The total five meetings, the draft MoU ([March 16, 2015](#))
- **Decided to expedite the signing of the MoU:** In the BIMSTEC Leaders' Retreat held in Goa ([October 16, 2016](#))
- **MoU was discussed and finalised:** during the 4th meeting of BIMSTEC Senior Officials on Energy held ([January 11-12, 2017](#))

Reginal connectivity (Bilaterally)



Source: countries profiles

Electrical Energy Trade 2016:

- Bangladesh, Nepal import from India
- **Bhutan export to India**
- India marginal exporter
- **Thailand import outside region**
- **In terms of installed capacity too small**

Installed capacity

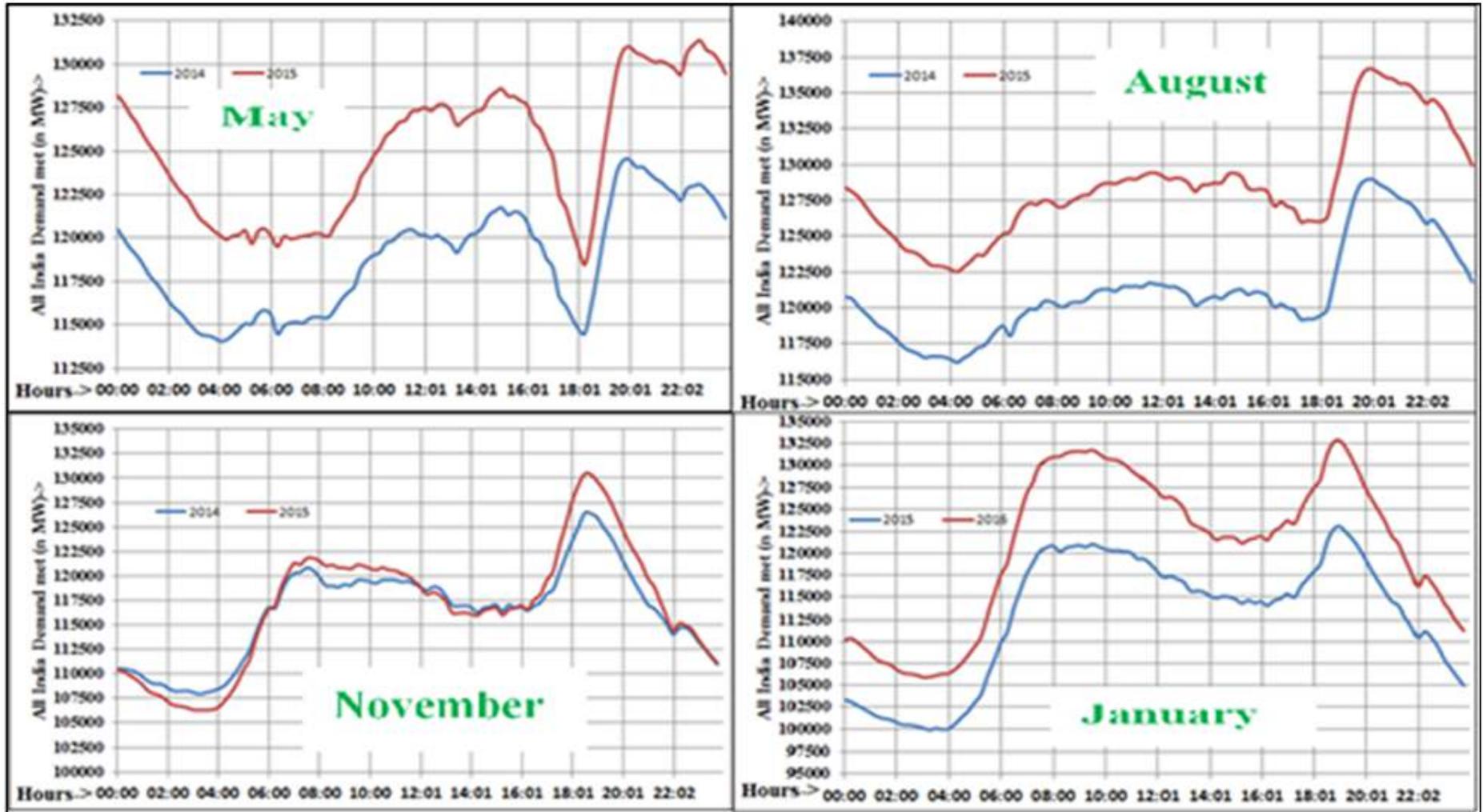
India: 330 GW
 Bangladesh: 16 GW
 Bhutan: 2 GW
 Myanmar: 6 GW
 Nepal: 1 GW
 Sri Lanka: 4 GW
 Thailand: 38 GW

From/To (GWh)	Bangladesh	Bhutan	India	Myanmar	Nepal	Sri Lanka	Thailand	Others	Total Export
Bangladesh		-	-	-	-	-	-	-	-
Bhutan	-		5,427	-	-	-	-	-	5,427
India	3,764	110		Not Av.	1,778	-	-	-	5,652
Myanmar	-	-	-		-	-	-	-	-
Nepal	-	-	-	-		-	-	-	-
Sri Lanka	-	-	-	-	-		-	-	-
Thailand	-	-	-	-	-	-		1,385	1,385
Others	-	-	-	-	-	-	19,825		19,825
Total Import	3,764	110	5,427	-	1,778	-	19,825	1,385	

Source: BIMSTEC Energy Outlook 2030

Scopes

Seasonal variation in India's daily load pattern

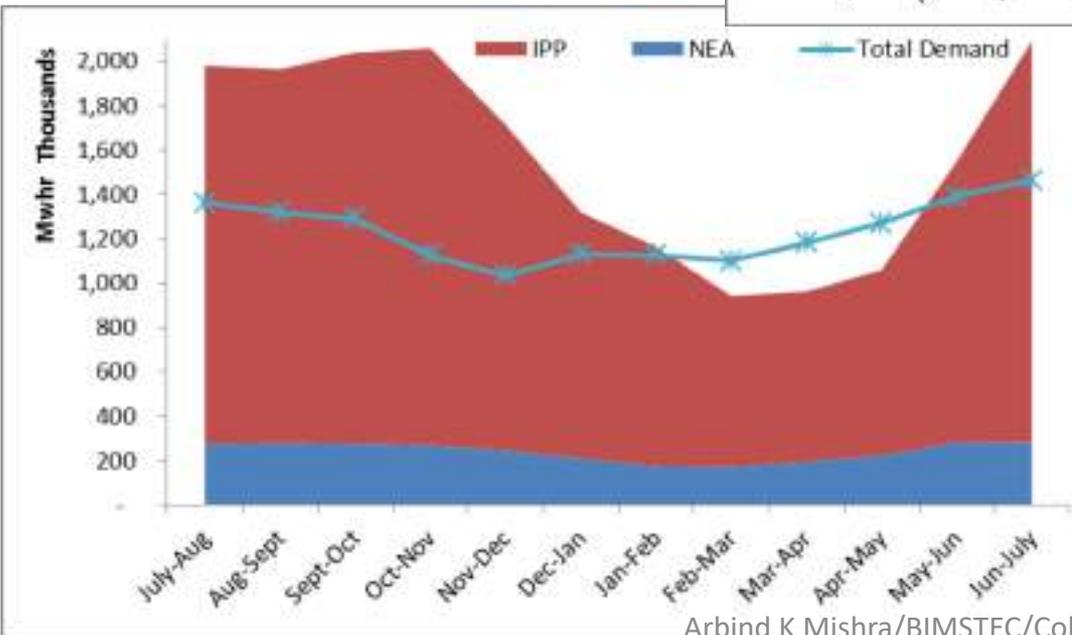
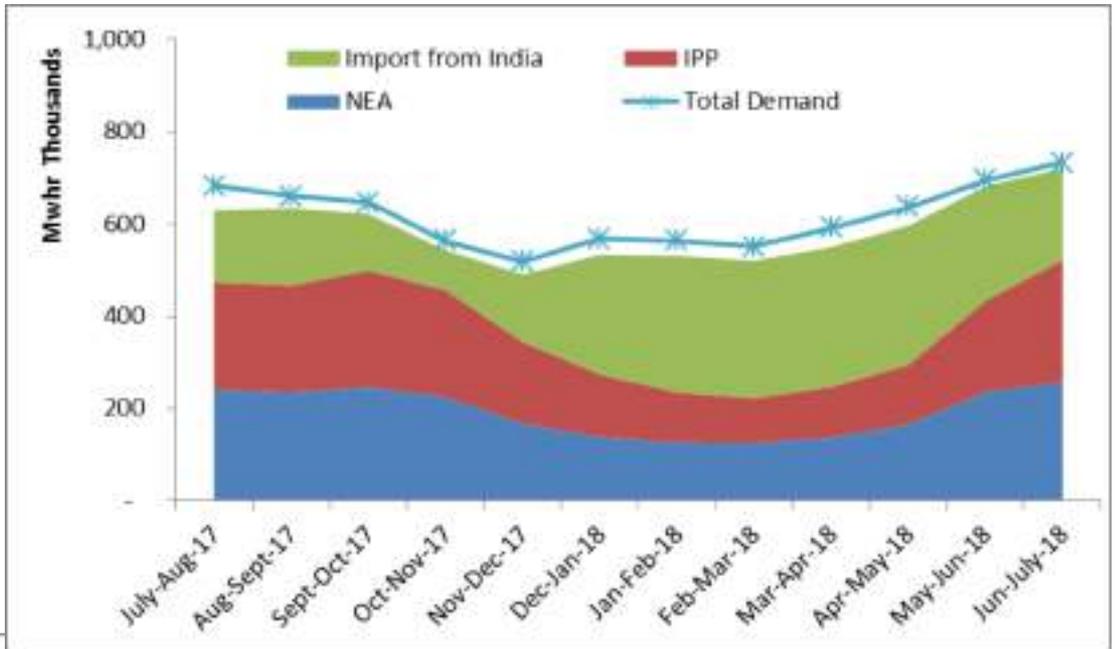


Source: Power System Operation Corporation Ltd. India

Nepal seasonal Generation demand scenario

July 17-July 18

Source: LDC, NEA, Nepal



5 year later

Source: self analysis based on last 10 years gen capacity factor and generation under process

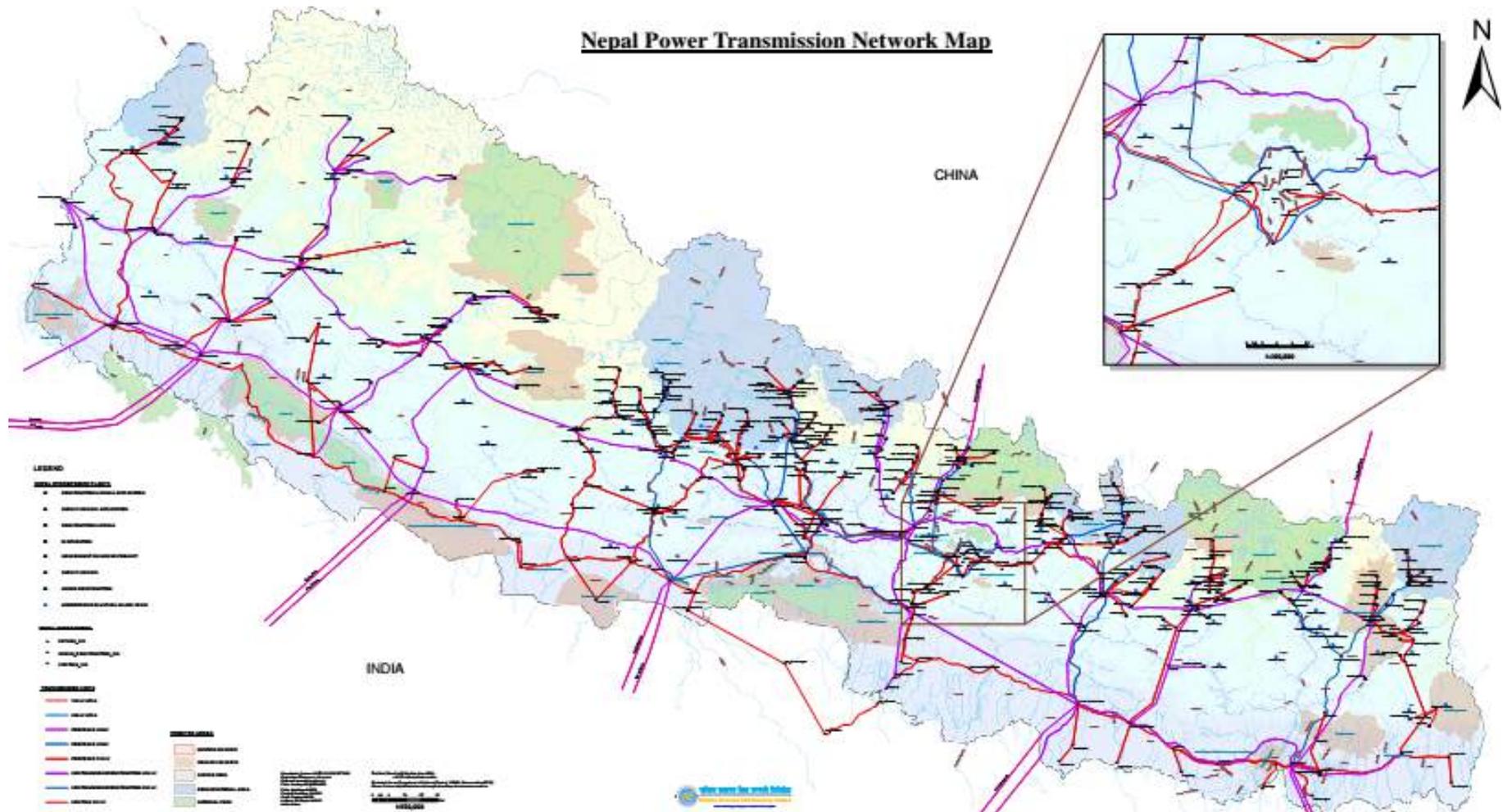
Bangladesh in Energy Imports

- 9,000 MW target to import from regional countries by 2040
- Expedite import from India
- Bangladesh, Bhutan and India – MOU has been finalized for joint-venture development of a 1,500 MW capacity hydropower plant in Bhutan
- Talks are going on (since long) on for hydropower development and import from Nepal (MOU possible recently)
- The talks for importing power from Myanmar and China are also at a very early stage.

Strong connectivity is also needed due to:

- Myanmar generation capacity growing at high rate (last decade about 16% annual)
- Thailand-Myanmar connectivity can enhance regional energy exchange
- Nepal also many projects under construction
- Sri Lanka hydro saturated need more energy for its development
- **Expected Regional Peak demand about 500 GW by 2030 (Now 180 GW)**
- **By 2030 target 60% of gross addition by RE**

Nepal recent transmission master plan



Source: Transmission grid comp. Nepal

**Ambitious but focused on: cross border
interconnection and regional grid security**

Challenges and way ahead

- Grid synchronization is emerging as an issue
- **Plenty of scope for optimum energy utilization but pace is slow**
- **An integrated masterplan of the region immediate need**
- Line interconnection: construction modality and ownership
- Energy mix in future heavily depends on RE storage cost, **in 5 years may be dispatch-able**
- Peaking price mechanism need to be extended for cross-boarder
- Hydropower needs to correlate with agriculture and disaster benefits

Thank You !!!

**DPG Regional Conference
on Advancing BIMSTEC
Cooperation, Colombo,
August 2-3, 2018**

**Presentation by Dr. Mark Smith,
Deputy Director General, Research
for Development, International
Water Management Institute,
Colombo**

Innovation in the Nexus – Science, Policy & Progress



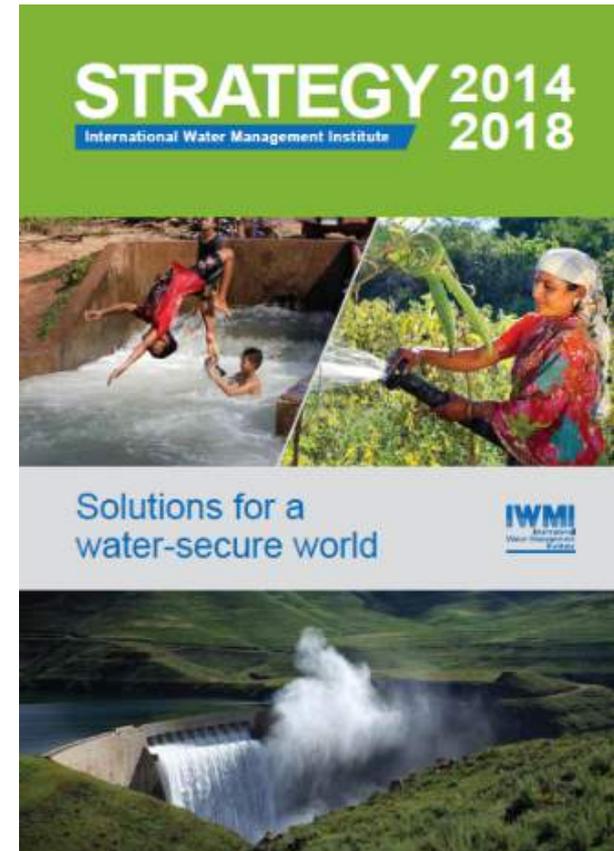
Dr Mark Smith

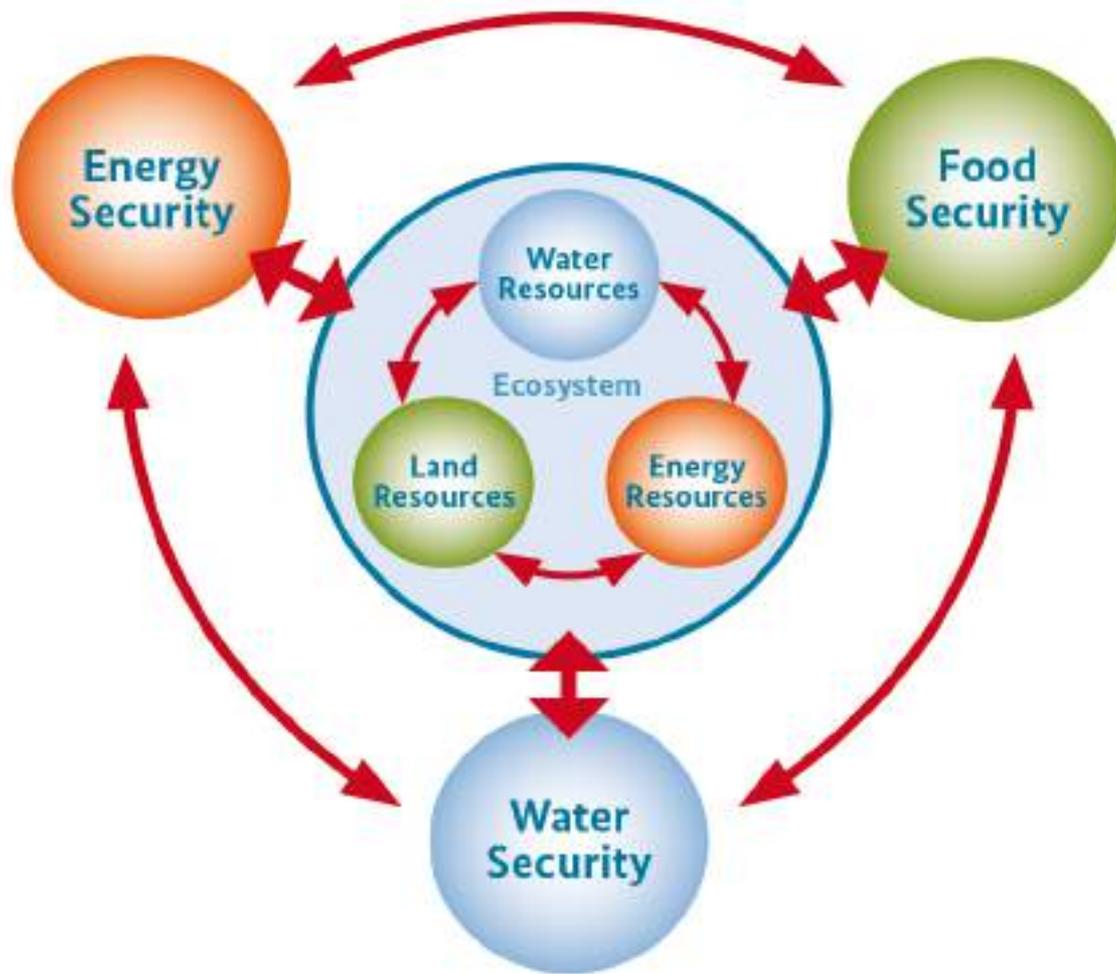
*Deputy Director General –
Research for Development*

*International Water Management
Institute*

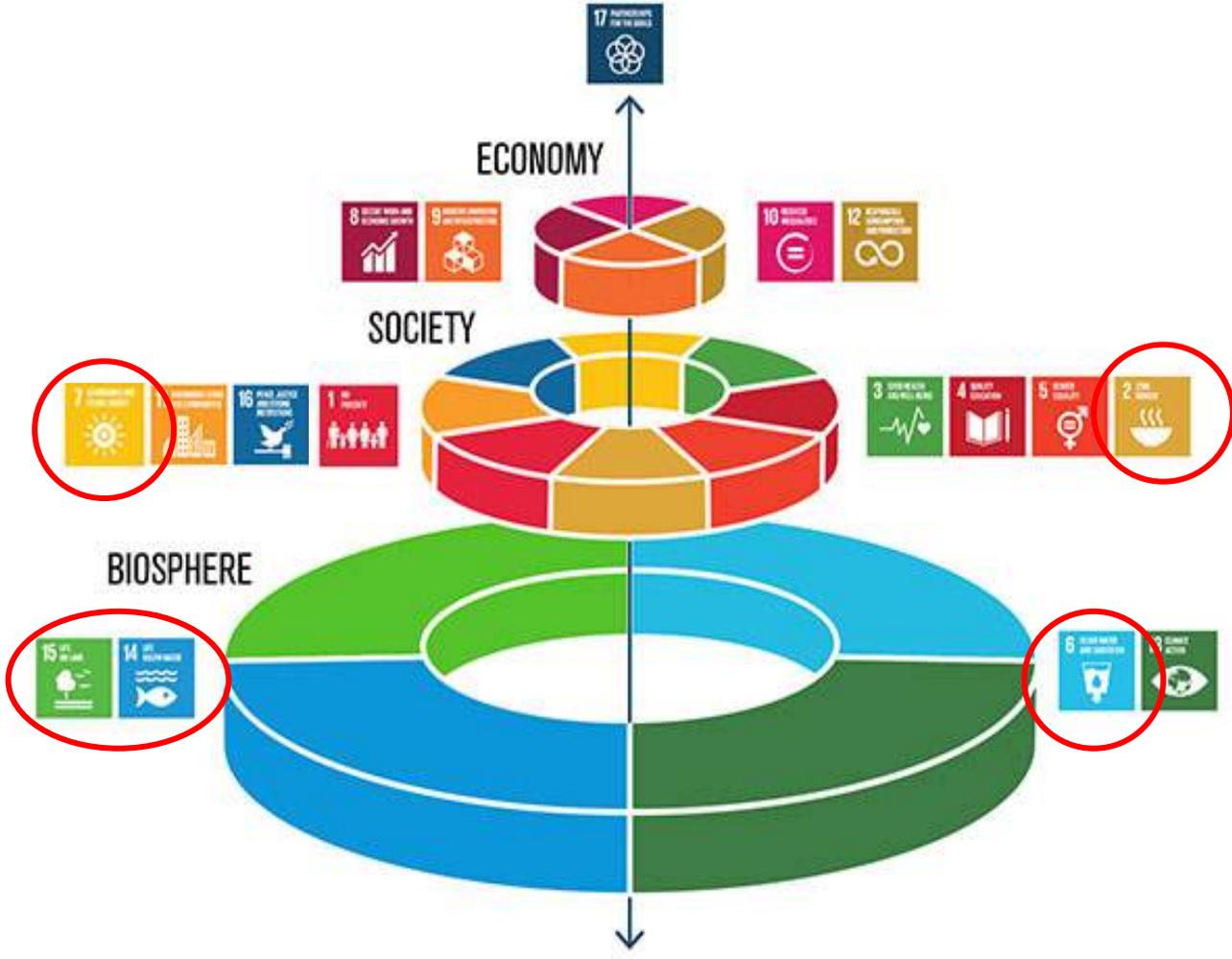
IWMI: Solutions for a water-secure world

Building an evidence base to sustainably manage water and land resources for food security, people's livelihoods and the environment





Nexus – Nodes in a System



Theory – Analysis of Trade Offs

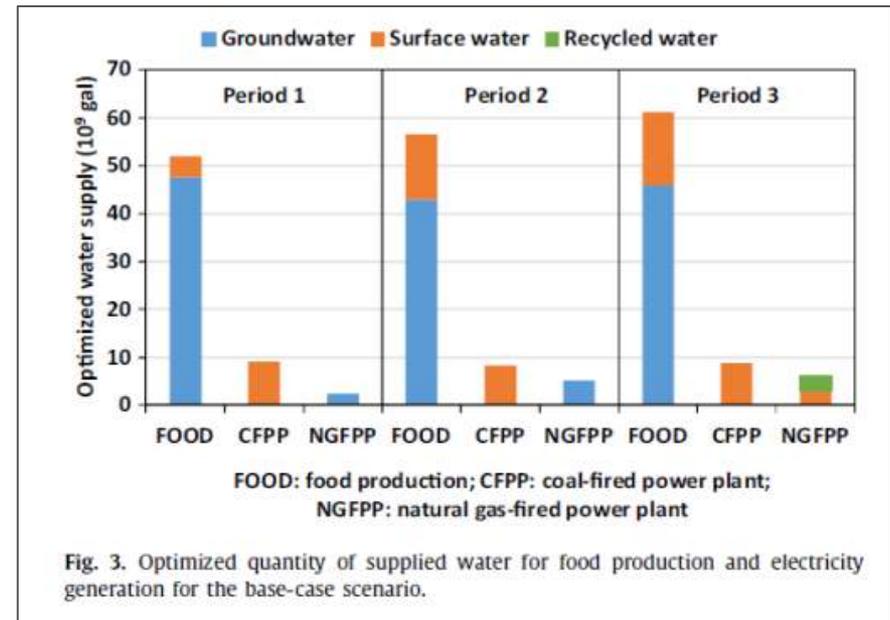
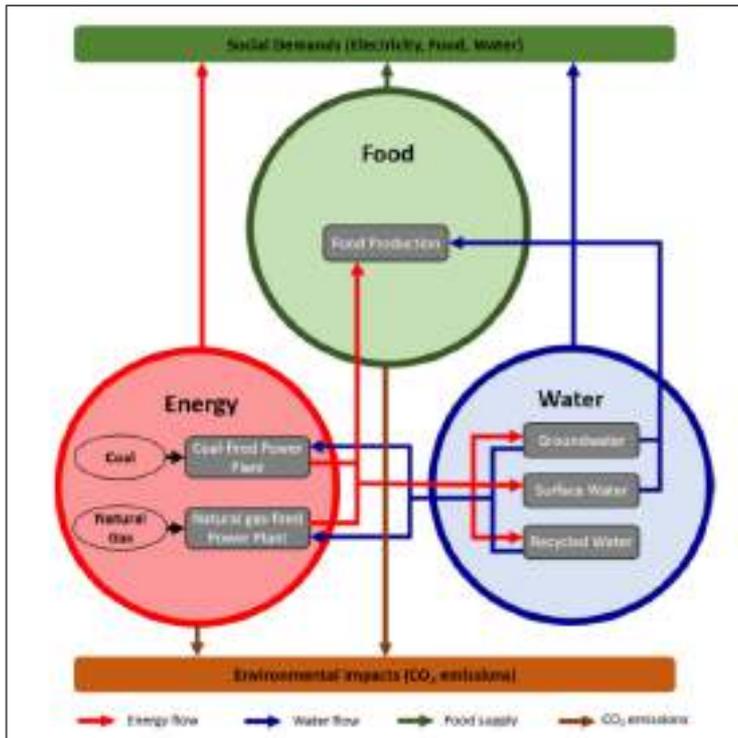
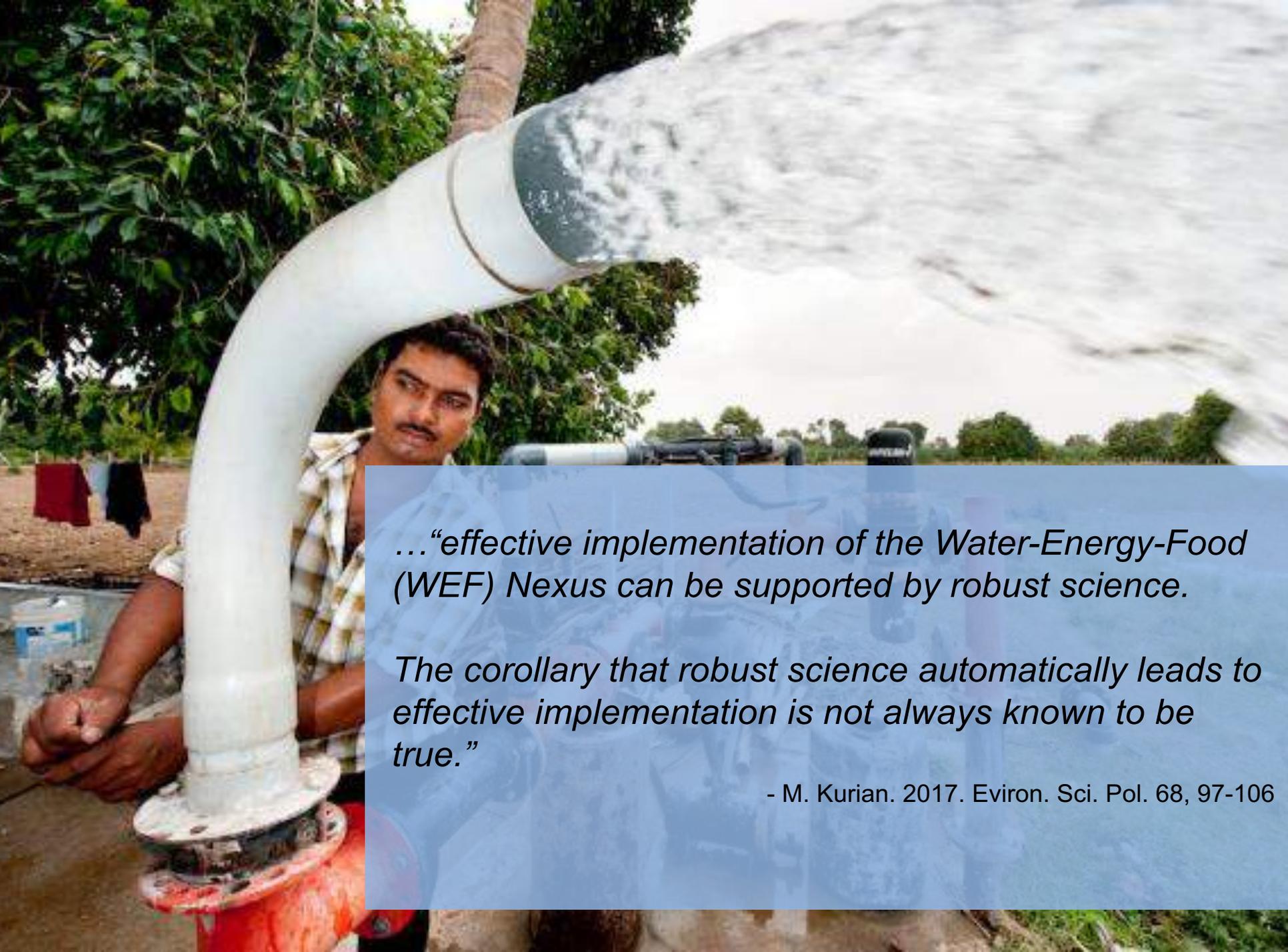


Fig. 3. Optimized quantity of supplied water for food production and electricity generation for the base-case scenario.

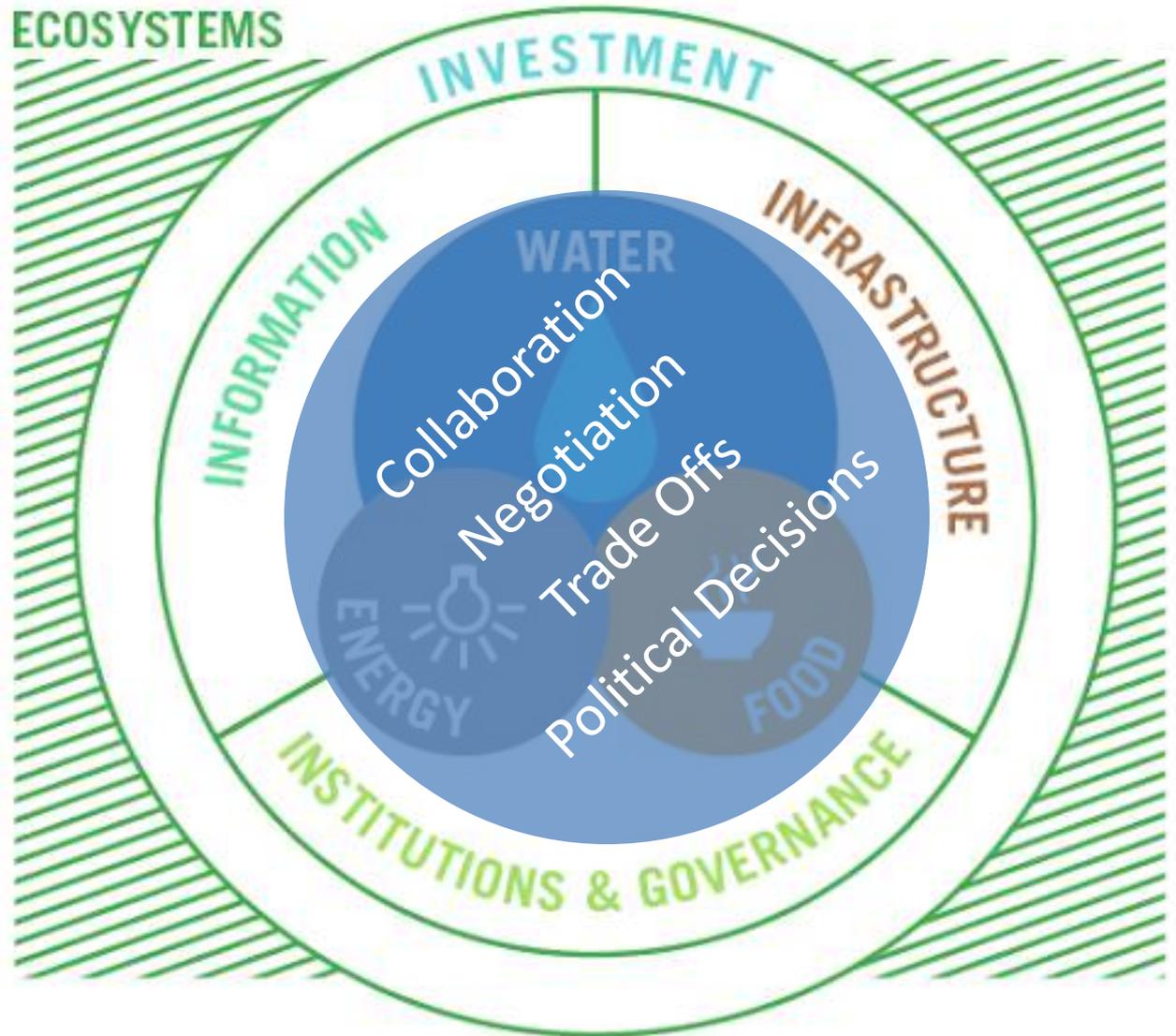


...“effective implementation of the Water-Energy-Food (WEF) Nexus can be supported by robust science.

The corollary that robust science automatically leads to effective implementation is not always known to be true.”

- M. Kurian. 2017. Environ. Sci. Pol. 68, 97-106

Systems Change – Negotiating Trade Offs

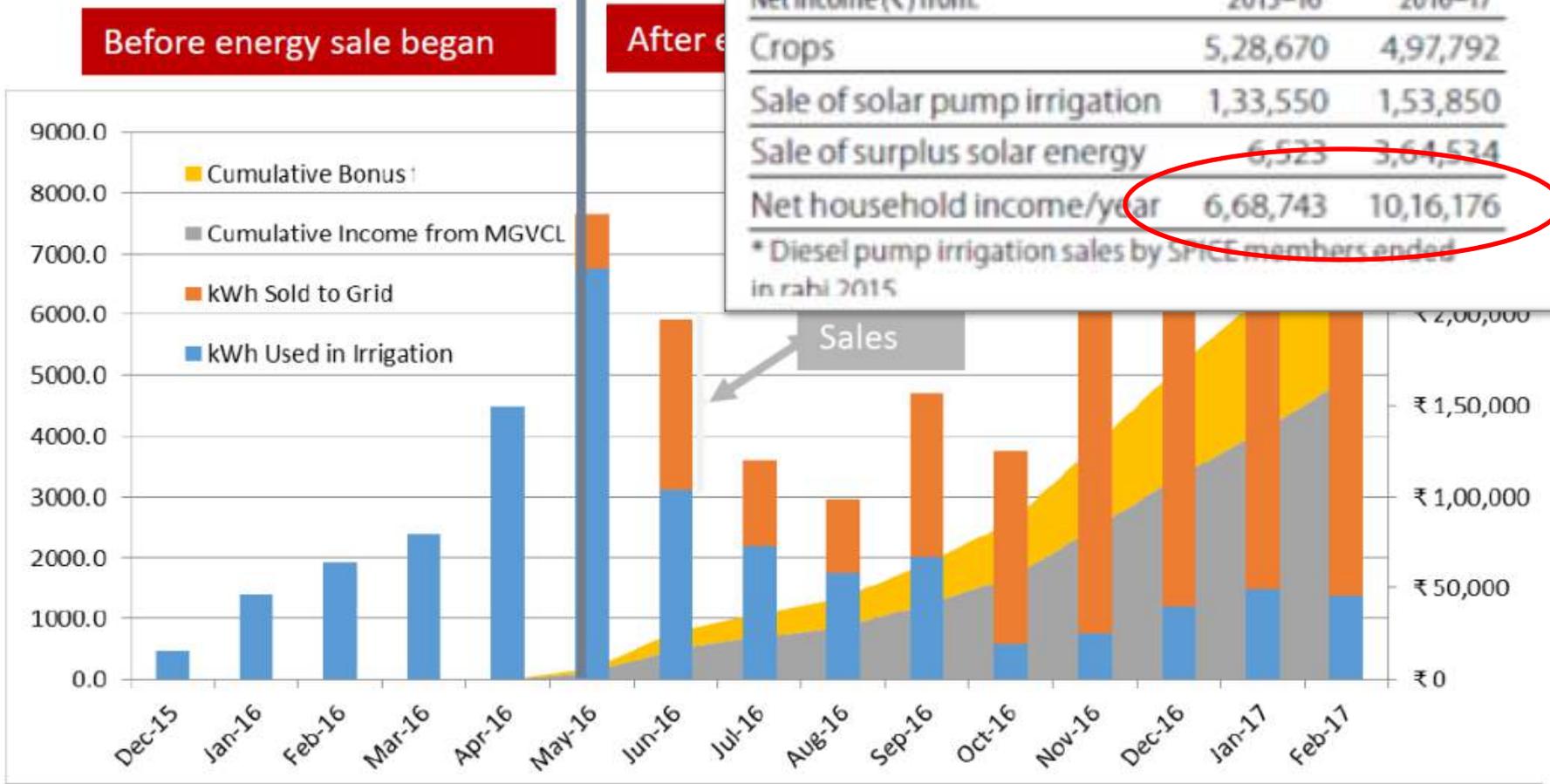


Solar Irrigation, India

Table 1: Trends in Household Income of 6 SPICE Members *

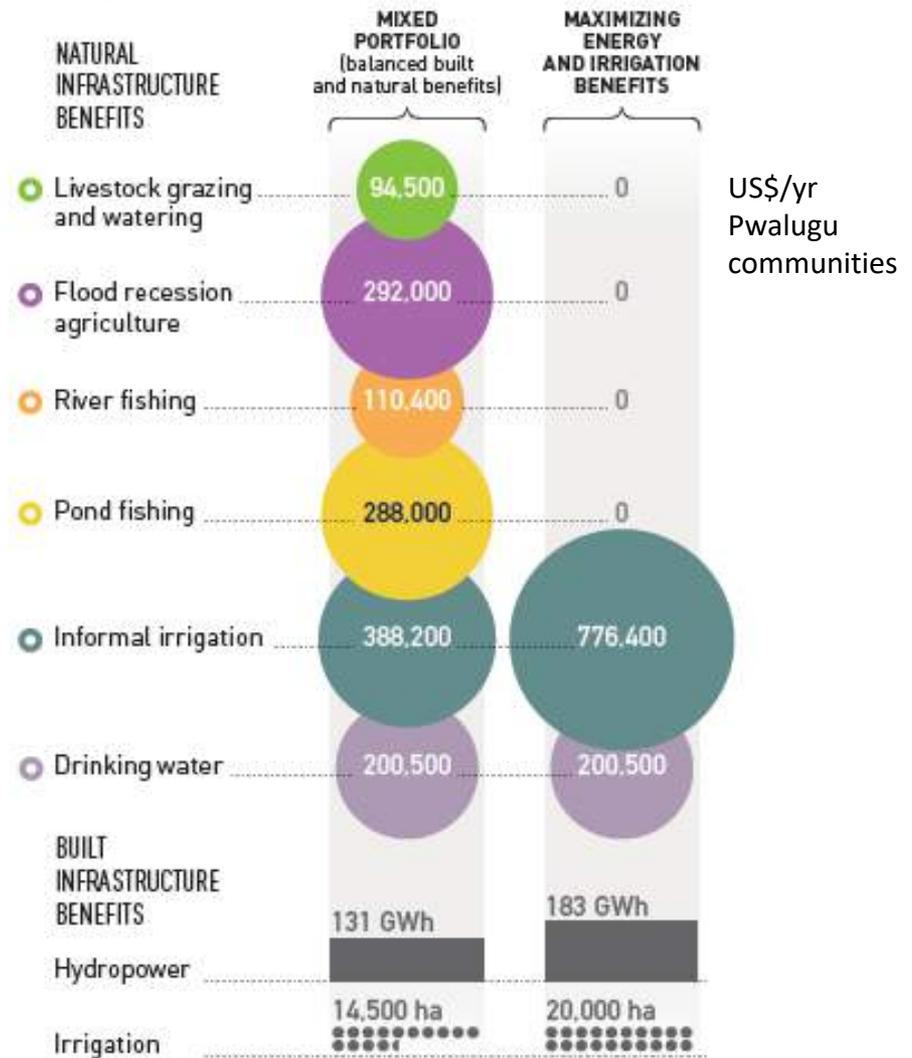
Net Income (₹) from:	2015-16	2016-17
Crops	5,28,670	4,97,792
Sale of solar pump irrigation	1,33,550	1,53,850
Sale of surplus solar energy	6,523	3,64,534
Net household income/year	6,68,743	10,16,176

* Diesel pump irrigation sales by SPICE members ended in rabi 2015





Pwalugu Multipurpose Dam, Ghana



Conclusions

- Institutions
- Incentives for collaboration
- Negotiation
- *How to create policies that drive coherence in the nexus and optimization in practice?*

A close-up photograph of a person's hands being washed with water. The water is splashing and spraying, creating a dynamic scene. In the background, a solar panel is visible, suggesting a solar-powered water pump. The setting appears to be a rural field with green plants. The overall image conveys a message of clean water access and sustainable technology.

Thank You

**DPG Regional Conference
on Advancing BIMSTEC
Cooperation, Colombo,
August 2-3, 2018**

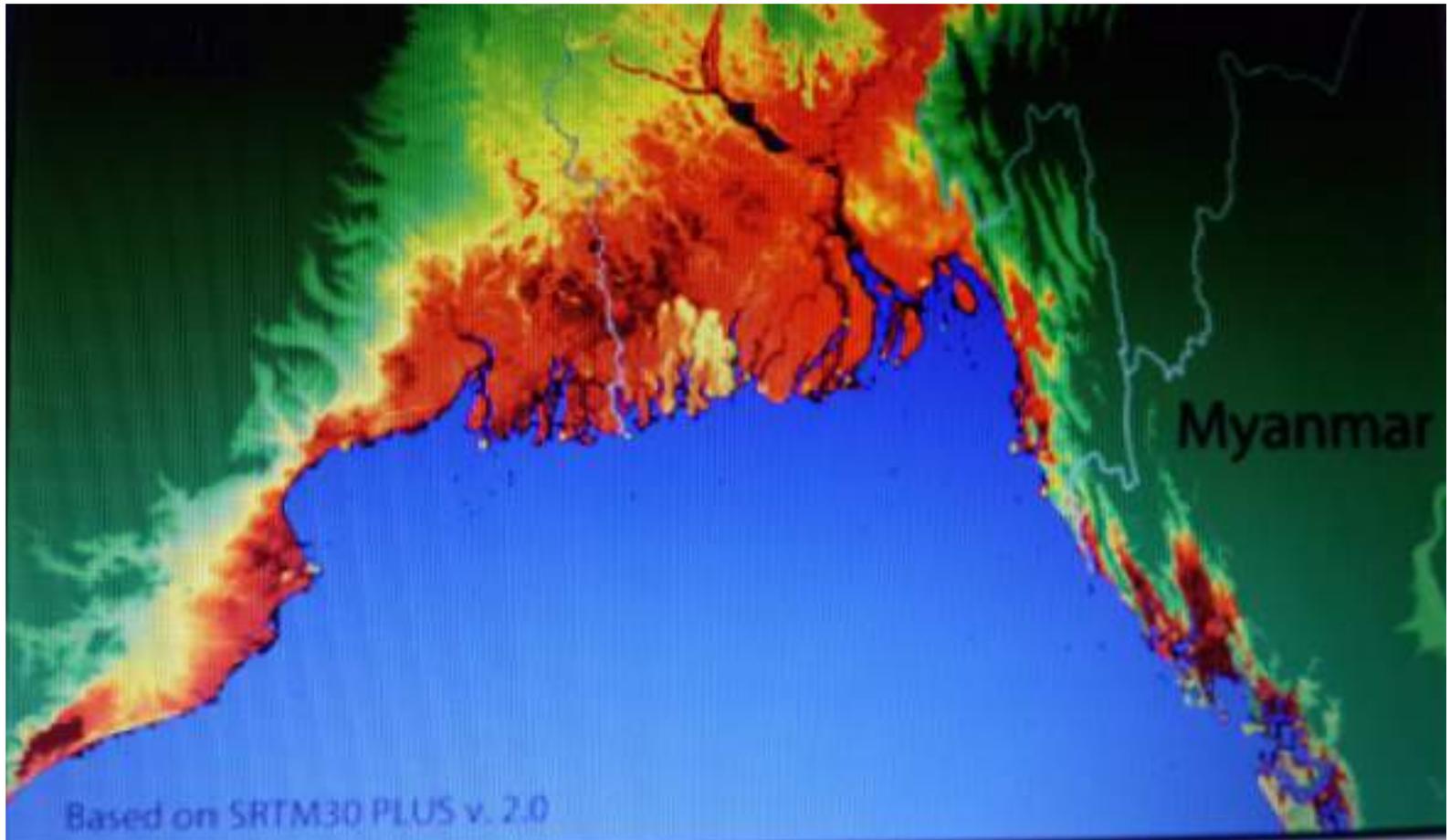
**Presentation by Dr. Khin Maung
Lwin, Director (Retd.), Ministry of
Health & Sports, Myanmar**

COLLABORATIVE ACTIONS FOR PERMANENT INUNDATION

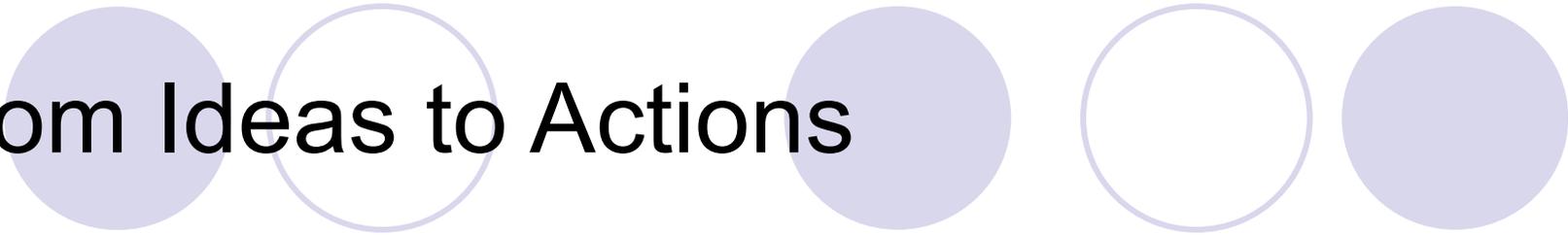
Prof. Dr. Khin Maung Lwin
Advisor

National Water Resources Committee
2.8.2018 Colombo, Sri Lanka.

Bangladesh, India and Myanmar



From Ideas to Actions



- Sea level rise due to climate change (CC)
- Resulting Permanent Inundation (PI)
- Permanent Climate Refugees (CR)
- Irreversible changes in ecosystems
- Floods, Storm Surges will be added
- Islands, ports, cities and business will be added with all sorts of security challenges
- Historic sites, heritages lost permanently

Historic site of 800 year old endangered



Ports and navigation issues



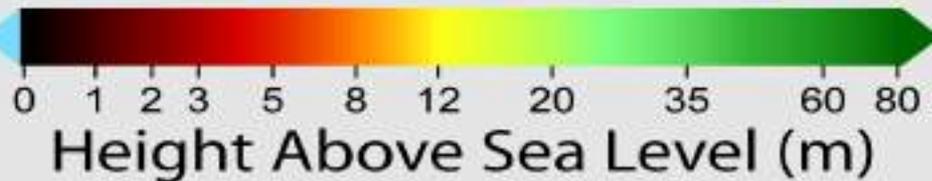
Collaborative Action in BIMSTEC

1. Exchange of information & experiences

- Reliable data on Sea Level Rise (SLR)
- A Clearing House for Knowledge Management on SLR
- Exchange of Experiences among BIMSTEC
- Awareness and Advocacy on SLR

Storm Surge due to Nargis (2008)

Disaster Area Topography



Tidal erosion in 7 villages July 2018



Collaborative Action in BIMSTEC

2. Proactive Plans

- BIMSTEC Strategic Plan on SLR
- Supporting Country Plans
- Safeguarding Security in Indian Ocean
- Bilateral and Inter-country Joint Action Plans
- Plans to involve active participation of the people in Mitigation and Adaptation

Security of Indian Ocean



Collaborative Action in BIMSTEC

3. Capacity Building to counter PI by SLR

- Capacity Building (CB) for various Levels of Governance
- Formal, Non-formal and informal Education on SLR
- Skills-based training
- Multi-media programs on SLR

Irreversible changes of ecosystems



Collaborative Action in BIMSTEC

4. Enabling Environments to Collaborate

- Accessible and Appropriate Technologies
- Platforms for Inclusive Engagements
- Policies & Regulations inviting peoples involvement
- Availability of resources for action

Collaborative Action in BIMSTEC

5. Dealing with CC Refugees

- Land Policy
- Health and Social Security
- Water, Food and Energy Security
- Conflict Management
- Long term plan for Permanent Inundation

Choices for Authorities



Collaborative Action in BIMSTEC

6. Gender Sensitive Measures

- Identified Roles and Responsibilities
- Assurance and Insurance
- Livelihood Security
- Need-based Support

Post Nargis Myanmar (Gender-2010)

Women's Protection Assessments: Post Cyclone Nargis, Myanmar

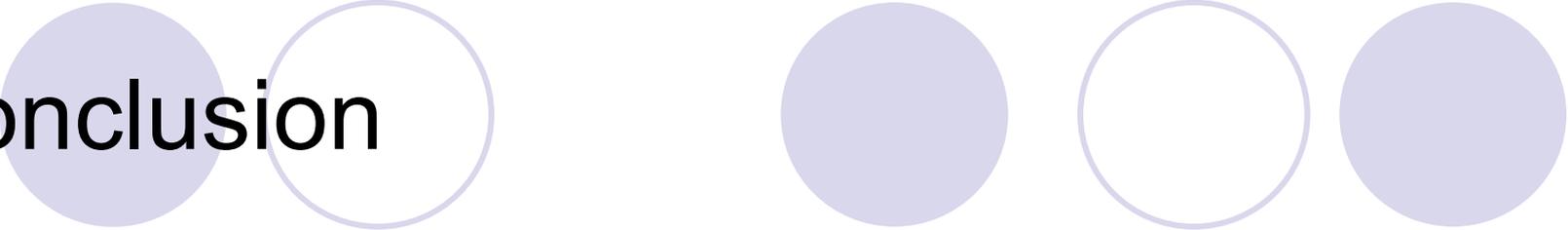


- Change in Household Composition
- 14% headed by women
- 60% of female-headed HHs live in unsatisfactory shelters, lower income, school drop outs

Collaborative Action in BIMSTEC

7. Resources Mobilization

- Technology
- Relief Funds
- Funds & Facilities for Proactive Measures
- Inter-regional and Global Networks for Resources
- Resources to settle conflicts



Conclusion

- "RISING OCEAN LEVELS HAVE ALREADY COST BILLIONS. BUT THIS IS ONLY THE BEGINNING. THE FUTURE CONSEQUENCES OF THIS PHENOMENON WILL DEPEND ON HOW FAST AND HOW MUCH AFFECTED COUNTRIES AND INDUSTRIES CAN ADAPT".
- (Benjamin Keller. 2017)

**DPG Regional Conference
on Advancing BIMSTEC
Cooperation, Colombo,
August 2-3, 2018**

**Presentation by Ms. Divya Hundlani,
Research Associate, LKI, Colombo**

Strengthening National Capacity for Natural Disaster Management in BIMSTEC

Divya Hundlani

02.08.2018



LKI

LAKSHMAN KADIRGAMAR INSTITUTE
OF INTERNATIONAL RELATIONS AND STRATEGIC STUDIES

Contents

- 1. What are the challenges BIMSTEC member states face?*
- 2. How can BIMSTEC facilitate effective disaster management?*
- 3. The case for a regional response*



LKI

LAKSHMAN KADIRGAMAR INSTITUTE
OF INTERNATIONAL RELATIONS AND STRATEGIC STUDIES

Main Messages

- 1. The scale and costs (human and economic) of disasters are growing*
- 2. National capacity can be weak and requires a regional response*
- 3. BIMSTEC member states can pool resources in capacity building, knowledge and technology transfers*



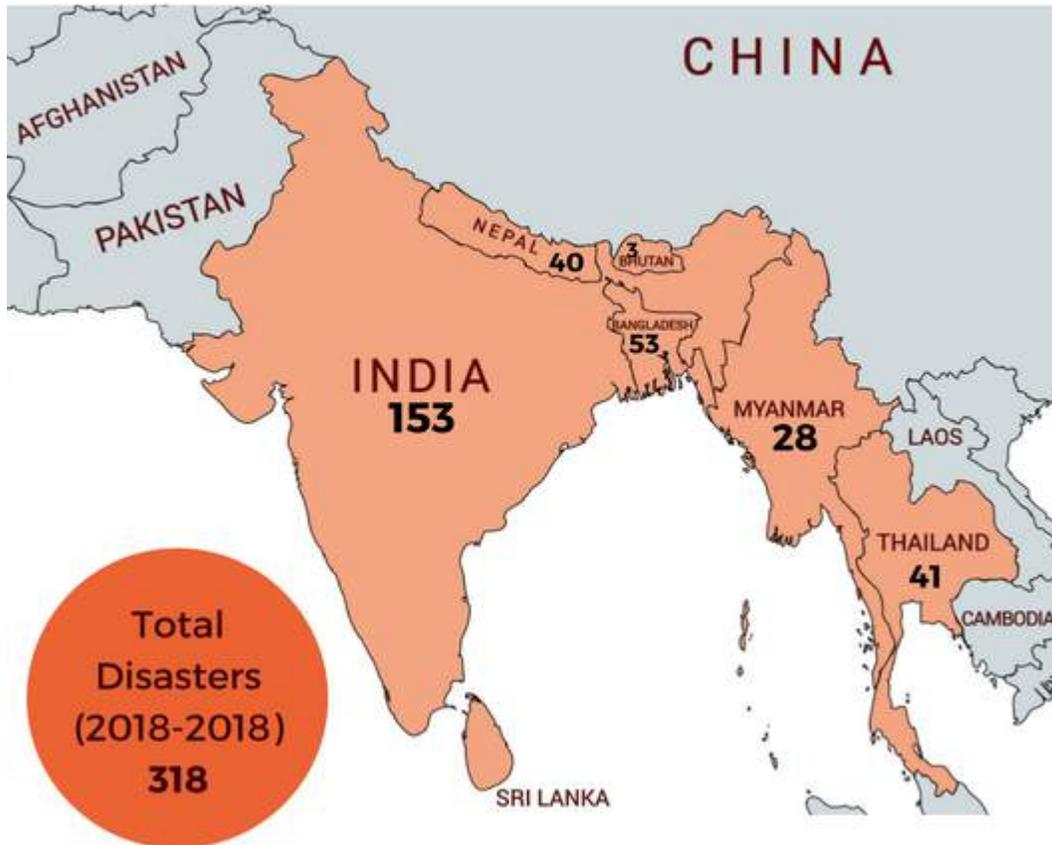
LKI

LAKSHMAN KADIRGAMAR INSTITUTE
OF INTERNATIONAL RELATIONS AND STRATEGIC STUDIES

Challenges of natural disaster management

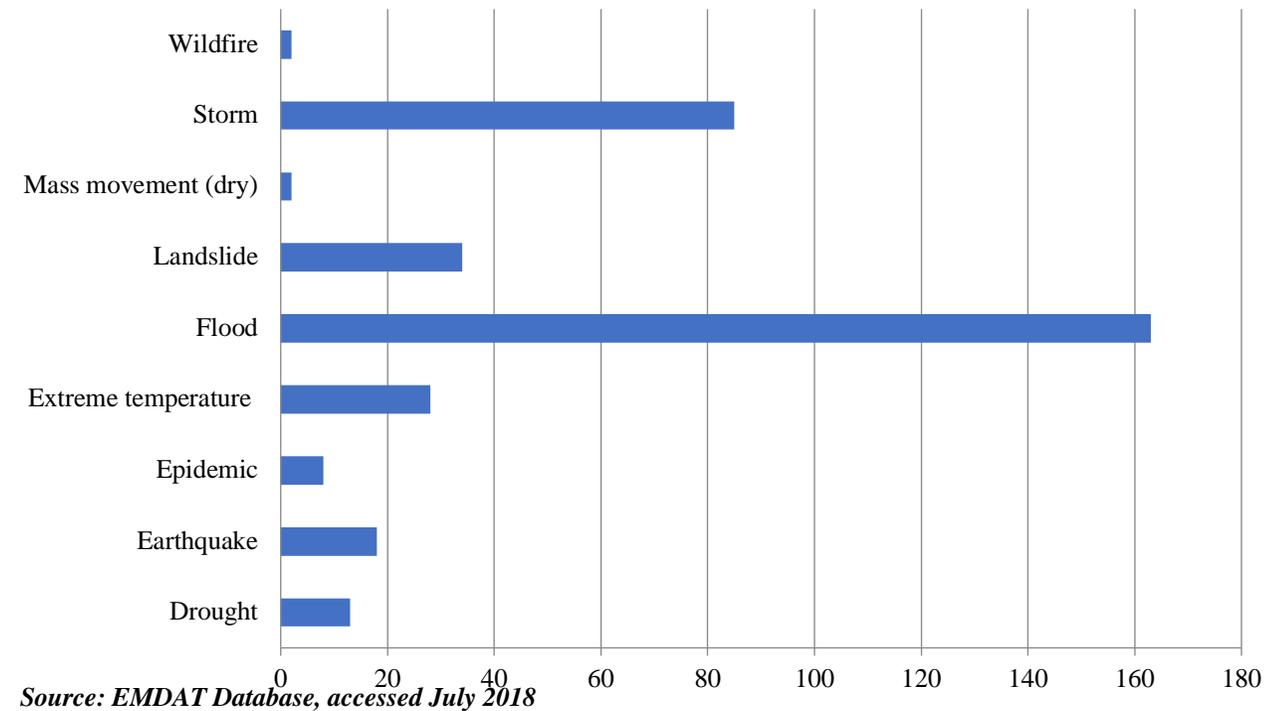
- *BIMSTEC one of the most disaster-prone regions in the world*
- *Misconception that disasters are one-off catastrophic events*

Number of Natural Disasters by country
2008-2018



Source: EM DAT Database, accessed July 2018

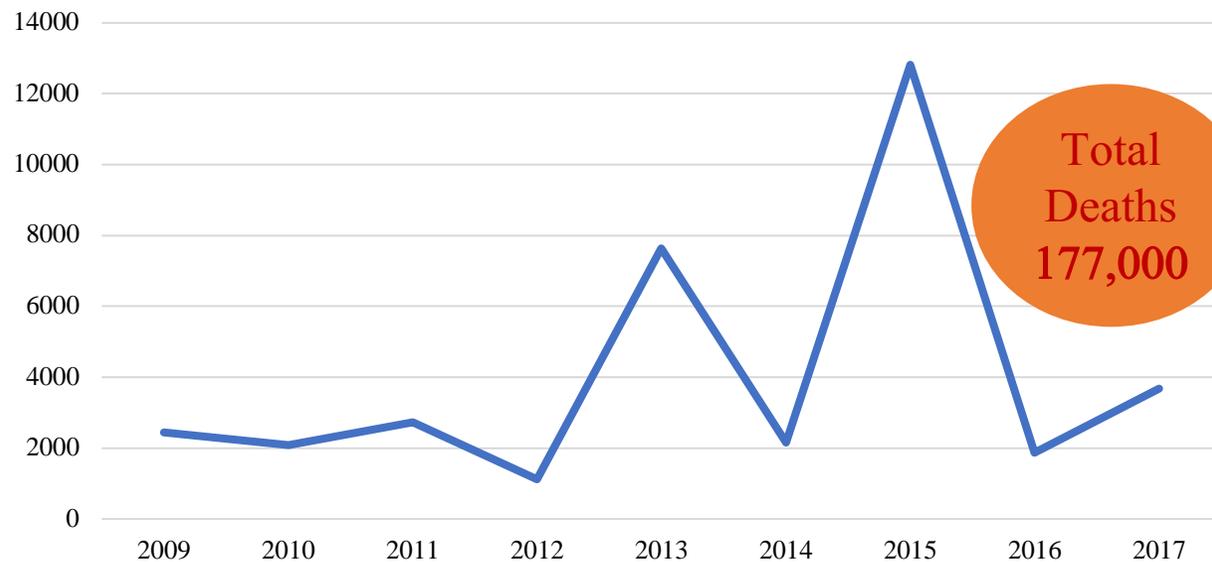
Number of Natural Disasters Occurrences in
BIMSTEC Countries (2008-2018)



Challenges of natural disaster management

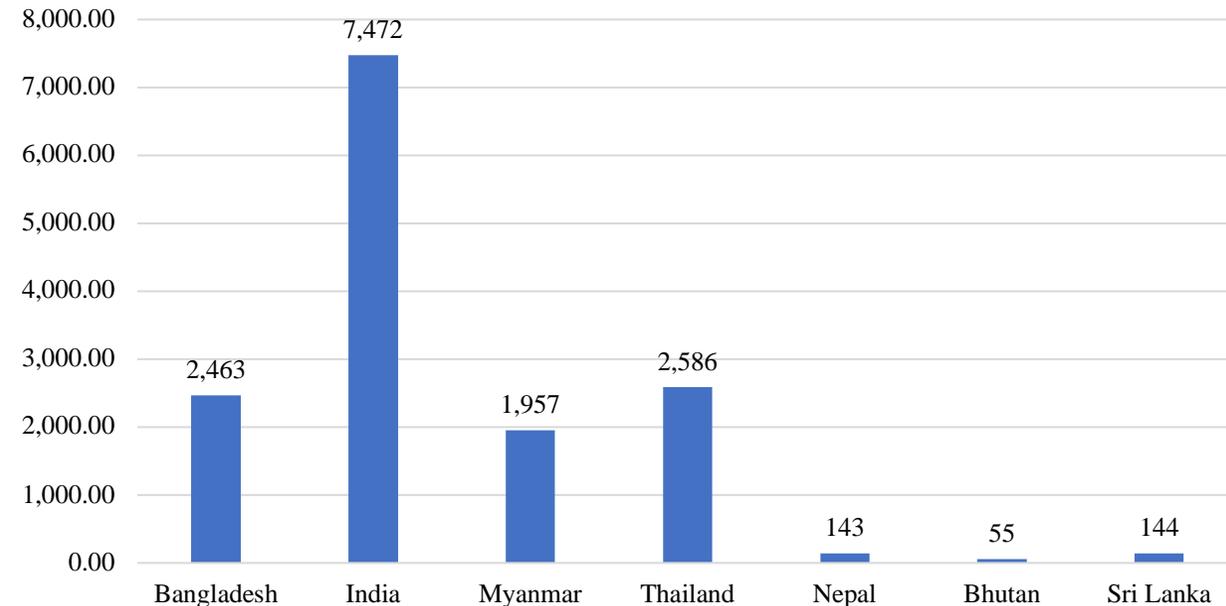
- *The scale and frequency of disasters are growing*
- *Response capacity at the national level is strained*

Number of Deaths from Natural Disasters in BIMSTEC Countries (2009-2017)



Source: EMDAT Database, accessed July 2018

Average annual loss from flooding (2014) in BIMSTEC Countries (US\$ Millions)



Source: Prevention Web 2014



LKI

LAKSHMAN KADIRGAMAR INSTITUTE
OF INTERNATIONAL RELATIONS AND STRATEGIC STUDIES

Current Role of BIMSTEC in natural disaster management

- In October 2017, India hosted the First Annual BIMSTEC Disaster Management Exercise (DMEx)
 - India is the lead of Disaster Management Priority Sector
 - Focus on sharing best practices of Disaster Risk Reduction, strengthening regional response and coordination among member countries
 - Strong recommendations came out of the Exercise
- Formation of Expert Groups on Disaster Management
- In October 2016 at the BIMSTEC Leaders Retreat in India
 - Disaster Management was given importance on the agenda
 - Leaders discussed joint exercises, sharing of information including early warning system, adoption of preventive measures, joint action on relief and rehabilitation, and capacity building.



How can BIMSTEC facilitate effective disaster management?

A regional response can augment a national response

- 1. Build national level capacity for the National Disaster Agency*
- 2. Share knowledge, technical know-how, technological transfers*
- 3. Provide mechanisms for effective coordination with other government agencies*
- 4. Integrate knowledge from International Policy in solving 'complex' problems*
- 5. Implement best practices from the region*



LKI

LAKSHMAN KADIRGAMAR INSTITUTE
OF INTERNATIONAL RELATIONS AND STRATEGIC STUDIES

Challenges of using BIMSTEC in national disaster management

- Diversity and complexity of members
 - The BIMSTEC member countries are demographically undeveloped, politically growing and ethnically assorted
- Reliance on external funding
 - The combined population of BIMSTEC is 1.6 billion people and accounts for 22% of the world's population
- Weakness in institutional capacity
 - Impact on the implementation of policies and frameworks



Policy Recommendations-Setting a Common Agenda

- There is a need for long-term, joint, proactive, holistic policy
- India and leadership is pivotal for success
- Devise a comprehensive BIMSTEC disaster management and risk reduction plan
- BIMSTEC groups and taskforces could provide knowledge solutions at the national level
- Link disaster management to related sector- e.g. climate change sectors
- Policy coordination at all levels- regional, national and local
- Impact monitoring mechanism



LKI

LAKSHMAN KADIRGAMAR INSTITUTE

OF INTERNATIONAL RELATIONS AND STRATEGIC STUDIES

**DPG Regional Conference
on Advancing BIMSTEC
Cooperation, Colombo,
August 2-3, 2018**

**Paper by Mr. Shahab Enam Khan,
Research Director, Bangladesh
Enterprise Institute, Bangladesh**

Addressing the issue of Hydro-diplomacy to Ensure Effective Transboundary Water Regime in BIMSTEC

Session III: Energy, Water, Environment, Climate Change and other issues
DPG Regional Conference on Advancing BIMSTEC Cooperation
Taj Samudra, Colombo August 2-3, 2018

SHAHAB ENAM KHAN
RESEARCH DIRECTOR
BANGLADESH ENTERPRISE INSTITUTE

For Bangladesh in particular, BIMSTEC can be a pivot to its economic development and regional connectivity. Through enhanced cross-border connectivity, interlinkages and transboundary water sharing arrangements, Bangladesh can ensure its sustainable growth and prosperous multilateral relations within the region.

BIMSTEC, which stands for Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation, is a multilateral grouping of India, Bangladesh, Bhutan, Nepal, Myanmar, Sri Lanka, and Thailand that focuses on six sectors were identified for cooperation – trade and investment, technology, transport and communication, energy, tourism, and fisheries. Perhaps, the BIMSTEC region has a huge amount of untapped natural, water, and human resources, from hydropower potential in the Himalayan basin to hydrocarbons in the Bay of Bengal. Therefore, transboundary water and maritime issues have become major elements of cooperation among all these countries. The focus of this paper is then to touch upon the very basic modalities that can ensure this cooperation takes place without much hinderances. Henceforth, the issue of hydro-diplomacy comes in as the tool for policy planning and policy implementation – a prerequisite for developing a meaningful cooperation framework.

Why we need to focus on the issue of hydro-diplomacy? Let us look into the transboundary water resources in the region. It is a source of power, transportation, development, and of course politics. Transboundary waters are a pivotal but underappreciated issue in both regional and global politics. There are 148 countries with territory in international river basins. This means almost every country with land borders shares some waters with its neighbors. These international basins cover 46% of the earth's land surface, host about 40% of the world's population, and account for approximately 60% of global river flow. Shared waters are therefore of critical importance for riparian states, i.e. the states that lie within a transboundary basin. Many important shared basins – the Nile, the Indus, the Ganges, the Brahmaputra, the Euphrates-Tigris, the Amu Darya and SyrDarja, and the Mekong – overlap with regions characterized by substantial interstate and intrastate tensions and often a history of armed conflict.

Competition over water access in these basins is likely to increase due to multiple reasons, which would include over-extraction, hydro engineering, depletion of freshwater ecosystems, and climate change. Although I must say there is little historical precedent for major 'water wars', but the changing demography and political economy are increasingly putting pressure on access and management of water that may lead to undue consequences among the states. However, contrary, shared waters have in many cases been a source of cooperation in otherwise conflictive relationships. The 1960 Indus Waters Treaty has thus survived three wars between India and Pakistan, cooperation on the Mekong persisted throughout the Indochinese wars, and water has served as a crucial means for strengthening cooperation in Southern Africa.

So you can see, the use and allocation of water in transboundary basins is both a source of tension and an opportunity to promote cooperative practices and build collaborative institutions. The extent to which these conflict risks can be managed and the significant cooperative opportunities realized will depend on the level of political engagement and foreign policy maturity demonstrated by both basin countries and the international community.

The issue of competition over the shared waters is of particular importance for the foreign policy makers. Foreign policy can help improve transboundary water governance, and transboundary water governance can give foreign policy makers a toehold for making progress on crucial foreign policy interests. As a result, encouraging greater cooperation over transboundary waters offers significant prospects for the resolution of political conflicts and greater regional integration. Transboundary waters constitute a promising entry point for diplomats aiming for high peace dividends.

If I take the case of BBIN initiative then we can see the potential for hydrodiplomacy which would immensely benefit each of the countries. One estimate shows that the hydropower potential in Bhutan and Nepal taken together is 113,000MW. In addition, the hydropower potential for the North East India is 58,000 MW. If the potential is exploited effectively then the BBIN sub-region can become the largest provider of hydropower to the countries adjoining the sub-region. Exploiting the immense hydropower potential of the North Eastern states of India along with that of Nepal and Bhutan, the region has a potential to become energy secure, without adding substantially to emission concerns. While strategic big hydro power plants are important to the region, considering their socio-economic and environmental concerns, they are to be approached through adequate consultations and impact assessments. In the shorter run, Small, Mini, Micro Hydro projects can well be the low hanging fruits for the region. This is an untapped resource that would require political, diplomatic as well as technical efforts to be translated into reality.

Apart from hydroelectricity, inland waterway navigation within the BBIN region posits tremendous potential for trade and connectivity. This would require solid water governance and equitable sharing of water. The signing of the BBIN MVA for the regulation of passenger, personal and cargo vehicular traffic is a notable initiative that shows that the BBIN states are willing to expand their trade connectivity. Although the MVA has been put on halt due to strong legit concerns raised by Bhutan, but the point of reference is the willingness of the states to create an enabling atmosphere for greater connectivity. BIMSTEC has in fact finalized a Motor Vehicle Agreement in April 2018. It will now be discussed internally and then at the BIMSTEC meeting, which will be held in Nepal later this year.

Historically, inland waterways were used for transportation using Ganges and Brahmaputra rivers. But with the growth of trade and mobility, the states have revived interests in inland water bodies as alternative mode of transportation, particularly for trade and transportation towards enhancing the cooperation and connectivity in the region. We can think that this may and should ideally lead to a renewed interest in the navigability of inland waterways with the result of increased water flow within and across borders.

If you take Bangladesh, as an example, as a riverine country with 24,000 km waterways, has a navigable network varying from 5968 km during the monsoon to 3865 km during the dry season. Its inland water transport continues to be an important mode of transport not only in the inland movement of freight and passengers but also in the transportation of import and export items through the ports of Chittagong and Mongla. Thus it can well serve as efficient and cost effective water transport hub for the BBIN countries.

If you take Assam for another example, anyone would be struck by the mighty Brahmaputra. Assam's almost 2,000 km of navigable waterways – the largest in any Indian state – be put to use, can provide a cheaper and greener option as an adjunct to surface connectivity in the BBIN region. After all, the Brahmaputra is India's second largest waterway, being declared as National Waterway Number 2 way back in 1988.

If Bangladesh and India can manage their rivers in equitable manner, this will unleash huge trade potential for the region as a whole. How so? Trade over inland waterways between the two countries is governed by a protocol agreement that was first signed in 1972 but required periodic negotiations and renewals to remain functional. In 2015, Bangladesh and India agreed to automatic renewals, creating a more stable framework for trade. A year later, a vessel travelled across Bangladesh from the Indian city of Kolkata to its northeastern state of Tripura.

The free movement of cargo along the Ganges and Brahmaputra, supplemented by last-mile road and coastal shipping connectivity, would give the long-isolated markets of northeast India access to the industrial centers of north India and Bangladesh. Bangladesh will find it easier to sell its garments, pharmaceuticals, and leather to India, Bhutan, and possibly Nepal. Landlocked Nepal and Bhutan, in turn, would finally have an easy route to the sea through downstream Bangladesh; exports could stimulate economic growth while greater supply could help keep a lid on inflation (if regional tariff structures and non-tariff barriers fall in line).

Both the governments are working together to invest in waterways through revamped protocol agreements, and an MoU on bilateral coastal shipping to supplement waterway trade. The Joint River Commission coordinates functions to oversee transboundary river management. Maintaining navigability could lead to better coordination between the BIMSTEC countries on planning where river infrastructure should be built, and how much water should flow down rivers and tributaries to ensure that ships can operate (especially since larger cargo ships will require significant depth to operate).

However, this basic requirement of flowing water to the sea will also force the issue of environmental flows, which are assured minimum river flows needed to meet the water requirements of river ecosystems. Currently, countries in the BIMSTEC region utilize the waters of transboundary rivers within their territories to meet their own ends (such as hydropower, flood control, and irrigation). I think the idea of trading on these rivers would introduce a shared cooperation benefit to the equation, incentivizing joint planning. If producers, consumers, tour operators, and environmentalists begin to see the benefits, governments might be more inclined to focus on seeing the basin as a whole, and planning development together with neighbors.

This would require a common regulatory framework to govern waterway trade as well as a common approach towards GBM basin management. This is precisely where the role of hydrodiplomacy comes in. I must stress here that the water as a cause will only make progress as long as it is debated peacefully and objectively. Civil society, communities, and governments at the local, state, and national levels must work together to decide which issues to prioritize as these frameworks emerge.

We would certainly need diplomats, engineers as well as policymakers with sound understanding of technicalities and socio-economic aspects of water and rivers that runs through the region. The countries must engage in dialogues on bettering energy security through hydropower potentials and inland waterways channels. After all there will be higher traction on overall water sharing issues. Furthermore, it is also expected that hydropower and inland waterways trade will function as a bridge for greater water cooperation.

However, there are challenges that need to be understood too. The lack of political leadership for hydro-diplomacy at the regional level; the lack of strategic coordination between the countries; and limits on the human, institutional, and financial capacity that are necessary for better transboundary/multilateral water cooperation. Stronger political leadership is necessary to realize potential synergies between political and technical engagement. Dams or improved irrigation can frequently provide technological solutions to water scarcity and variability or often popular political supports, but may also entail negative environmental and social consequences as well as raise fears about water availability and control downstream. Farakka and Teesta are still abysmal examples.

Along with political leadership, to translate the political commitments, the countries should put in efforts to coordinate foreign policy initiatives that underpin solutions with a political mandate, leverage, and diplomatic intuition. BIMSTEC countries could work for setting up institutional mechanisms to foster enhanced cooperation in shared basins, and additional diplomatic engagement to lend political weight to resolve water disputes. As such, the major task of hydrodiplomacy would be to facilitate better coordination within and between governments to ensure that the water won't be a protracted tactical game between the countries but becomes as a modality for improved cooperation.

Therefore, the synergies between the “low politics” of technical and financial cooperation and the “high politics” of foreign policy could be far greater if they can be designed to be mutually enabling. What is also necessary is politically astute diplomacy that can overcome the bureaucratic inertia and political risk aversion which results in fixation on short-sighted and mutually exclusive “national interests.” Collective efforts will, in turn, improve local and national water management that can significantly contribute to safeguarding socio-economic security. At the end of the day, effort of foreign policy or politics is all about the development and well-being of people by helping them avoid conflict and harness the opportunities that closer cooperation brings about.

I think, BIMSTEC countries are in a critical conjuncture of time where they have to think beyond the age old nationalism or engineering views over water management. To allow water to emerge as a primary foreign policy agenda, I think a down to top approach is needed that can come from the civil society and the institutions working on water and livelihoods. Multiple levels of dialogues and engagements will put a momentum and I see BIMSTEC as a low hanging platform that can serve as a medium for taking hydrodiplomacy to a different height. This is a shared task for the technical, development, and foreign policy communities – and a task that both forms the basis for political engagement and depends on strong and coordinated regional efforts. Investing in water diplomacy at a time of so many other demanding crises may appear to be an optional luxury. Yet, as has been said so many times before, there is nothing more fundamental to human life than freshwater, and given the impending threats to its availability, nothing could be more worthy of the additional political and financial capital that hydro-diplomacy requires.

SESSION 5:

“PEOPLE TO PEOPLE CONNECTIVITY THROUGH MULTI-SECTORAL ENGAGEMENT”

**DPG Regional Conference
on Advancing BIMSTEC
Cooperation, Colombo,
August 2-3, 2018**

**Abstract of Moderator's Remarks by
Amb. H. K. Singh, Director General,
Delhi Policy Group**

Amb. H. K. Singh
Director General, Delhi Policy Group

As the moderator of the session on People to People Connectivity, Ambassador Singh described people-to-people contacts as the heart of cooperation in the BIMSTEC region and emphasised the need for an equitable and democratic regional institutional body that furthers this engagement. He reiterated the need for a shift from a top-down approach to a people-driven, local community benefit-led focus.

He highlighted the special nature of BIMSTEC owing to the duality in relations, both terrestrial and maritime which involve different types of communities and connectivity. He expressed his conviction that a slow and deliberate movement towards each strand with the inputs generated along such forums can bring about progress in the region.

**DPG Regional Conference
on Advancing BIMSTEC
Cooperation, Colombo,
August 2-3, 2018**

**Presentation by Mr. Sabyasachi
Dutta, Director, Asian Confluence,
India**



Advancing BIMSTEC Cooperation: Enhanced People to People Connectivity

Mapping Ideas and Institution for actions



Colombo ,Aug 3rd 2018

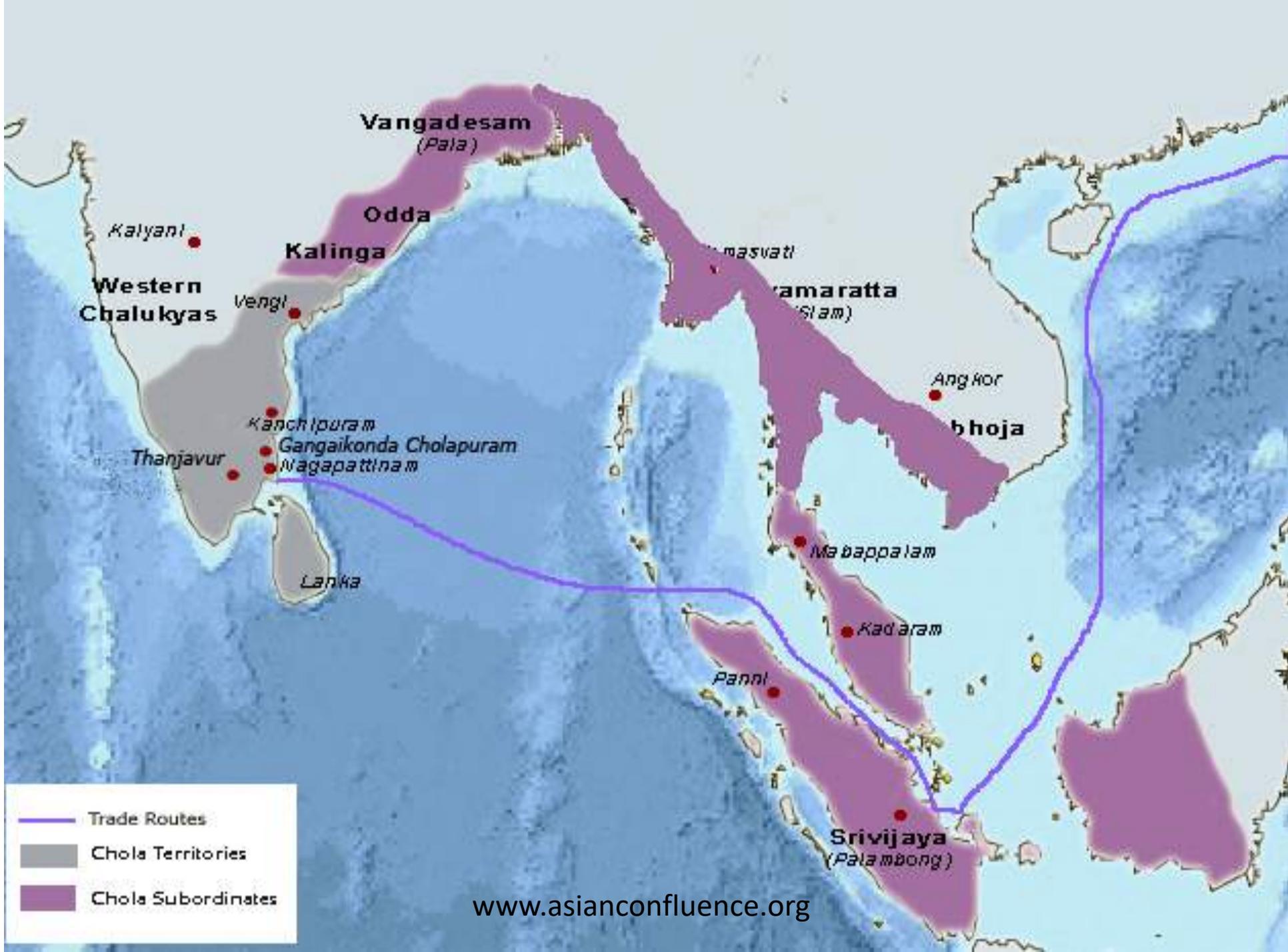


www.asianconfluence.org

India 1909 GENERAL MAP OF RAILWAYS

English Miles
0 100 200 300 400
Railways Open
Projected or constructing - - -
Steamship Routes





- Trade Routes
- Chola Territories
- Chola Subordinates

PEOPLE'S SPACE

PHSYCOLOGICAL
INTELLECTUAL
EMOTIONAL,
Economic

Creating
NARRATIVES
To Create
opportunities
for
engagement

Agreements
Geo Politics
Diplomacy
Security
Intelligence
CustomsFacilitations
Taxation

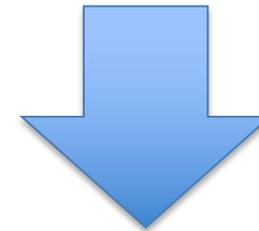
Trades
Treaties
Investments
Manufacturing

GOVERNMENT LED POLITICAL SPACE

GOVERNMENT AND INDUSTRY LED ECONOMIC SPACE

SPACES FOR ENGAGEMENT

Mapping Ideas and Institutions



Traverse Silos of various disciplines

Convergence

Policies to Projects
Institution to projects

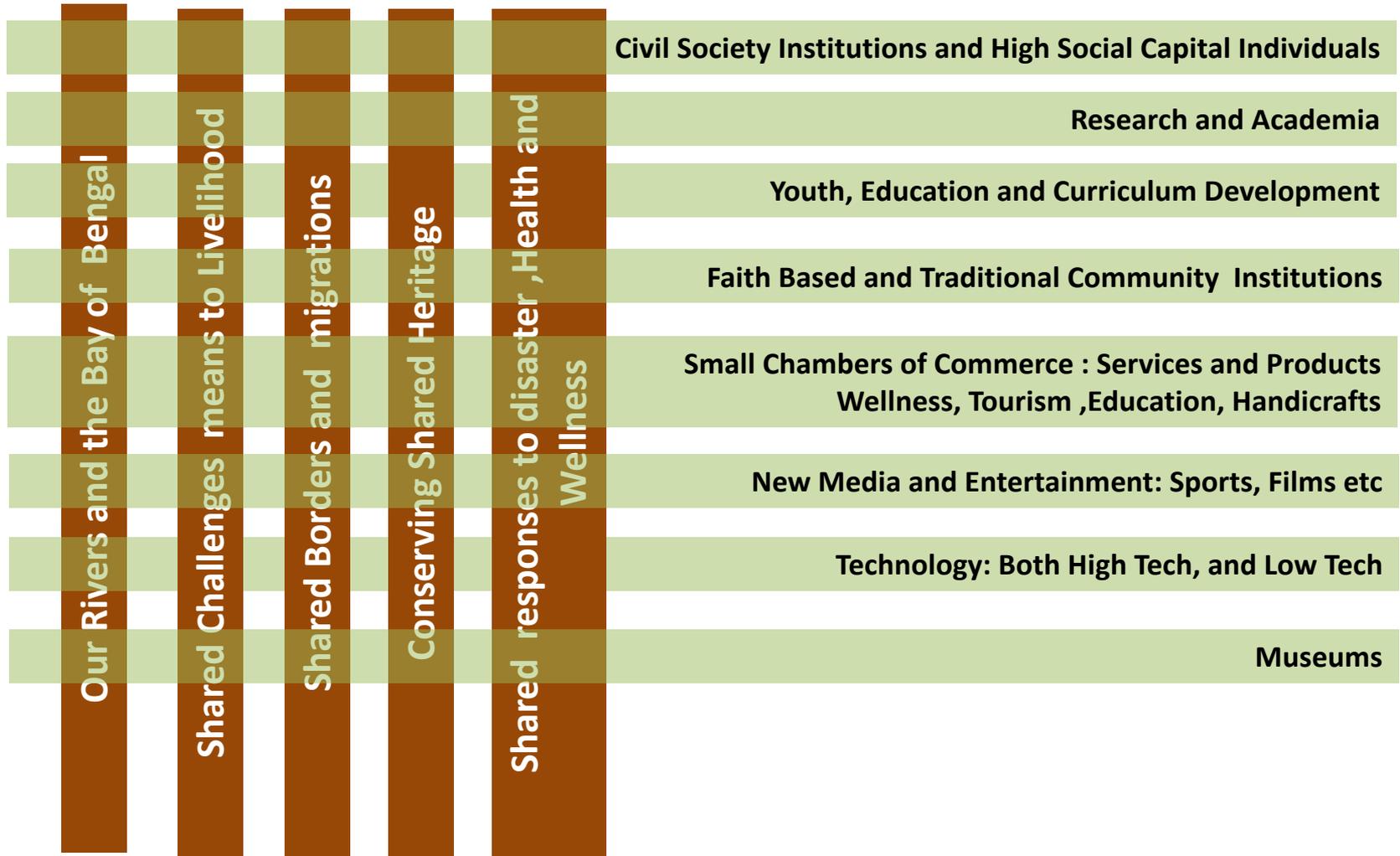
Branding

Include More stakeholders

Generate, Sustain ground up synergies
from the Third Space



Mapping Ideas and Institutions



A nighttime photograph of a modern, multi-story building with a courtyard. The building features large windows and balconies, some of which are illuminated from within, casting a warm glow. The courtyard is paved with stone tiles and contains several potted plants and trees. The sky is dark blue, suggesting dusk or night. The overall atmosphere is serene and well-lit.

Thank You

director@asianconfluence.org

**The ASIAN CONFLUENCE , DIVYAJEEVAN,
LADY VERONICA PARK
LAITUMKHRAH SHILLONG 793003
MEGHALAYA, INDIA.**



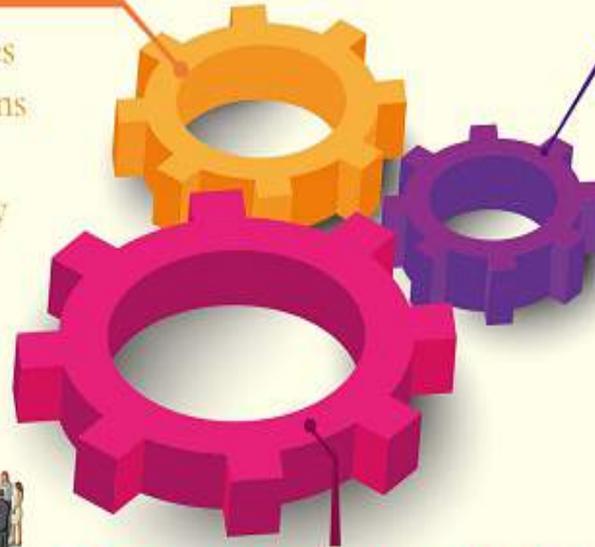
GOVERNMENT

- * Subregional and Bilateral Initiatives
- * Political and Diplomatic Operations
- * Defence and Security Structures
- * Connectivity and Interconnectivity
- * Treaties and Agreements



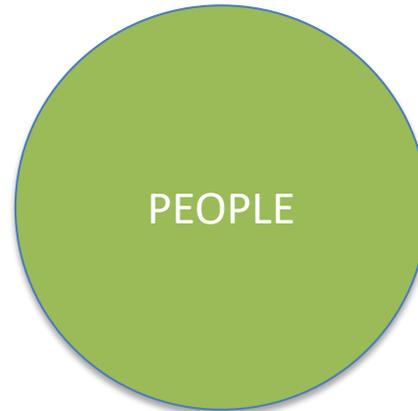
BUSINESS

- * Marketspace Dynamics
- * Stock Markets
- * MNC & Big Business Operations
- * Chambers of Commerce
- * Economic Development Boards



THE THIRD SPACE

IDEAS



PEOPLE

INSTITUTIONS

**DPG Regional Conference
on Advancing BIMSTEC
Cooperation, Colombo,
August 2-3, 2018**

**Presentation by Dr. Rohan
Samarajiva, Chair, ICT Agency, Sri
Lanka**

UNDERSTANDING REGIONAL INTEGRATION USING FACEBOOK FRIENDSHIP LINKS: AN EXPLORATORY ANALYSIS

Rohan Samarajiva and Yudhanjaya Wijeratne

Advancing the BIMSTEC conference, Colombo, 3 August 2018



This work was carried out with the aid of a grant from the International Development Research Centre, Canada and the Department for International Development UK.

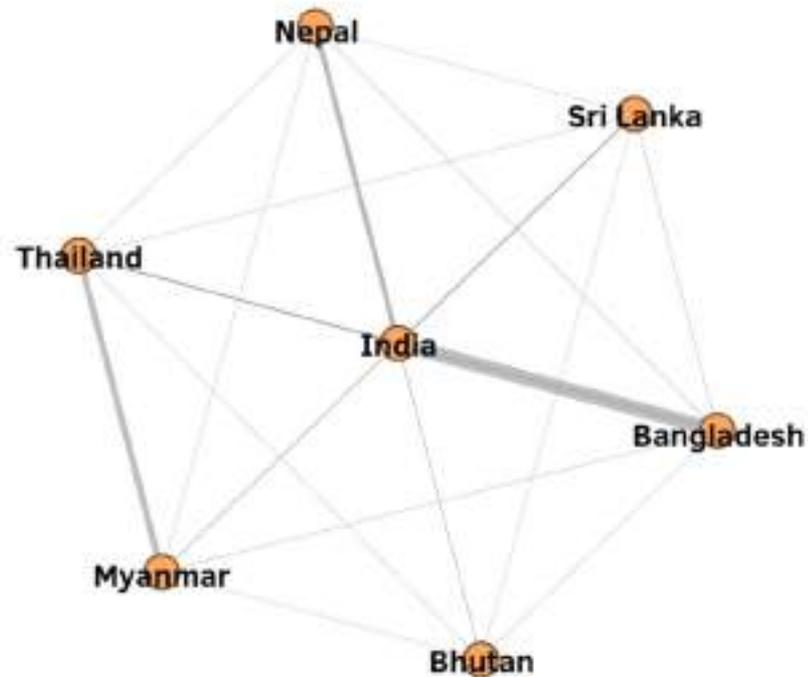


Last year, we received a snapshot of the Facebook universe - friend links between nations. It allows us to measure social connection between nations.

Social connection - especially active social connection, as measured in our data - does not happen at random. We have established that globally, these links correlate strongly to networks of migration and trade.

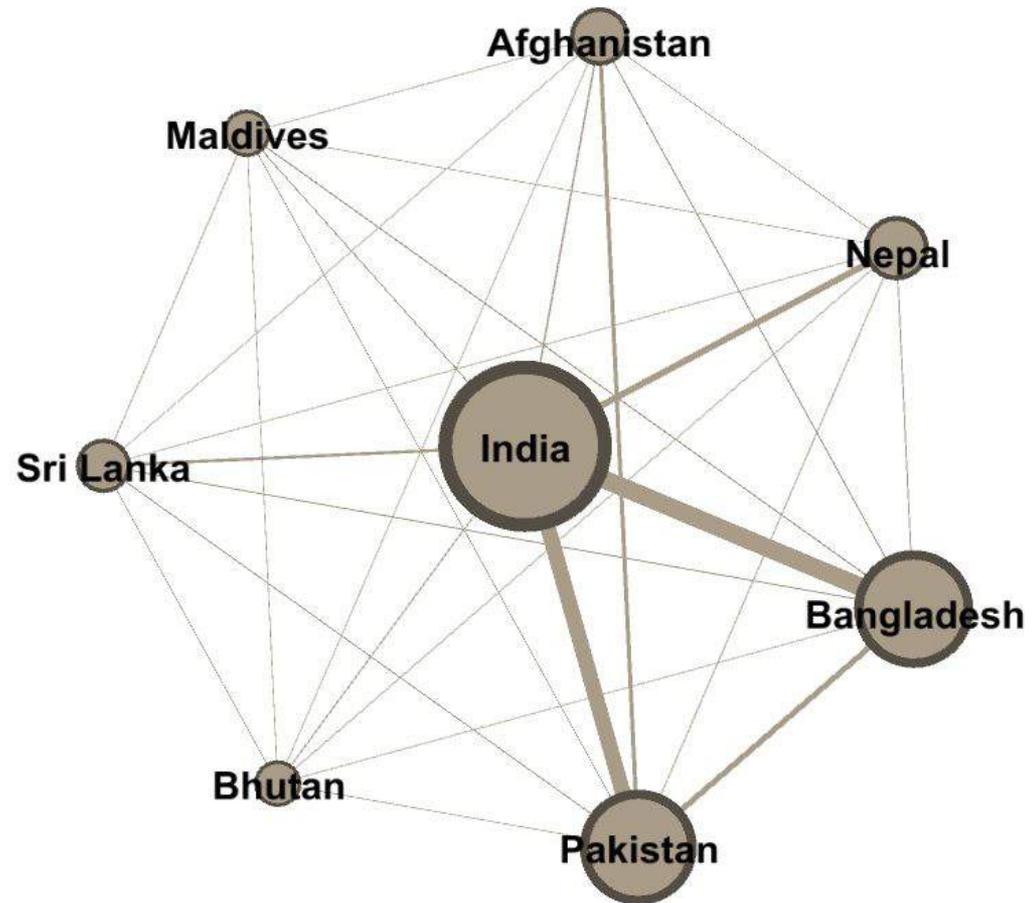
To understand BIMSTEC, we need to first understand the SAARC and ASEAN.

Both of these are older communities and each contribute countries to the newer construct.

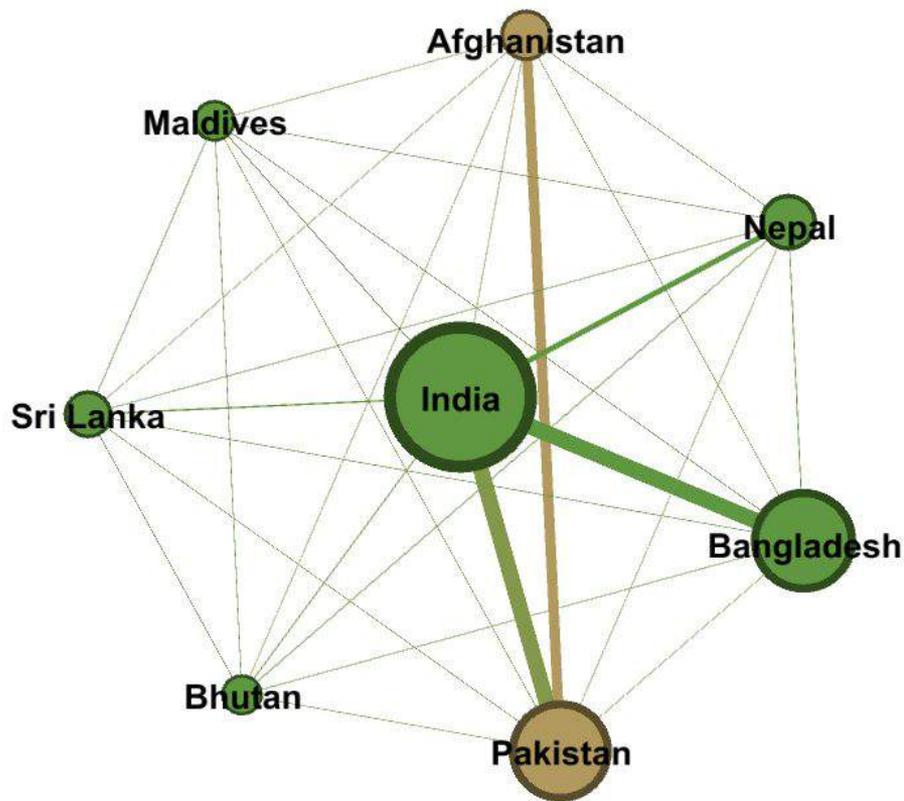


The SAARC 'social' community is actually three highly connected countries - India, Bangladesh and Pakistan - surrounded by a few other hangers-on.

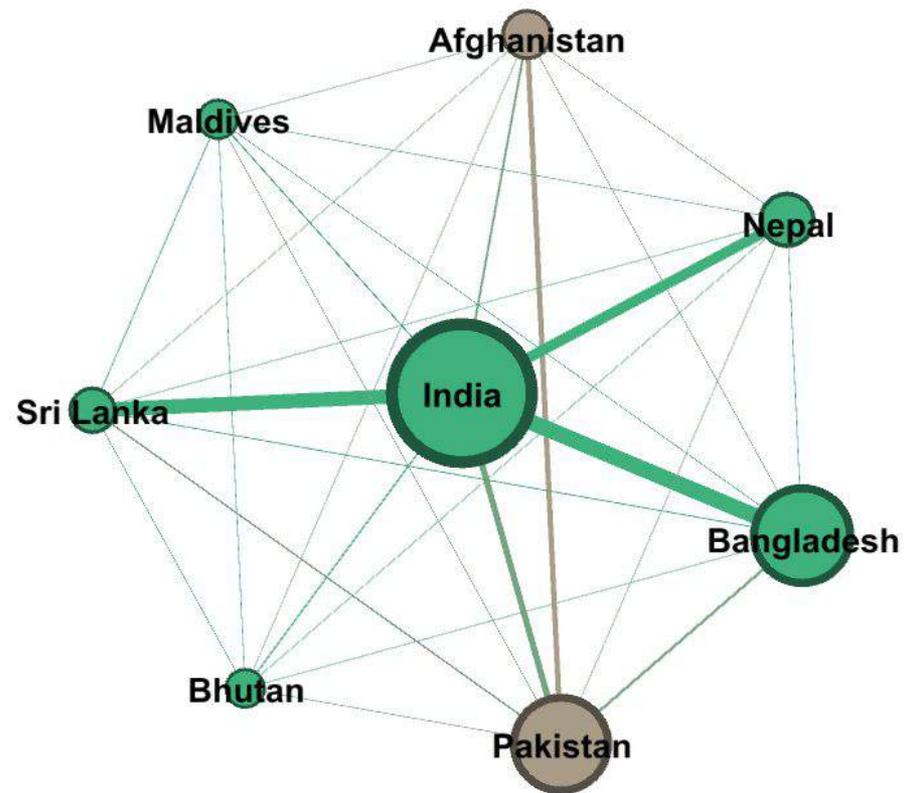
India	1822.28
Bangladesh	1047.43
Pakistan	1013.42
Nepal	282.52
Afghanistan	196.44
Sri Lanka	135.69
Maldives	35.40
Bhutan	24.05



There are three 'ranks' to this connectivity, and every country here is best connected to India. Algorithms (Louvain) shows the whole SAARC as one construct - all countries are more or less socially within the same community, even Bhutan.



Gross migrant stock, 2015



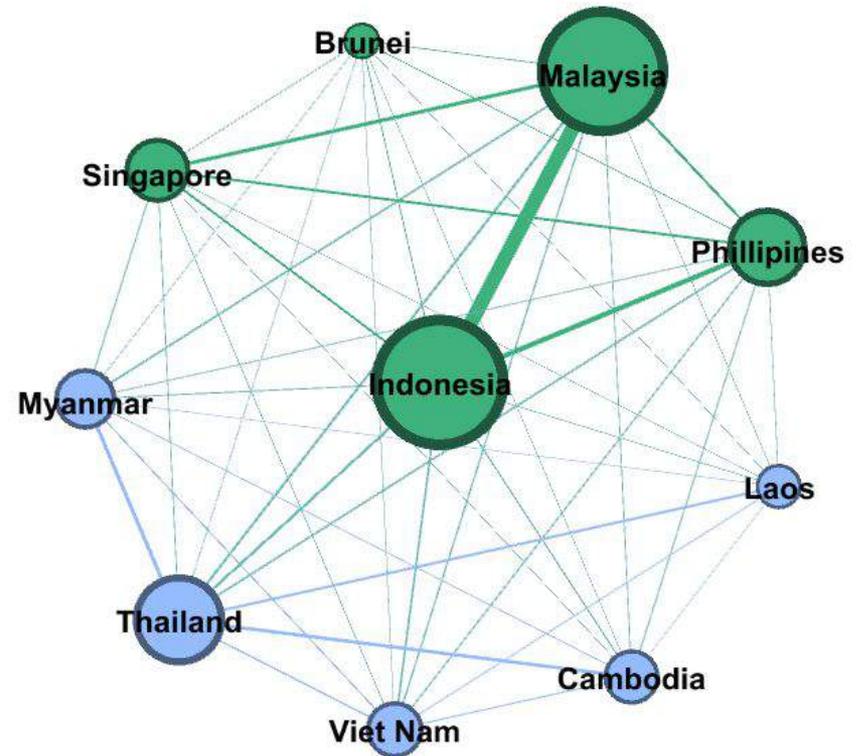
Gross trade (goods), 2015

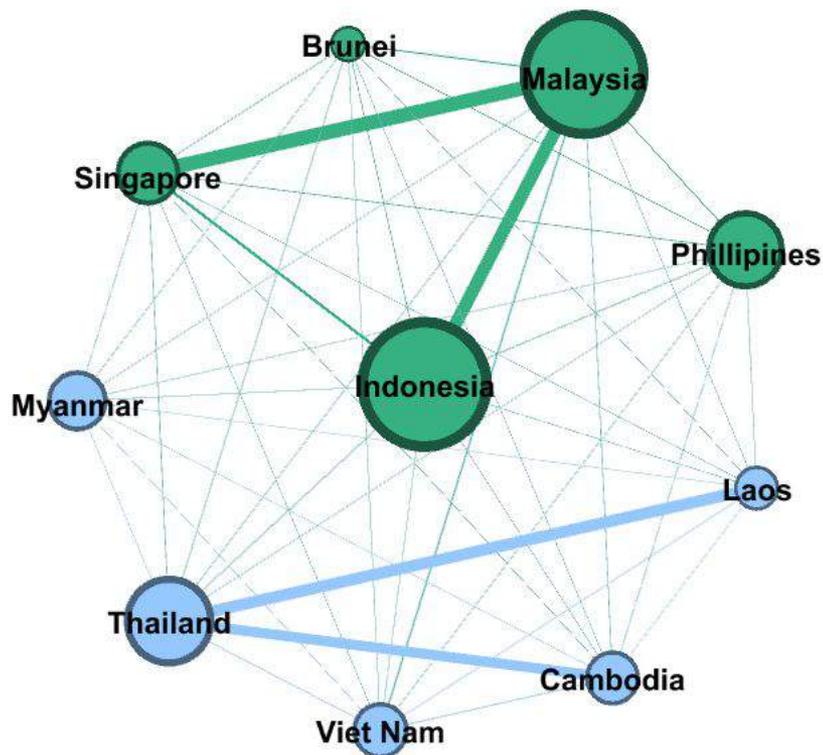
We can see these algorithms give us an understanding of how this SAARC community works under different lenses - such as migration and trade. As in the social network, India remains the biggest influencer, and India, Bangladesh, Nepal, Sri Lanka, Bhutan and Maldives operate as one community, but Pakistan and Afghanistan have their own little sub-community with migrant stock and trade.

The ASEAN community, on the other hand, is less centralized. ASEAN countries are more evenly connected to each other.

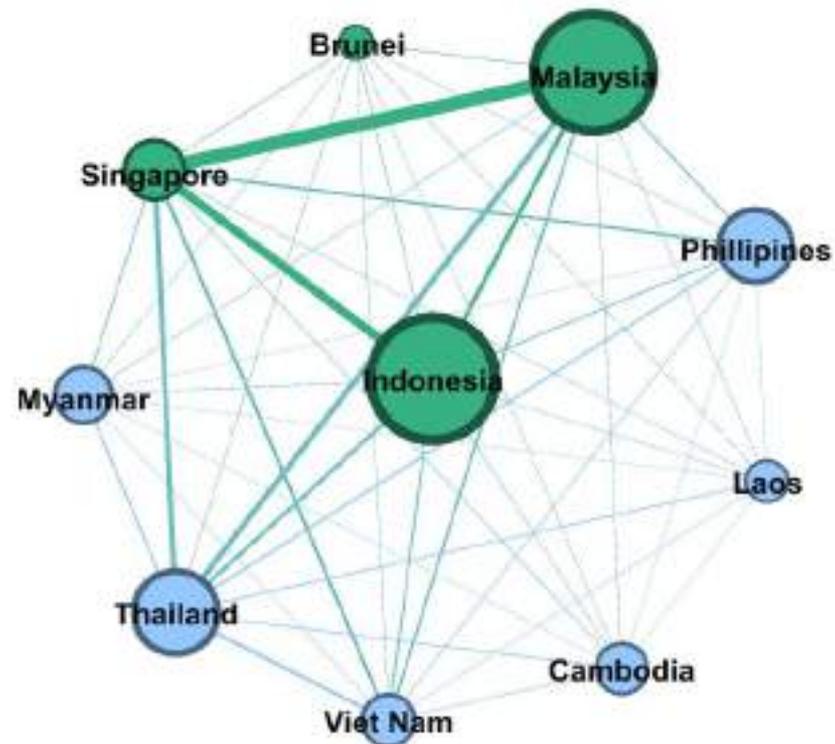
The exception is one extremely strong link between Indonesia and Malaysia.

Unlike the SAARC, ASEAN shows a community split.





Gross migrant stock, 2015



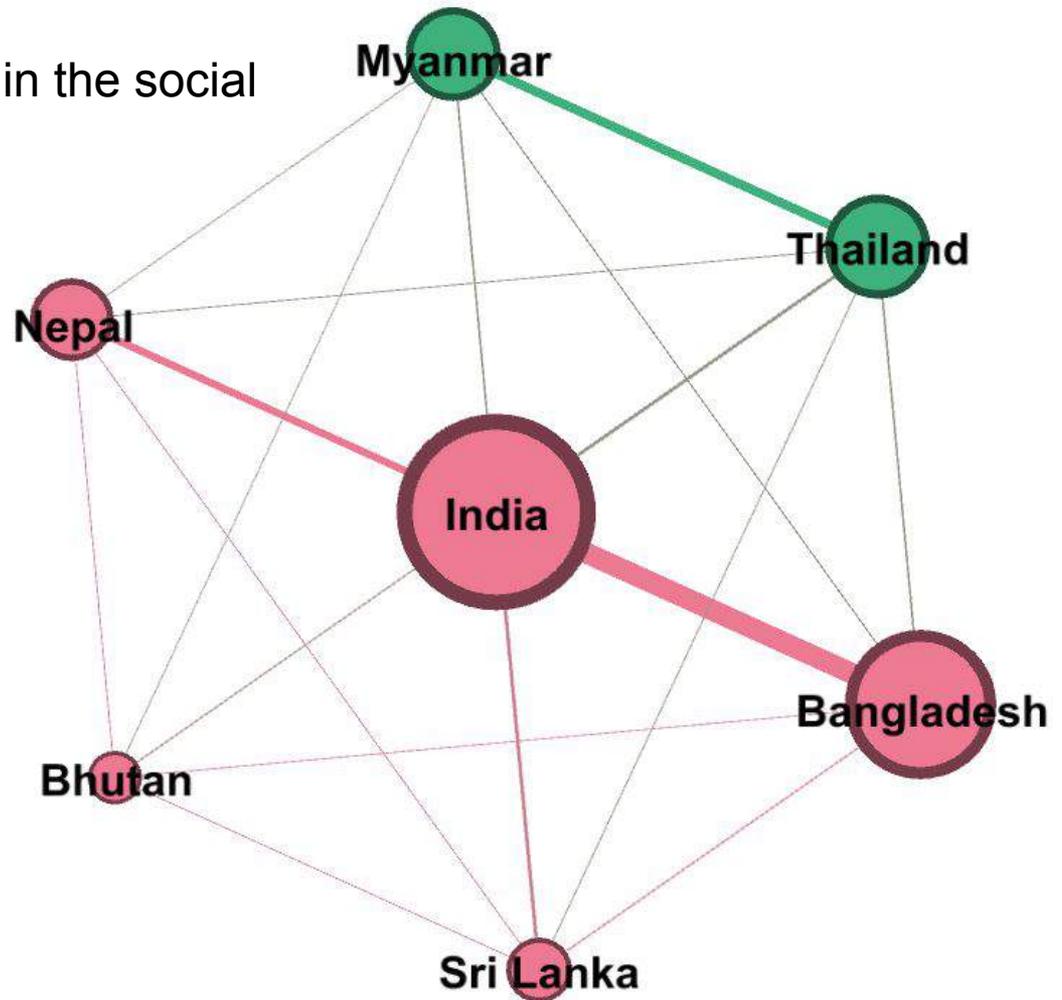
Gross trade (goods), 2015

This community split manifests itself in both migration and trade. Myanmar, Thailand, Viet Nam, Cambodia and Laos consistently sort themselves into the same community.

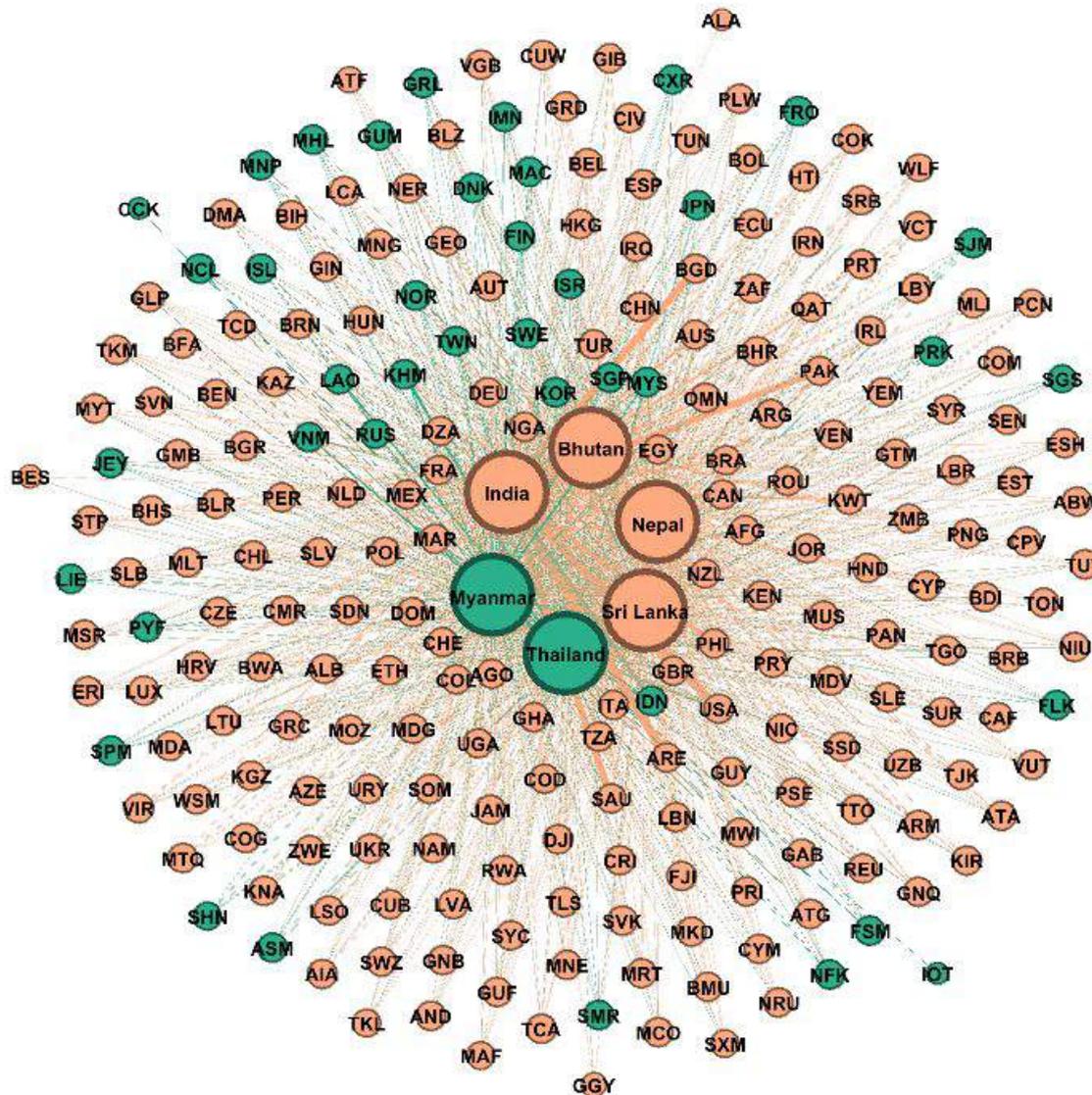
So what is BIMSTEC?

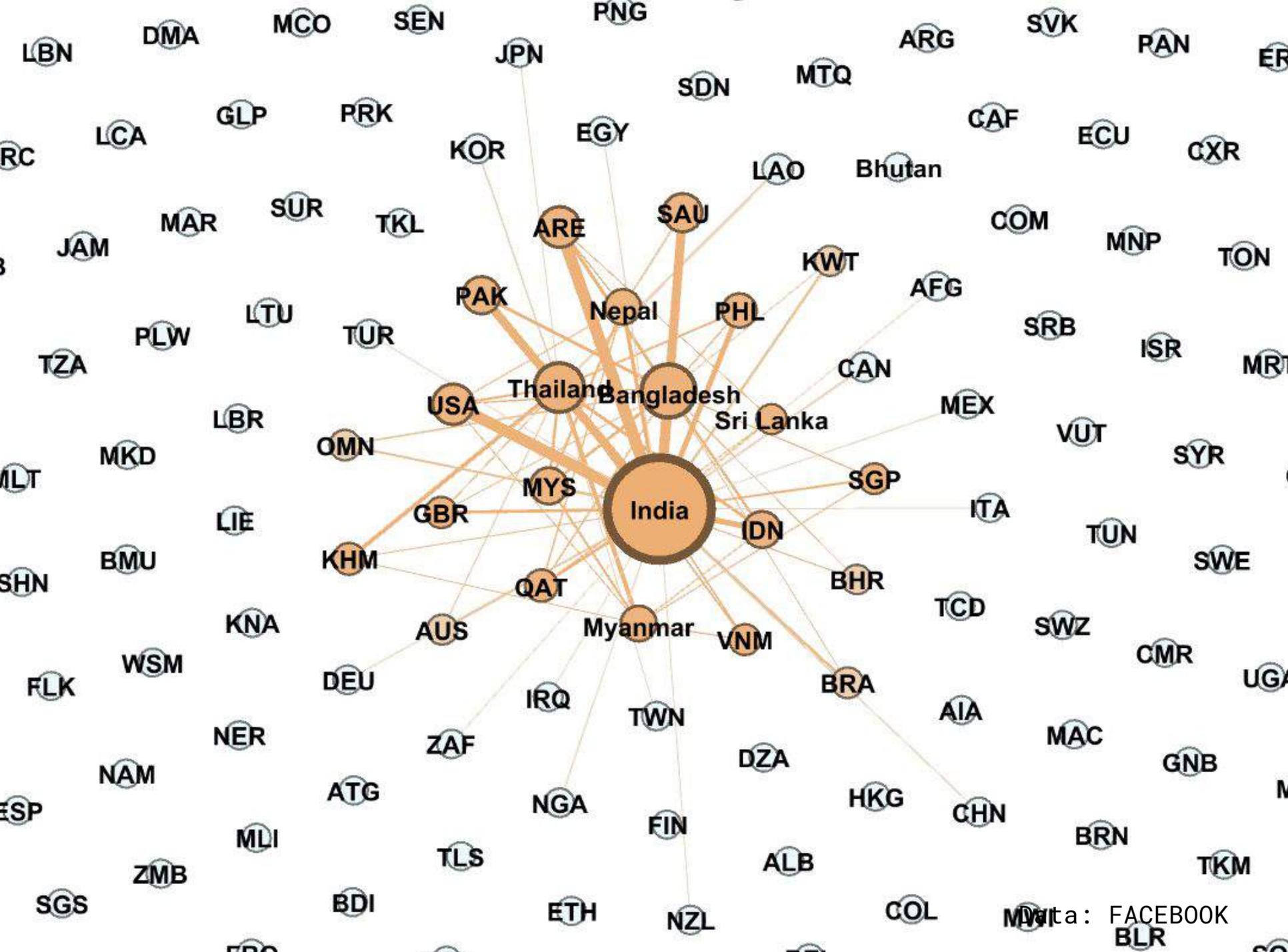
Two parts of a tight sub-community from ASEAN mixed with five parts of a tight sub-community from SAARC.

This split is clearly evident in the social data.

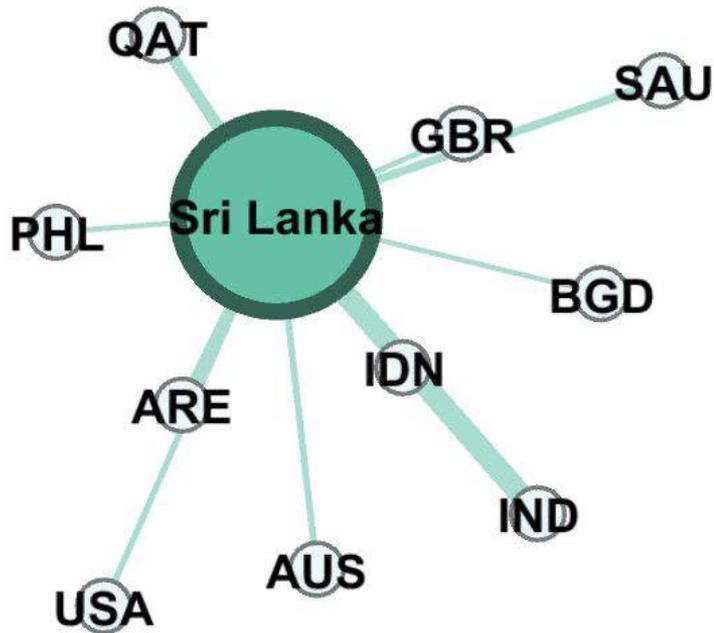


This fault line extends to not just inter-BIMSTEC interactions, but to the web of interactions we have with the entire world.



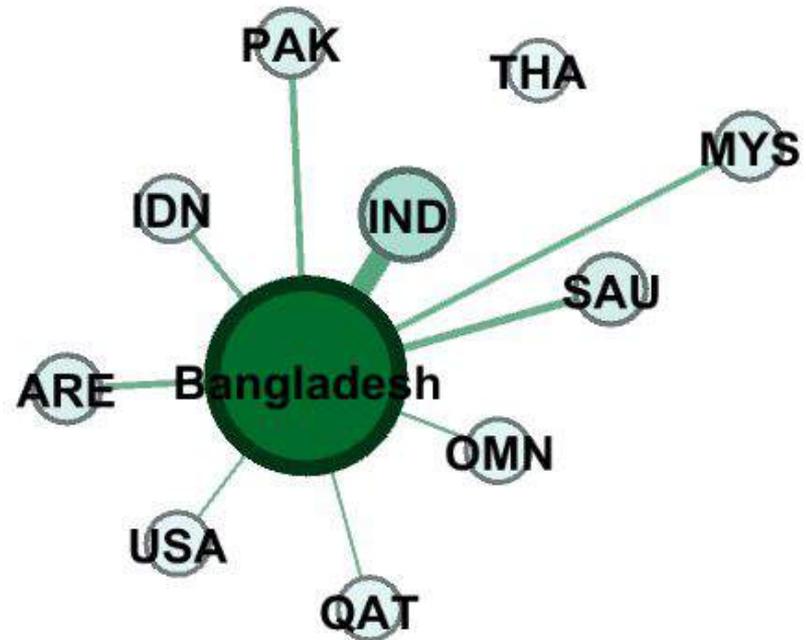


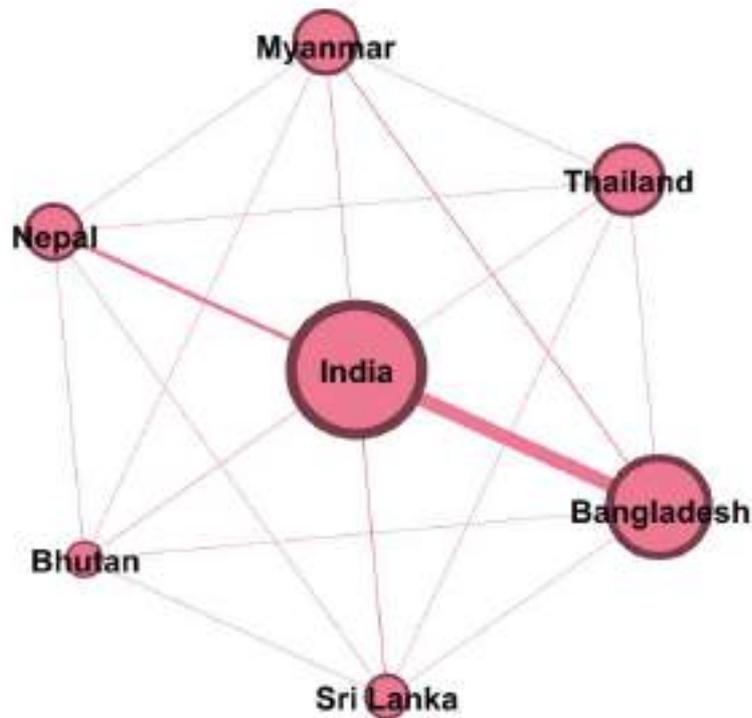
Source: FACEBOOK
BLR



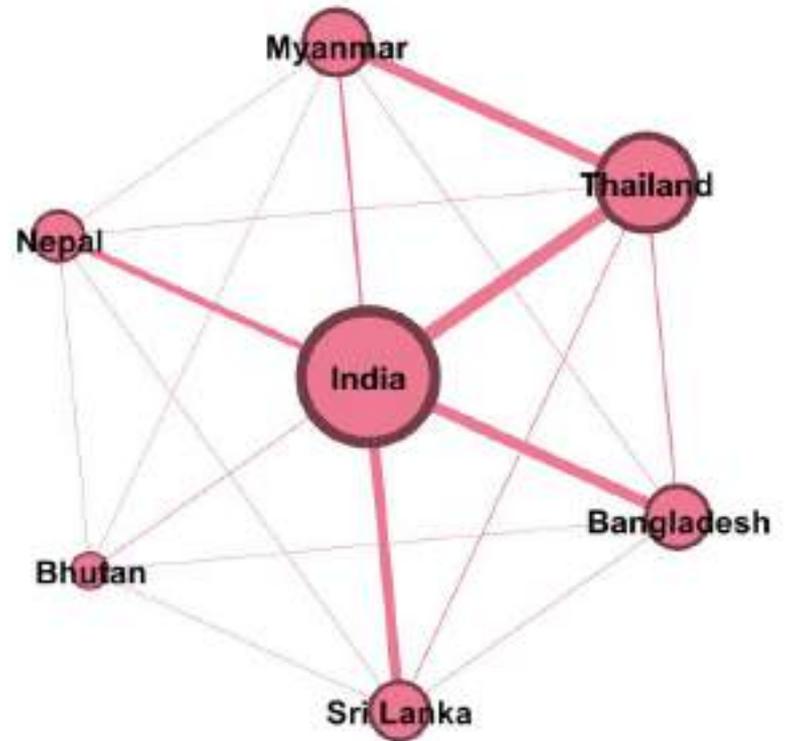
For Sri Lanka and Bangladesh, the closest connections are quite similar. They're more connected to the Middle East than to Thailand or Myanmar.

Both countries are best connected to India and certain Middle Eastern countries next.





Gross migrant stock, 2015

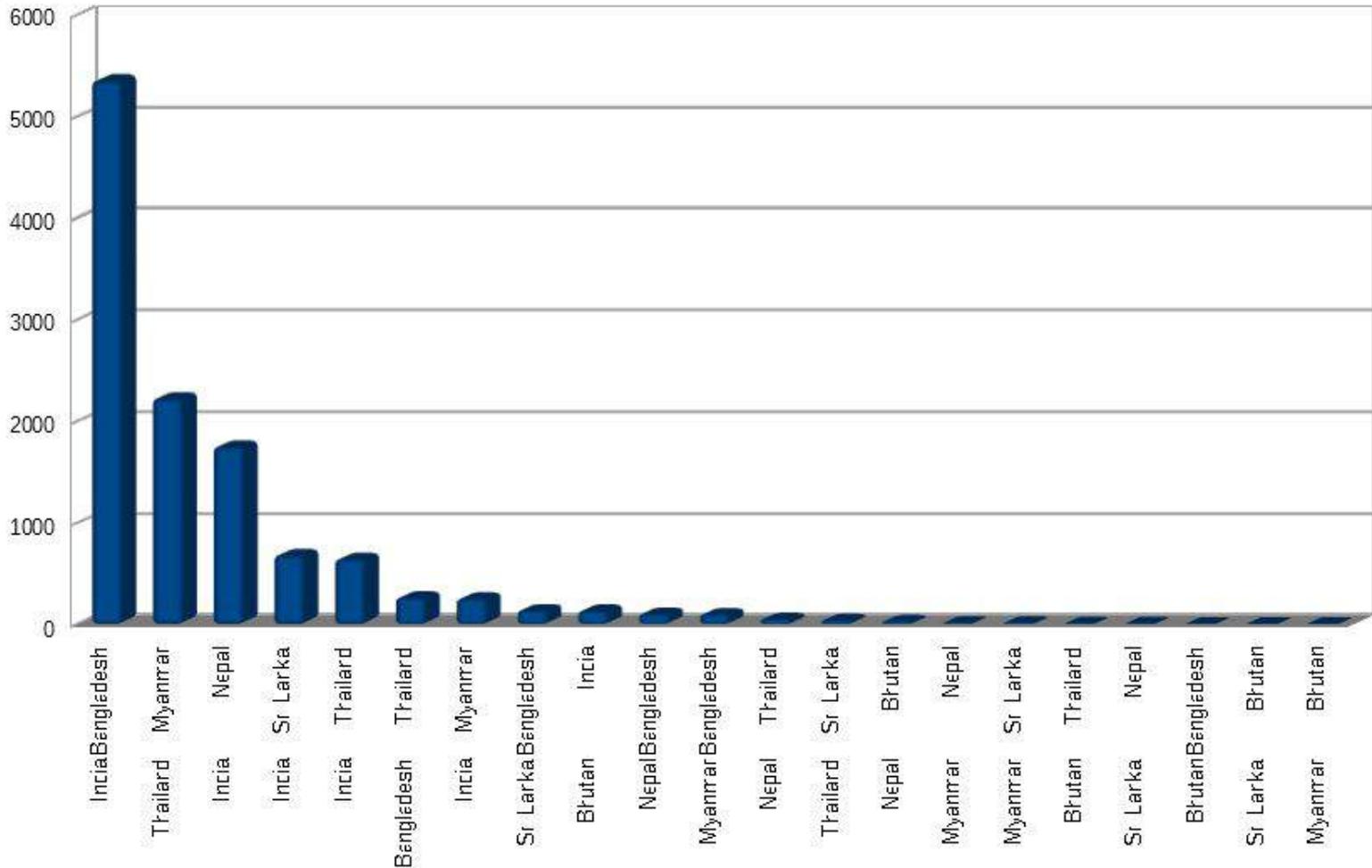


Gross trade (goods), 2015

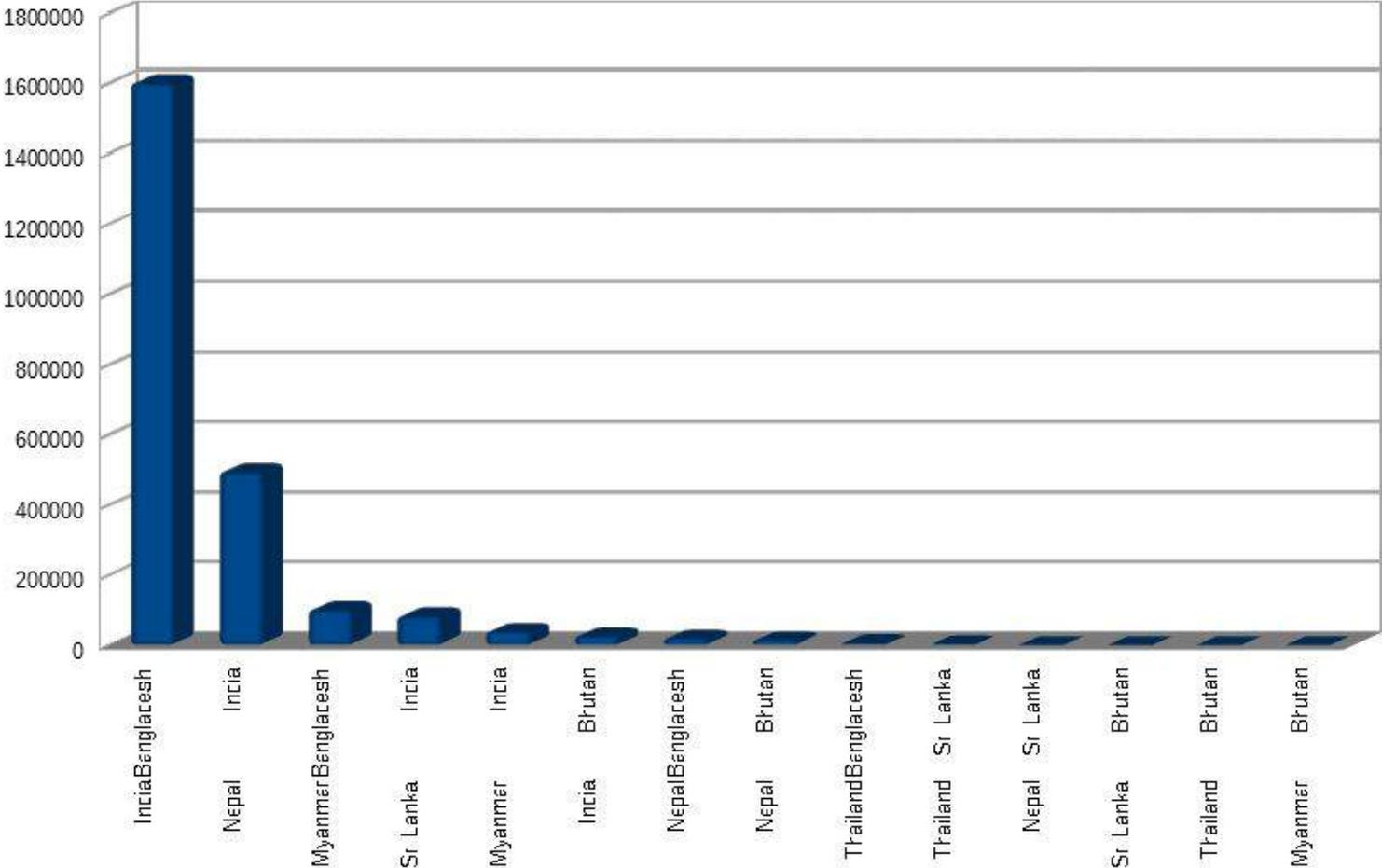
To the algorithm, BIMSTEC, despite this social split, LOOKS like a more integrated community when it comes to migration and trade, but this is a fallacy.

It only looks like a tight community because of India - and to a lesser extent, Thailand.

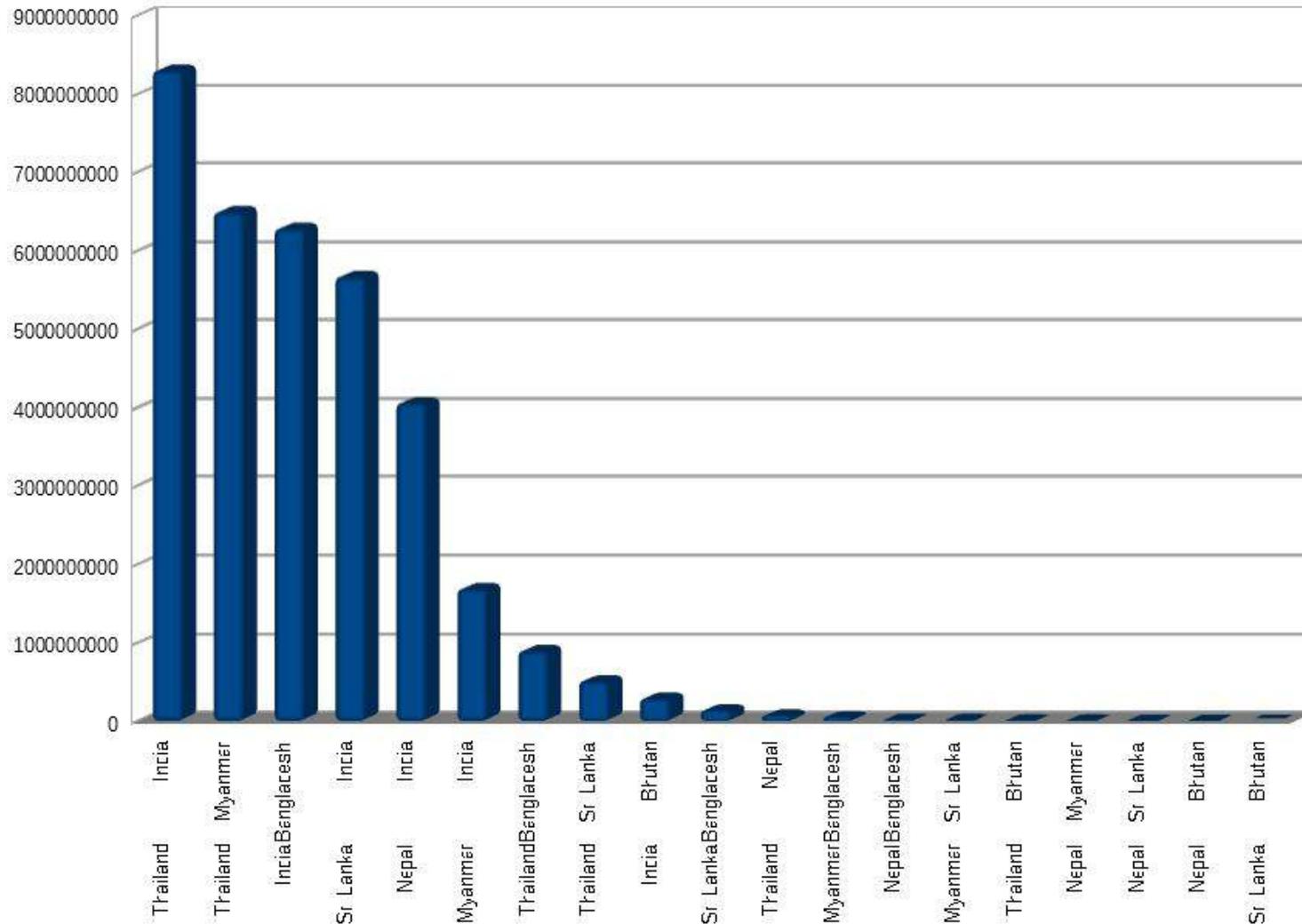
Socially, we see a repeat of SAARC theme - India as the superconnector. Thailand plays a #2 role.



This dominance of India repeats itself in migration...



And in trade.



India appears to be doing most of the work of keeping us connected as a community - whether socially, in migration or in trade.

This is partly why the algorithm tags us as a single community - everything goes to and from India, and from there to Thailand.

Sri Lanka, Bangladesh and Myanmar, Nepal and Bhutan have not yet formed adequate connection outside of what already came from the SAARC. Where connections do exist, most of them go through India.

While other countries cannot match India for migration or trade, due to population and scales of economies, it has to be noted that Sri Lanka is a founding member and should be better connected to the ASEAN component.

It is not enough for the BIMSTEC to look like a community to an algorithm: we need to be more connected to each other.

But the real takeaway of this is for Sri Lanka.

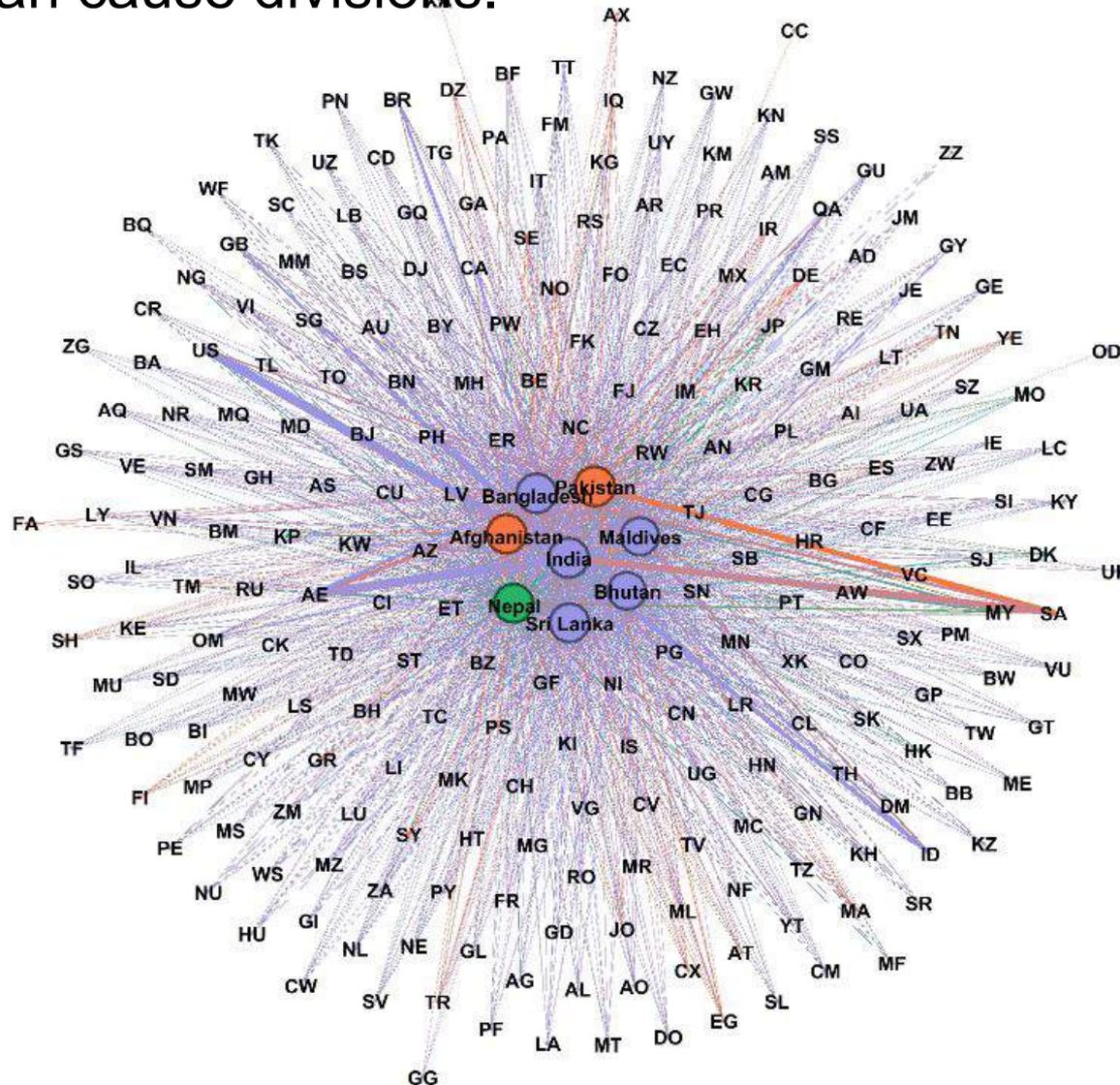
Despite being a founding member, we have not done as good a job as the other founders in forming links with those we were not already connected to.

We need to encourage trade and migration - especially with Thailand. We already have decent connections to the SAARC components.

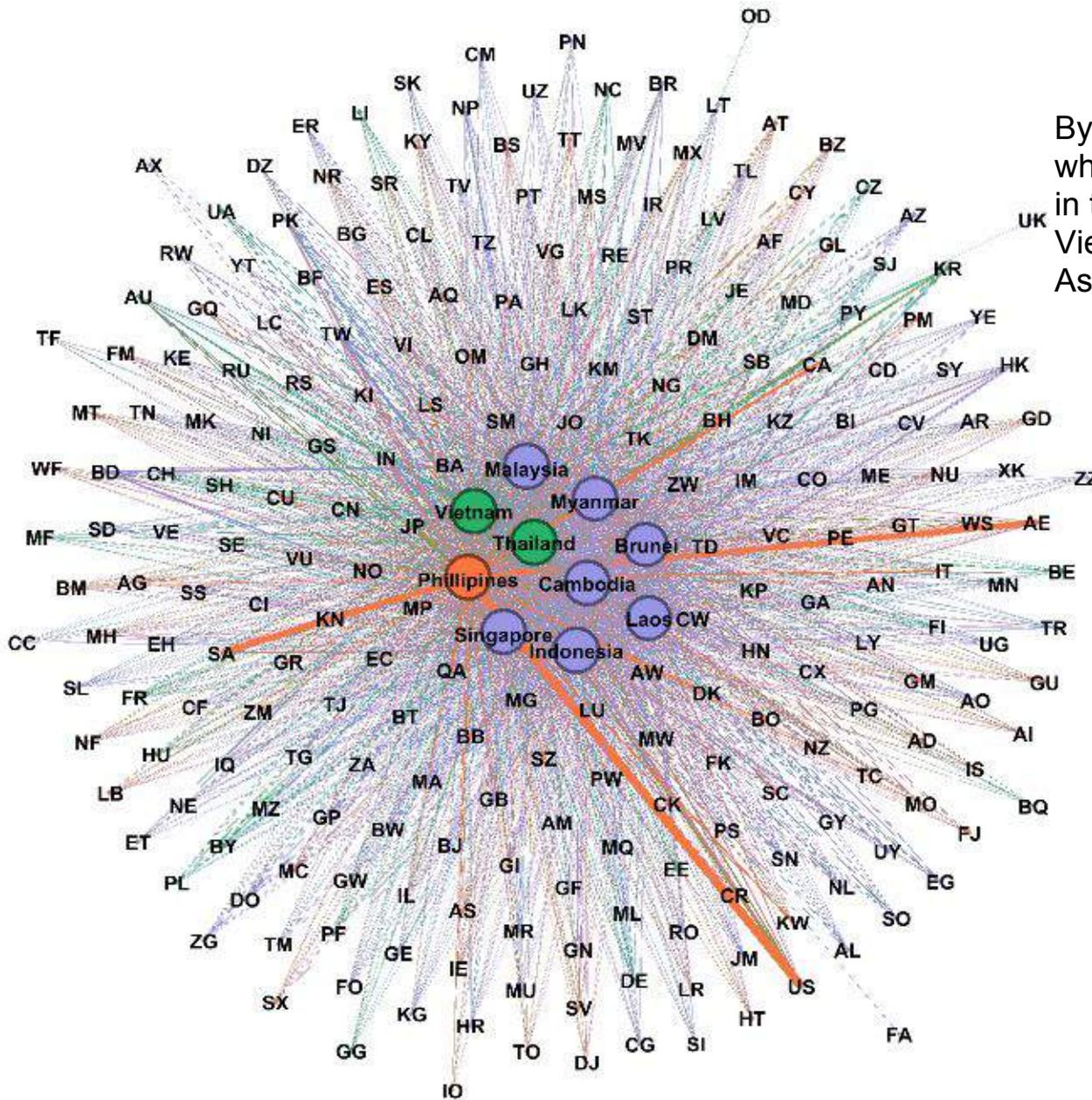
We need to encourage more cultural exchange with the ASEAN parts of BIMSTEC.

And we all need to be aware that India is the elephant in both rooms.

By using computer-aided analysis, we can also identify fault lines in the SAARC - areas where the global web of influence can cause divisions.



Pakistan and Afghanistan are socially connected to a different community altogether, as is Nepal.



By the same measure, we see that while most of the ASEAN belongs in the same global community, Vietnam and Thailand stand apart. As does the Philippines.

**DPG Regional Conference
on Advancing BIMSTEC
Cooperation, Colombo,
August 2-3, 2018**

**Abstract of Discussant's Comments
by Dr. Nisha Arunatilake, Research
Director, IPS, Sri Lanka**

Dr. Nisha Arunatilake
Research Director, IPS, Sri Lanka

As a discussant in the session on people to people connectivity through multi-sectoral engagement, Dr. Arunatilake focused her presentation on developing seamless low-cost transportation for promoting tourism in the region, trade in local products and advancing youth networks through education. She highlighted the importance of fiscal incentives to be given to the private sector to facilitate tourism and introduce new technology. She analyzed the importance of conducting studies on potential modes of student exchanges and assessed the significance of working on pilot projects for wider implementation after evaluation. Further, she also identified challenges that this area faces in the form of persuading governments to give fiscal incentives; participation and cooperation from the public and the government in implementation of the projects; and getting cooperation of rival groups and lobbyists.

Recommendations of Break Out Sessions

Break Out Session: Trade and Economic Integration

**Policy Recommendations for 2 years
Plan of Action**

Trade and Economic Integration:

Group Mentor:

1. Dr. A. Didar Singh

Participants:

1. Dr. Amita Batra
2. Amb John Gooneratne
3. Mr. Shiran Fernanndo
4. Ms. Vidya Nathaniel
5. Ms. Jayani Ratnyake

Recognizing 3 Priority Issues
(15 Minutes)

- 1) Comprehensive FTA
- 2) Value Chain Integration
- 3) Trade Facilitation measures

1st Issue Plan of Action for
2 Years (25 Minutes)

- Revisit rationale of FTA to ensure services & investment integration
- Include E-Commerce & digital connectivity
- Identify NTB/NTM

2nd Issue Plan of Action for 2
Years (25 Minutes)

- Regional study for comparative advantage in 6months
- Study existing FTA (Intra & bilateral)
- Involves business in the activity

3rd Issue Plan of Action for 2
Years (25 Minutes)

- Implement Trade Facilitation measures
- Customs Cooperation
- Dispute resolution
- Payment platforms
- Green logistics

Implementation Process
(15 Minutes)

- Streamlining MRA s in goods and services
- Investment treaty
- Raise public awareness of BIMSTEC

Implementation Process
(15 Minutes)

- Rules of origin
- Collaborative research
- BIMSTEC Chamber of Commerce re- energized.
- India to show lead.

Implementation Process
(15 Minutes)

- Finalize the Draft Agreements
- BIMSTEC VISA
- BIMSTEC Secretariat enhanced role
- Complete trade facilitation in 12-18 months.

Challenges to
Implementation
(15 Minutes)

- Capacity of locals.
- Funding of studies
- Perception and branding.

Challenges to
Implementation
(15 Minutes)

- Convincing Business.
- Bringing all governments on board.
- Technical capacity.

Challenges to
Implementation
(15 Minutes)

- Lessons from SAARC VISA
- Capacity of staff
- Negotiation skills

**Break Out Session: Transit
and Multimodal
Connectivity (Roadways,
Waterways, Railways and
Aviation)**

**Policy Recommendations for 2 years
Plan of Action**

Transit and Multimodal Connectivity

Group Mentor:

1. Prof. Prabir De

Participants:

1. Mr. Pritam Banerjee
2. Mr. Shiran Fernando
3. Mr. Rohan Masakorala

Recognizing 3 Priority Issues
(15 Minutes)

1. BIMSTEC Coastal Shipping agreement
2. BIMSTEC MVA
3. BIMSTEC TFA
4. BIMSTEC Open skies 2nd Rights.

1st Issue Plan of Action
for 2 Years (25 Minutes)

- India- Bangladesh Coastal Shipping agreement as a model
- Port Infra/Access
- Business Viability

2nd Issue Plan of Action for 2
Years (25 Minutes)

- BBIN MVA as a model
- Transport regulations that support efficient cargo operations
- Facilitative Customs Rate
- Integrated Border posts
- Inland clearances supported by technology

3rd Issue Plan of Action for 2
Years (25 Minutes)

- WTO TFA implementation
- BIMSTEC (TFA= WTO+)
- Common
- Message exchange between customs
- Common Transit document
- Long term- integrated single window

Implementation Process
(15 Minutes)

- Insurance
- National treatment of vessels
- Standards
- Reduced berthing charges as incentives
- Reduced duties/ Bunker fuel.
- Pilot Services- Eg Sagartala

Implementation Process
(15 Minutes)

- Pilots
- Common Bond/transit rules
- Development of integrated customs posts- pick one on two locations as best practice demonstration
- Flexibility of Trucks, trailer, changing drivers-
- Inland clearance- pilots

Implementation Process
(15 Minutes)

- Focus on disciplines most relevant to the region
 1. Common Bond
 2. IT- Customs
 3. Developing common declaration documents to formulate easy msg EEZ declaration
 4. Cooperation between customs and import sharing to help mitigate risks

Challenges to Implementation
(15 Minutes)

- Viable business- volumes
- Appropriate vessel deployment
- Last mile connectivity

Challenges to Implementation
(15 Minutes)

- Mindsets – Regulations
- Infrastructure
- Security
- Multi-modal

Challenges to Implementation
(15 Minutes)

- Electronic Signature acceptance
- Acceptance of each others documents
- Legal issues of liability
- Legal Eco-system for MMBL

Break Out Session: Energy, Water, Environment, Climate Change and Other Issues

**Policy Recommendations for 2 years
Plan of Action**

Energy and Water

Group Mentor: Dr. Arbind Kumar Mishra

1. Dr. Khin Maung Lwin
2. Dr. Athira S
3. Mr. Dipin P R

Recognizing 3 Priority Issues (15 Minutes)

1. Integrated optimum water resource utilization plan
2. Combating Climate Change
3. Energy Trade facilitation

1st Issue Plan of Action for 2 Years (25 Minutes)

- I. Defining Priorities and Strategic engagement including hydropower and its indirect benefits
- II. Data exchange and sharing
- III. Conflict management

Implementation Process (15 Minutes)

- Institution to bring different stakeholders together including individual governments
- Should be bottom up approach
- Expert analysis

Challenges to Implementation (15 Minutes)

- Linking with economy, energy, climate change, water trade and connectivity
- Funding and Speedy execution
- Synergy between individual country

2nd Issue Plan of Action for 2 Years (25 Minutes)

- I. Setting a regional target for Green House Gas emission level
- II. Linking climate change with disaster management
- III. Spreading awareness levels e.g. among nations, intra-national

Implementation Process (15 Minutes)

- Joint environmental committee for inter governmental institutions
- Public Awareness
- Natural capital and social capital protection

Challenges to Implementation (15 Minutes)

- Diversity in terrain
- Social challenges
- Livelihood security and Gender issue

3rd Issue Plan of Action for 2 Years (25 Minutes)

- I. Regional Demand generation scenario analysis
- II. Energy banking
- III. Guideline for transmission line ownership

Implementation Process (15 Minutes)

- Regional Grid master plan
- Entity for Energy banking
- Peak-price mechanism across the border

Challenges to Implementation (15 Minutes)

- Maintaining Carbon neutrality
- Grid synchronization
- Infrastructure support for energy trade facilitation

Break Out Session: People to People Connectivity through Multi-Sectoral Engagement

**Policy Recommendations for 2 years
Plan of Action**

People to People Connectivity
Group Mentor:

1. Mr. Sabyasachi Dutta

Participants:

1. Ms. Nisha Arunatilake
2. Amb. Biren Nanda
3. Ms. Shulgana Pal
4. Ms. Gopika Shinghal

Recognizing 3 Priority Issues (15 Minutes)

- 1) Tourism
- 2) Trade in Local Products
- 3) Youth Networks through Education

1st Issue Plan of Action for 2 Years (25 Minutes)

- 1) Identify and develop sites around history and culture. Example: The Ramayana Trail.
- 2) Build awareness through media, travel trade and film.
- 3) Develop seamless low-cost transportation.

2nd Issue Plan of Action for 2 Years (25 Minutes)

- 1) Work with Chamber of Commerce to identify potential products/ industries.
- 2) Building awareness among consumers.
- 3) Facilitating upgradation of skills of local craftsmen.

3rd Issue Plan of Action for 2 Years (25 Minutes)

- 1) To identify universities in BIMSTEC countries to facilitate these kinds of programs.
- 2) To convince universities to facilitate student exchanges.
- 3) Building awareness/ interest in student community.
- 4) Identify subject streams that may benefit the most from such exchanges.

Implementation Process (15 Minutes)

- 1) Identify and Commission a University/Think-Tank to do research projects.
- 2) Produce Documentaries
- 3) Use BIMSTEC website/ travel- trade website.
- 4) Fiscal incentive given to private sector and government to facilitate.

Implementation Process (15 Minutes)

- 1) Persuading Chamber of Commerce to organize exhibitions/ workshops.
- 2) Use Social media and e-commerce platforms to advertise products.
- 3) Facilitate workshops for skill upgradation.
- 4) Providing tax incentives for introducing new technology.

Implementation Process (15 Minutes)

- 1) Conduct studies on potential modes of student exchanges.
- 2) Organize workshops with Universities: Teachers and Students.
- 3) Identify and work on pilot projects for wider implementation after evaluation.

Challenges to Implementation (15 Minutes)

- 1) Finance
- 2) Getting Cooperation of rival groups and lobby's.
- 3) Getting government facilitation (example: for ferry operation between India and Sri Lanka).

Challenges to Implementation (15 Minutes)

- 1) Persuading Chamber of Commerce to focus on local products and micro-trade.
- 2) Language barrier: Use social media platforms in local languages.
- 3) Finding funding for organizing workshops.
- 4) Persuading governments to give fiscal incentives.

Challenges to Implementation (15 Minutes)

- 1) Availability of finance.
- 2) Buy-in from the universities.
- 3) Scholarships and grants to facilitate student exchanges.
- 4) Persuading governments and universities to participate and cooperate.

**Break Out Session:
Advancing Gender Issues in
BIMSTEC Regional
Cooperation**

**Policy Recommendations for 2 years
Plan of Action**

Advancing Gender Issues in BIMSTEC Regional Cooperation:

Group Mentor: 1) Prof Amita Batra
2) A Didar Singh
3) Amb Biren Nanda
4) Mr. Shiran Fernando
5) Ms. Vidya Nathaniel
6) Dr. Khin Maung Lwin
7) Mr. Sabyasachi Dutta

Recognizing 3 Priority Issues (15 Minutes)

- Integration of Gender perspective into BIMSTEC Trade.
- Ensuring gender dimensions in disaster management
- Develop a gender FW for BIMSTEC

1st Issue Plan of Action for 2 Years (25 Minutes)

- Promoting female participation in manufacturing & services
- Undertake a study on gender factor mobility
- Capacity building for women in entrepreneurship & linking with international value chains.

Implementation Process (15 Minutes)

- Gender certification of products & services with incentives regime
- Identify partners in BIMSTEC countries to conduct the study
- Identify a network of institution (Eg: IIMs) to run regular courses on entrepreneurship for women

Challenges to Implementation (15 Minutes)

- Ensuring access to fairly priced credits
- Ensuring buy- in from governments and chambers
- Ensuring cultural acceptance of women entrepreneurs.

2nd Issue Plan of Action for 2 Years (25 Minutes)

- To evolve a disaster mitigation and management plan with a gender perspective.
- Approach lead country to establish /disaster management cell & special gender task forces as appropriate.
- Suggest gender sensitive insurance policies for post disaster relief

Implementation Process (15 Minutes)

- Set up a working group of BIMSTEC comprising officials & civi society representatives.
- Study best practices of other countries to evolve a plan/strategy for BIMSTEC
- Establish a network of BIMSTEC insurance comapnies

Challenges to Implementation (15 Minutes)

- Regulatory mechanism for ensuring insurance cover for natural disasters
- Funding support from government & corporate sector
- Incentivizing insurance companies to insure against natural disasters

3rd Issue Plan of Action for 2 Years (25 Minutes)

- Develop a gender profile of socio-economic indicators of BIMSTEC countries.
- Review from gender perspective of all policies
- Gender dis-aggregated data for FTA CBA

Implementation Process (15 Minutes)

- Review of APEC gender FW & suitably modify for BIMSTEC
- Undertake a CBA of the FTA with a gender dimension
- Establish a 'gender working group'

Challenges to Implementation (15 Minutes)

- Convincing stakeholders for need for gender framework
- Un- availability of gender dis-aggregated data
- Funding & resource availability.

Speakers' Profile and Participants List



DELHI POLICY GROUP



The Asia Foundation

DPG Regional Conference on Advancing BIMSTEC Cooperation

Venue: Taj Samudra, Colombo

2nd-3rd August 2018

Profile

Delhi Policy Group



Ambassador Hemant Krishan Singh

Director General, Delhi Policy Group

Ambassador Hemant Krishan Singh served in the Indian Foreign Service from 1974-2010 and is a distinguished former career diplomat with extensive experience of geo-strategic and geo-economic issues as well as multilateral institutions which underpin international law and commerce.

He has been India's longest serving Ambassador to Japan (2006-2010), Ambassador to Indonesia and Timor Leste (2003-2006), Ambassador to Colombia, Ecuador and Costa Rica (1999-2002), and India's Deputy Permanent Representative to the UN in Geneva (1995-1999). He has held several significant assignments during his career, dealing with the United States, West Europe and the European Union and India's immediate neighbours.

Ambassador Singh has contributed to the forging of the India-Japan strategic and global partnership, the intensification of India's relations with Indonesia and ASEAN, the evolution of India's revitalised Look East Policy and the shaping of India's policy towards key neighbours and strategic partners.

From 2011-2016, Ambassador Singh was Professor for Strategic Studies at ICRIER, a leading think tank in New Delhi. In June 2016, Ambassador Singh assumed responsibilities as Director General, Delhi Policy Group, which is among India's oldest independent think tanks focused on strategic issues of critical national interest. He has been associated with several public policy initiatives and Track II / Track 1.5 strategic dialogues involving major think tanks of India, US, Russia, Japan and Asia. He has written and worked extensively on the ongoing transformation of India's foreign policy and relations with the United States and Japan and their



DELHI POLICY GROUP



The Asia Foundation

growing convergences in shaping Asia's emerging economic and security architecture.

An alumnus of St. Stephen's College, Delhi, where he studied (1967-72) and later taught (1972-74), Ambassador Singh holds an M.A. degree from the University of Delhi. His varied interests include civilisation and culture, the natural environment and sports.



Ambassador Biren Nanda

Senior Fellow, Delhi Policy Group

Ambassador Biren Nanda served in the Indian Foreign Service from 1978 to 2015 and is a distinguished former career diplomat with extensive experience of working in East Asia.

He has been India's High Commissioner to Australia (2012-2015); Ambassador to Indonesia, Timor Leste and the ASEAN (2008-12); India's Deputy Chief of Mission in Tokyo (2000-2004) and Consul General in Shanghai (1996-2000). Ambassador Nanda has also served in Indian Missions in Beijing, Washington DC and Singapore. He spent a total of ten years in China during his three terms as a diplomat in that country. His entire career as a diplomat was spent in East Asia with the sole exception of his Washington posting.

During 2004-2008 Ambassador Nanda was posted in the Ministry of External Affairs in New Delhi as Joint Secretary (South) and was responsible for India's relations with Southeast Asia and the Pacific. Ambassador Nanda contributed to the strengthening of the strategic partnership between India and Indonesia, the strengthening and diversification of India's relations with Australia and helped reinvigorate India's Look East Policy and the intensification of India's ties with ASEAN and Pacific countries.

Ambassador Nanda retired from the Indian Foreign Service in January 2015. He has since participated in several Track 2 dialogues involving major Think Tanks of Japan, Australia and China. In July 2016, he joined the Delhi Policy Group as a Senior Fellow. The Delhi Policy Group is amongst India's oldest independent think tanks focussed on strategic issues of critical national interest.



DELHI POLICY GROUP



The Asia Foundation

He was the co-Chair of the India Indonesia Eminent Person's Group which prepared a report and a Vision Statement 2025 for the Strategic Partnership between the two countries. An alumnus of the St Stephen's College, New Delhi, (1971-74) Ambassador Nanda holds an MA degree from the Delhi School of Economics (1974-76). His interests include travel, listening to Indian Classical Music and reading.



Shulagna Pal

Research Associate, Delhi Policy Group

Shulagna Pal holds a Master's in 'Politics' with a specialization in International Relations from Jawaharlal Nehru University, New Delhi and a Bachelor's in History from Jadavpur University, Kolkata. She has worked at the Delhi Policy Group from February 2017 on DPG's Bangladesh, Bhutan, India and Nepal (BBIN) project, DPG India-Japan Indo-Pacific Dialogue Series 2018 and the DPG-IDSA West Asia in Transition Project among others.

She has previously worked as Research Assistant and Programme Officer at the Forum for Strategic Initiatives, New Delhi. Recently, she was part of the Indian delegation of Young scholars in the NGO exchange programme of the BRICS sponsored by Chinese People's Association for Peace and Disarmament, Beijing, China. In the past, she has actively worked and organized national and international seminars, workshops and was also granted the Ryoichi Sasakawa Young Leaders Fellowship.



Mohit Musaddi

Research Associate, Delhi Policy Group

Mohit Musaddi is currently a Research Associate at the Delhi Policy Group. He has completed a Masters in International Relations from the War Studies Department of King's College London in September 2017. His Master's thesis focused on the difference in narratives of the Al Jazeera's English and Arabic media network. Prior to this, he had completed a Bachelor's degree in Political Science (Hons.) in 2016 from Kirori Mal College, Delhi University. He was previously an intern at the Delhi Policy Group from October – December 2017 and worked on the organisation's Bangladesh, Bhutan, India and Nepal (BBIN) project.



DELHI POLICY GROUP



The Asia Foundation



Gopika Shinghal

Research Associate, Delhi Policy Group

Gopika Shinghal is a graduate of King's College London where she earned her MA Degree in International Relations at the Department of War Studies in September 2017. Her master's thesis focused on the persistence of the Sino-Indian border dispute from the Chinese and the Indian perspective. Prior to this, she has completed her BA Degree in Economics (Honours) from Kamala Nehru College, Delhi University in June 2016. She was previously an intern at the Delhi Policy Group from March-May 2018.



DELHI POLICY GROUP



The Asia Foundation

The Asia Foundation



Dr. Sagar Prasai

Country Representative, India
The Asia Foundation

Sagar Prasai is The Asia Foundation's country representative in India. He was formerly the deputy country representative in Nepal. His current work involves regional cooperation in South Asia with focus on water, trade, and migration; transnational political economy; urban governance and women's security.

Prasai has worked with governmental as well as multilateral organizations on urban management, local governance, conflict, and political processes. He previously served as a programming advisor to the National Planning Commission of Nepal, and as a district development advisor to the United Nations Development Program in Nepal.

He has led several political economy analysis studies for The Asia Foundation including Drivers of Legitimacy in Nepal (2007), Political Economy of Local Governance in Nepal (2012), and Political Economy Analysis and Stakeholder Mapping of the Teesta Basin (2012). His articles have appeared in South Asian and global journals, portals and blogs. He is the author of the book Revisiting Transnational Migration-Development Nexus: Using Capability Approach in Migration Research.

Education: Bachelor's degree in Architecture from Nagpur University; master's degree in Urban and Regional Planning from the University of Hawaii; and doctor of philosophy degree in Regional Planning from the University of Illinois at Urbana-Champaign.



Ms. Diya Nag

Senior Program Officer, India
The Asia Foundation

Diya Nag came to The Asia Foundation in 2009 as a junior associate with the Governance, Law, and Civil Society Program in San Francisco, and then joined as a program officer in the India office in 2012, working on regional trade, and managing grants in the areas of



DELHI POLICY GROUP



The Asia Foundation

women's security and open and accountable governance. She rejoined the Foundation once again in 2015, focusing more deeply on women's security and regional trade.

Prior to this, Diya worked with the United Nations Development Program (UNDP), engaging closely with the Department of Justice in India, on strengthening justice delivery and access to justice for marginalized groups. She has also spent three years working with the Commonwealth Human Rights Initiative (CHRI), an international human rights organization based in New Delhi. Her work at CHRI involved advocating for police reforms and increased police accountability in South Asia. Before relocating to India, Diya practiced consumer law in New York City.

Education: Bachelor's degree in Human Rights and Sociology from Barnard College, Columbia University; Juris Doctor with a specialization in Global Law and Practice from the Syracuse University College of Law. Diya is a member of the New York Bar, First Appellate Division.



DELHI POLICY GROUP



The Asia Foundation

Day 1: Thursday, 2nd August 2018

Venue: Cinnamon Lakeside, Colombo

Welcome Address: **Ambassador H.K Singh**

Director General, Delhi Policy Group

Special Address:



Ambassador Sumith Nakandala,

Additional Secretary, Ministry of Foreign Affairs & Former BIMSTEC Secretary General

Ambassador Sumith Nakandala holds a B.Sc in Agriculture from the University of Peradeniya, Sri Lanka and Master's Degree in International Relations and Development from the Institute of Social Studies in The Hague, the Netherlands. Before entering into the Sri Lankan Foreign Services, he was working in the Sri Lanka Department of Agriculture and the Central Environmental Authority as a Research Officer and Environmental Officer respectively. Since his joining in the Sri Lankan Foreign Services in 1988 he has served many important positions at home and abroad. He was the Ambassador of Sri Lanka to Nepal and Iraq.

He also held the posts of Deputy High Commissioner at the Ambassadorial level in Chennai and London. He was the First Director of the Technical Cooperation Programs of the Ministry of Foreign Affairs of Sri Lanka where he conducted 11 major training programs in 2000-2001 for officers from Bhutan, Maldives, Nepal, Myanmar, Vietnam, Lao PDR and Cambodia. Apart from the official engagements, Ambassador Nakandala was a member in the International Partnership Committee of the National Science Foundation and in the Committee on Genetic Resources at the Sri Lanka Council on Agricultural Research Policy.

Apart from his South Asian bilateral experience for more than 20 years, Ambassador Nakandala had also dealt extensively with regional organizations such as SAARC, BIMSTEC, IORA, ACD, G-15, ESCAP, AMED, WIPO while working at the Ministry of Foreign Affairs of Sri Lanka. In 2012, Ambassador Nakandala was nominated as the First Secretary General of BIMSTEC.



DELHI POLICY GROUP



The Asia Foundation



Mrs. Grace Asirwatham

State Secretary, Ministry of Foreign Affairs, Sri Lanka

Mrs. Grace Asirwathama assumed duties as State Secretary/Foreign Affairs on 24th October 2017. Mrs. Asirwatham is a senior member of the Sri Lanka Foreign Service (SLFS) with 30 years of service. Previously she has served as Sri Lanka's Ambassador to Nepal and The Netherlands. She also served as the Permanent Representative (P R) of Sri Lanka to the Organization for the Prohibition of Chemical Weapons (OPCW) in the Hague, Netherlands. As the PR of Sri Lanka to the OPCW, Mrs. Asirwatham held office as Vice Chair of the Conference of State Party (CSP) to the Chemical Weapons Convention (CWC) in 2009 and Chair of the Credential Committee in 2010.

Mrs. Asirwatham held several senior positions in the Ministry of Foreign Affairs, Colombo, including as Director General for South Asia and SAARC, Senior Director General for Economic Affairs and Trade and most recently as Additional Secretary for Foreign Affairs in charge of Economic Affairs and Trade, Political Affairs West, Middle East and Africa. Further she served as the Deputy Chief of Mission in the Sri Lanka Embassy in Bonn, Germany, Consul General of Sri Lanka in Germany, and Second Secretary in the Sri Lanka High Commission in Islamabad, Pakistan.

Mrs. Asirwatham was appointed as Deputy Director General (IASG) to the Organization for the Prohibition of Chemical Weapons (OPCW) in 2011. Mrs. Asirwatham was the first Asian to occupy this position which she held for four years.

Mrs. Asirwatham holds a B.Sc. degree in Business Administration (University of Jaffna) and an M A in International Relations (University of Colombo).

Mrs. Asirwatham was conferred the title of 'Sri Lankabimanya Deshabandu Diriya Matha' by the Sri Lanka Vishwa Samadhi Padanamain Kandy in recognition of her services as Ambassador of Sri Lanka to Nepal.



DELHI POLICY GROUP



The Asia Foundation

Keynote Address:



H. E. Mr. Taranjit Singh Sandhu

High Commissioner of India to Sri Lanka

Prior to his current assignment in Colombo, High Commissioner H.E. Mr. Taranjit Singh Sandhu was Deputy Chief of Mission at Embassy of India in Washington D.C. from July 2013 to January 2017. He served as Consul General of India in Frankfurt from September 2011 to July 2013. He served in the Ministry of External Affairs from March 2009 to August 2011, as Joint Secretary (United Nations) and later as Joint Secretary (Administration) heading the Human Resource Division. High Commissioner Sandhu was at the Permanent Mission of India to United Nations, New York from July 2005 to February 2009. He was First Secretary (Political) at Embassy of India, Washington, D.C. responsible for liaison with the United States Congress from 1997-2000.

High Commissioner Sandhu has earlier served as the Head of the Political Wing in the High Commission of India, Colombo from December 2000 to September 2004.

In a distinguished career spanning nearly thirty years after joining Indian Foreign Service in 1988, High Commissioner Sandhu's various assignments have included working in the former Soviet Union (Russia) from 1990 to 1992 as Third Secretary (Political) / Second Secretary (Commercial). Following the breakup of Soviet Union, he was sent to open a new Embassy in Ukraine. He served as Head of Political and Administration Wings in Indian Embassy in Kiev from 1992 to 1994. On his return to India, he served as Officer on Special Duty (Press Relations), Ministry of External Affairs from 1994 to March 1997. He was responsible for liaison with foreign media in India.

Born on 23 January 1963 in a family of educationists, High Commissioner Sandhu studied at The Lawrence School, Sanawar and graduated with History Honors from St. Stephens' College, Delhi. He pursued a Master's Degree in International Relations at the Jawaharlal Nehru University, New Delhi.

High Commissioner Sandhu is married to Mrs. Reenat Sandhu, who is Ambassador of India to Italy. They have two children.



DELHI POLICY GROUP



The Asia Foundation



Dr. Indrajit Coomaraswamy

Governor of the Central Bank, Sri Lanka

Dr. Indrajit Coomaraswamy has been Governor of Central Bank of Sri Lanka since July 2, 2016 and serves as its Chairman of the Monetary Board. Dr. Coomaraswamy has 30 years of experience in policy making and providing economic advisory services, on both macroeconomic and structural issues at National and Intergovernmental levels. He served as Director of Economic Affairs at the Commonwealth Secretariat, Sri Lanka. He was an official in the Central Bank of Sri Lanka from 1974 to 1989. He worked in the Economic Research, Statistics and Bank Supervision divisions.

During this time he was also seconded to the Ministry of Finance and Planning from 1981 to 1989. He was employed by the Commonwealth Secretariat from 1990-2008. During that time he held the positions, inter alia, of Director, Economic Affairs Division and Deputy-Director, Secretary-General's Office. He was subsequently Interim Director, Social Transformation Programme Division, and Commonwealth Secretariat (Jan-July 2010).

He served various times and was involved in advising the Prime Minister and the Minister of Economic Reform, Science and Technology, Sri Lanka on negotiating with Bretton Woods Institutions and other major donors, Central Bank of Sri Lanka and the Ministry of Finance & Planning on matters relating to macroeconomics and structural reforms. He serves as a Director of Sarvodaya Development Finance Limited. Dr. Coomaraswamy served as a Non-Executive Independent Director at Tokyo Cement Company (Lanka) PLC from March 2011 to July 3, 2016. He served as an Independent Non-Executive Director of John Keells Holdings PLC from February 7, 2011 to July 8, 2016. He served as Director of MMBL-Pathfinder.

Dr. Coomaraswamy obtained his B.A. (Hon) and Masters in Economics from the Cambridge University of UK in 1972 and subsequently obtained a Doctorate from the University of Sussex in 1981.



DELHI POLICY GROUP



The Asia Foundation

Moderators:

Session I: Trade and Economic Integration I – BIMSTEC FTA



Dr. Ganeshan Wignaraja,

Chair, Global Economy Programme, LKI, Colombo

Dr. Ganeshan Wignaraja is Chair of the Global Economy Programme (supported by Dilmah) at the Lakshman Kadirgamar Institute of International Relations and Strategic Studies (LKI), Sri Lanka's foreign policy think tank. He co-currently serves as a member of the Sri Lankan Prime Minister's Task Force on Freedom of Navigation of the Indian Ocean and as a member of the Monetary Policy Consultative Committee of the Central Bank of Sri Lanka. He is also a Senior Research Associate at the Overseas Development Institute in London.

His experience over the last twenty-five years has spanned the private sector, international organizations and academia in the UK and Asia. He has held senior roles at the Asian Development Bank (including Director of Research of the ADB Institute, Tokyo and Advisor, Office of the Chief Economist, Manila), Maxwell Stamp PLC (Head of Trade and Competitiveness in London) and has worked for the OECD, the Commonwealth Secretariat and Oxford University.

His expertise covers trade and competitiveness, global supply chains and SMEs, infrastructure connectivity, development finance and macroeconomic policy. He has published 18 books on these topics and successfully led teams to deliver complex projects in over 30 countries in Asia, Africa, Europe and Latin America. Ganeshan has a DPhil in economics from Oxford University, an MSc in economics from London University and a BSc in economics from the London School of Economics.

Session II: Trade and Economic Integration II – Other Issues



Dr. A. Didar Singh,

Senior Fellow, Delhi Policy Group & Former Secretary General, FICCI

Dr. A. Didar Singh is the former Secretary General of the Federation of Indian Chambers of Commerce & Industry, 2012-17 (FICCI). Prior to that he has held the position of Secretary to Government of India, Ministry of Overseas, Indian Affairs (2009-11). He has also been a Member (Finance) of the National Highways Authority of India (NHAI), 2007-09. Former Managing Director of Punjab Electronics; ESPL, MTDC; MCCL etc. Former Member of the St. Stephens Hospital and Guru Gobind Singh Indraprastha University, Delhi from 2014-17. His professional experience also includes Member of the Audit Advisory



DELHI POLICY GROUP



The Asia Foundation

Board of Comptroller & Auditor General (C&AG) of India from the years 2015-17. Further, he has also been a Member of the Nexus Advisory Board, StartUp Hub, American Centre, New Delhi.

His professional distinctions include being the Chair of the World Bank Diaspora Group of KNOMAD (Knowledge Network on Migration) (2015-18), Member, Global Agenda Council on Migration of the World Economic Forum (WEF) (2011-15), Member International Working Group on Financing Pandemics Preparedness (IWG) established by the World Bank (2016-17), Member on the Indo-Indonesia Eminent Persons Group (EPG) nominated by the Ministry of External Affairs, Government of India (2016-17), Member, Commissioner, ILO Global Commission on the Future of Work (2017-18).

His awards and honours include the Global Fellow at IC2 Institute of the University of Texas, Austin, USA (2017), Award for service to the Indian Diaspora by GOPIO International (Global Organization of People of Indian Origin). (2011), A Distinguished Alumnus of St Stephen's College, Delhi (2012), Awarded Hon. Doctorate (DUniv) by the University of Birmingham, UK (2014). In addition he has authored four books and published several articles and reports.

His educational background includes a MA (Economic History and Political Thought), St Stephens, Delhi University, after which he finished his MSocSc (Development Administration), from Birmingham University, UK (1996) and finally accomplished his PhD (Electronic Commerce), Panjab University, Chandigarh (2006). He has also been a Lecturer and Research Fellow at St. Stephen's College, Delhi University from 1974-76.

Session III: Transit and Multimodal Connectivity (Roadways, Waterways, Railways and Aviation)



Dr. Dayaratna Silva

National Project Coordinator, EU-Sri Lanka Trade Related Assistance

Dr. Dayaratna Silva is an International Trade Economist with over 30 years of experience in the areas of economic development, trade and trade facilitation. He earned a Bachelor of Commerce degree (Honors) with a first class from University of Peradeniya. He possesses several postgraduate qualifications including Ph.D. in Economics (University of Melbourne) and Master's Degree in International Economics (University of London) and Postgraduate Diploma in Economic Development (University of Colombo).



DELHI POLICY GROUP



The Asia Foundation

He currently serves as the National Project Coordinator of EU-Sri Lanka Trade Related Assistance Project. He worked as a Senior Economic Affairs Officer/Deputy Head attached to sub regional office (SRO) of UNESCAP in New Delhi. Prior to joining the United Nations, he served as Director of Commerce at Department of Commerce, Ambassador and Permanent Representative of Sri Lanka to the WTO in Geneva, Consul General to UAE, Minister (Economic and Commercial) in Geneva, Brussels and London.

In his career at the Department of Commerce spanning over 25 years he handled multiple duties including overseeing and Safeguarding Sri Lanka's interest in multilateral negotiation in WTO, UNCTAD, ITC, GSTP, SAARC and BIMSTEC. Mr. Silva has extensive knowledge of trade-related issues, including the EU-GSP, trade policy and facilitation, trade capacity development and promotion.

Prof. Prabir De

Research and Information System for Developing Countries, New Delhi



Prabir De is a Professor at the Research and Information System for Developing Countries (RIS), New Delhi. He is also the Coordinator of ASEAN-India Centre (AIC). De works in the field of international economics and has research interests in international trade and development. He was a Visiting Fellow of the Asian Development Bank Institute (ADBI), Tokyo; and Visiting Senior Fellow of United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP), Bangkok. He has been conducting policy research for the Government of India and several international organisations.

De has a PhD in Economics from the Jadavpur University, Calcutta. He has contributed several research papers in international journals and written books on trade and development. His recent publications as an editor and author include "ASEAN-India Development and Cooperation Report 2015" (Routledge, New Delhi, 2015) and 'Celebrating the Third Decade and Beyond: New Challenges to ASEAN-India Economic Partnership' (Knowledge World, New Delhi, 2016). He is also the Editor of the South Asia Economic Journal, published by Sage.

Session V: People to People Connectivity through multi-sectoral Engagement

Amb. H.K. Singh

Director General, Delhi Policy Group



DELHI POLICY GROUP



The Asia Foundation

Session I: Trade and Economic Integration I – BIMSTEC FTA

Moderator

Dr. Ganeshan Wignaraja

Chair, Global Economy Programme, LKI, Colombo

Dr. A. Didar Singh,

Senior Fellow,

Delhi Policy Group & Former Secretary General, FICCI



Amb. Nihal Rodrigo

Board Member of Regional Centre for Strategic Studies (RCSS), Former Secretary General SAARC

Currently, Ambassador Nihal is on the Board of the Regional Centre for Strategic Studies, Sri Lanka. He is also a Visiting /Guest Lecturer on International Relations at the Sri Lanka Defence Services Command and Staff College, Sapugaskanda; Officer Career Development Centre Buttala and the Kotalawella Defence University and a Resource Person at the Lakshman Kadirgamar Institute for International Relations and Strategic Studies; and a Guest Lecturer on Foreign Relations at Universities and Think Tanks in Sri Lanka and abroad.

During assignments in Colombo when he served at the Ministry of Foreign Affairs he had been also Secretary Parliamentary Select Committee on Foreign Affairs; Chairman Sub-Committee on Overseas Business Promotion; Convener of the Official Study Group for the Re-organization of the Sri Lanka Foreign Service.

He has lectured widely on South Asian issues. He has been continuing as ad hoc Visiting Lecturer at the University of Colombo, the Kotalawala Defence Academy, the Batalanda Defence Academy, and other academic institutes in Sri Lanka as well abroad.

He has served as Honorary Adviser (Foreign Relations) to Sri Lanka's President (June 2007 to August 31 2010); as Ambassador to China, with concurrent accreditation to the DPRK and Mongolia (September 2003 - May 2007); as Sri Lanka Foreign Secretary (February 2002 - September 2003); as Secretary General of the South Asian Association for Regional Cooperation (January 1999 – January 2002); as Sri Lanka's Permanent Representative to the UN Offices in Geneva and Vienna and as Ambassador/Deputy Representative to the UN in New York. Earlier bilateral postings were in Germany, India and Australia.



DELHI POLICY GROUP



The Asia Foundation

He served for a brief period as a lecturer at the University in Peradeniya and entered the Sri Lanka Foreign Service as a diplomat.

He was educated at Trinity College, Kandy Sri Lanka and secured his Degree at the University of Sri Lanka in Peradeniya.



Dr. Amita Batra,

Professor of Economics, Centre for South Asian Studies, School of International Relations, JNU

Professor (Dr.) Amita Batra is a Professor of Economics in the Centre for South Asian Studies, School of International Studies, Jawaharlal Nehru University (JNU), New Delhi. Previously, she was the Senior Fellow, Indian Council for Research on International Economic Relations (ICRIER), New Delhi, and prior to that, Reader, University of Delhi.

Prof. Batra was the first holder of the ICCR Professorial Chair in Contemporary Indian Studies at the Centre for South Asian Studies & Edinburgh-India Institute, University of Edinburgh (January-May 2013). In 2008, Prof. Batra was Visiting Professor at the Indian Institute of Management (IIM)-Ahmedabad, where she taught a course on 'International Economic and Political Environment'. She has worked extensively in the area of regional trade and economic integration with a special focus on Asia.

Her most recent Book on the subject is titled 'Regional Economic Integration in South Asia: Trapped in Conflict?' (London: Routledge, 2013). She also has to her credit two other books – Preferential Trading Agreements in Asia: Towards an Asian Economic Community (ed), 2008 and India and the Asian Corridor (Co-authored, 2007) – and several research papers published in national and international refereed and other journals, books etc. She has also worked as consultant on research assignments including for the Sigur Centre for Asian Studies, George Washington University, Washington DC; Samsung Economic Research Institute, Seoul, Korea; and the World Bank's New Delhi Office, among others.

Prof Batra is M.A., M.Phil, Ph. D. in Economics from the Delhi School of Economics, University of Delhi, India.



DELHI POLICY GROUP



The Asia Foundation



Dr. Janaka Wijayasiri

Research Fellow, IPS, Colombo, Sri Lanka

Dr. Janaka Wijayasiri Research Fellow, IPS, Colombo, Sri Lanka Dr. Janaka Wijayasiri is currently a Research Fellow and Head of International Economic Policy research at the IPS. Since joining the IPS in 1999, his areas of research interest have been primarily related to trade issues at the bilateral, regional and multilateral levels. These include issues of policy significance to Sri Lanka in areas covering bilateral and regional preferential trade initiatives, multilateral negotiations under the World Trade Organization (WTO) and issues related to the textile and garment, tea and spice industries in Sri Lanka. He has been part of Sri Lanka's official delegation representing the academia at regional forums such as Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC) and the Indian Ocean Rim Association for Regional Cooperation (IOR-ARC). He has also participated in various bilateral trade negotiations with other countries which Sri Lanka currently seeking agreements with.

Janaka Wijayasiri has a number of publications to his name which have appeared as articles and chapters in both journal and book publications. He is a member of the Editorial Board of Journal of Indian Ocean Rim Studies (JIORS). Janaka Wijayasiri holds a BA in Economics with Development Studies from the University of Sussex, UK and an MA in Economics of Development from the Institute of Social Studies, the Netherlands, and PhD from Monash University, Australia. He has also received training in GTAP (Global Trade Analysis Project) from the Centre for Global Trade Analysis, Purdue University, Canada.

Discussant

Ambassador Dr. John Gooneratne

Former Ambassador of Sri Lanka to Iraq



DELHI POLICY GROUP



The Asia Foundation

Session II: Trade and Economic Integration II – Other Issues

Moderator

Dr. A. Didar Singh,

Senior Fellow,

Delhi Policy Group & Former Secretary General, FICCI

Mrs. Seevali Wijewantha

Assistant Director, Department of Commerce, Sri Lanka



Mr. Shiran Fernando,

Chief Economist, The Ceylon Chamber of Commerce, Colombo

Shiran is the Chief Economist at the Ceylon Chamber of Commerce (CCC) and is in-charge of the Economic Intelligence Unit which is the focal point of the Chamber for economic research and policy advocacy. He is engaged in providing policy level support and strategic advice to the Government to shape the national economic agenda. In his capacity, as the Chief Economist of the CCC he is part of several steering committees formed by Government to drive forward the economic agenda. He was previously a member of the Steering Committee on Economic Policy of the CCC.

Shiran previously held the role as the Lead Economist and Senior Product Head at Frontier Research, where he was responsible for the growth and strategic direction of the economics research division. He has been part of numerous economic and business forums as a speaker, panelist and a moderator. Shiran is also contributing writer to LMD's monthly Economic Outlook Column. He was a co-author of the 'Sixty Years of China-Sri Lanka Relations (1957-2017)', a collaborative publication by the Embassy of the People's Republic of China in Sri Lanka and the Bandaranaike Centre for International Studies.

Shiran holds a Bachelors in Economics and Finance from the University of London and is an Associate Member of the Chartered Institute of Management Accountants (ACMA) and a Chartered Global Management Accountant (CGMA). He also holds a Post-Graduate Diploma in International Relations from the Bandaranaike Centre for International Studies (BCIS) and is a 2018 Level 3 Candidate in the CFA program.



DELHI POLICY GROUP



The Asia Foundation



Ms. Vidya Nathaniel,

Economics Team Leader, Verite Research, Sri Lanka

Vidya Nathaniel is an Analyst, and Economics Team Leader at Verite Research, an interdisciplinary think tank engaging in strategic analysis and policy making, based in Sri Lanka. She received the LLB from the University of London in 2011 and completed her LLM in International Development Law and Human Rights at the University of Warwick, having received a fully funded Commonwealth Shared Scholarship.

While her academic background is in law, Vidya has been working on several economic issues such as non-tariff barriers, trade facilitation, budgetary analysis, and competition related topics. She has worked with stakeholders from private sector chambers, regional chambers and policy makers on initiatives to facilitate more open and transparent policy making in Sri Lanka. She has also worked on a wide range of projects within the development sector relating to land rights, right to information, pharmaceutical policy, media ownership, environmental protection and constitution reform, among others. Her research on the issue of mechanized bottom trawling in Sri Lankan waters led to a national campaign followed by a legislation passed in Parliament to ban bottom trawling in Sri Lanka. Vidya has also completed her Sri Lankan Bar Exams and worked part time as a Junior Counsel to Senior Counsel Viran Corea on fundamental rights and constitutional law cases.

In the course of her career thus far, she has worked with stakeholders from different sectors including private sector, regional chambers, government institutions and policy makers on initiatives to facilitate more open and transparent policy making in Sri Lanka. She strongly believes that international and national policy and decision making needs to be based on independent and evidence based research and analysis, and hopes to continue working on initiatives in this regard.



Mr. Luxman Sirwardena

Executive Director, Pathfinder Foundation, Colombo

Mr. Luxman is a Fulbright fellow and received his B.A. (Honors) in Political Science from the University of Peradeniya, Sri Lanka and Master's in Economics from Vanderbilt University, USA. After a 20-year spell of public service in Sri Lanka, mainly working for the ministries of finance, economic reform and industries, he did a number of stints with the private sector. They include appointments with a Frankfurt-based consultancy firm, the Productivity Commission of Australia, a commercial bank in Sri Lanka and most recently as a consultant to the Government of Sri Lanka on undertaking economic reforms under a World Bank technical assistance project.



DELHI POLICY GROUP



The Asia Foundation

His current positions include Executive Director, The Pathfinder Foundation, a non-for-profit think-tank promoting market-based economic reforms and China-Sri Lanka relations. In addition he is also the Director of the China-Sri Lanka Cooperation Studies Centre. He is a member of LIRNEasia's board and is involved in external relations and commenting on policy issues in projects undertaken by LIRNEasia.

He has held the position of Director / Board Member, LIRNEasia (2003 to date). Alongside he is also the Executive Director, The Pathfinder Foundation, Sri Lanka (2006 to date). Prior to which he was the Team Leader, Public Interest Program Unit, Ministry of Economic Reform, Science & Technology, Government of Sri Lanka (2001-2003). He has also been the Executive Director, Sri Lanka German Private Sector Program. He has also been a Research Economist at the Productivity Commission, Canberra, Australia (2004-2006). Also been the Head of Human Resources, Mercbank, Sri Lanka, Director of Investment, Ministry of Industries, Science and Technology, Sri Lanka and the Deputy Director, International Economic Co-operation Division, Ministry of Finance/General Treasury, Sri Lanka.



Ms. Jayani Ratnayake

Economist, Economic Intelligence Unit, The Ceylon Chamber of Commerce

Ms. Jayani Ratnayake is competent in conducting analysis on macroeconomic environment of Sri Lanka using time-series data on macroeconomic variables. She is experienced in using economic and financial databases for research projects. She is competent in conducting specific sectoral studies using quantitative and qualitative data, including stakeholder interviews with industry leaders to formulate evidence-based views on changes in the economic environment and changes in the operating climate for business.

Ms. Ratnayake regularly produces high quality research outputs drawing from analysis on specific sectors and industries, international trade, trade agreements, and trade facilitation. These outputs range from in-depth research reports aimed at a private sector audience, policy submissions and policy briefs to government, aimed at policymakers and public officials and summary articles aimed at a wider stakeholder audience. She is the lead resource person at the Chamber on research and advocacy related to trade policy. She is engaged in investigating the domestic and international economic conditions related to trade and the focal point on Chamber submissions to government related to business concerns and proposals for ongoing negotiations on trade agreements. She is a member of the Joint Study Group appointed by the Ministry of Development Strategies and International Trade for conducting a feasibility study on negotiating a Free Trade Agreement between Sri Lanka and Bangladesh. A convener of the Trade



DELHI POLICY GROUP



The Asia Foundation

Liberalisation Steering Committee of the Ceylon Chamber as well as convener of the Taxation Steering Committee of the Ceylon Chamber.

Ms. Jayani has successfully completed her BA in Economics from the University of Colombo, Sri Lanka, following which she has acquired a Distinction in Business and Financial Economics at the University of Greenwich.

Session III: Transit and Multimodal Connectivity (Roadways, Waterways, Railways and Aviation)

Moderator

Dr. Dayaratna Silva

National Project Coordinator, EU-Sri Lanka Trade Related Assistance

Prof. Prabir De

Research and Information System for Developing Countries, New Delhi



Mr. Rohan Masakorala

CEO, Shipper's Academy, Colombo

Rohan Masakorala is the Current CEO of the Shipper's Academy in Colombo. He is also the Director General Sri Lanka Manufacturers & Exporters Rubber Products. He is part of the Core team task force member appointed by Hon Prime Minister on the project- safety of navigation on the Indian Ocean, Chairman- EDB Advisory committee on logistics, appointed by Ministry of Development Strategies and International Trade and serves as a senior consultant to H.E the President office in Sri Lanka on ports and airports via Strategic Enterprise Management Agency (SEMA). He is also a Consultant – Commercial hub Operators' Association of Sri Lanka

Mr. Masakorala is an Honors Graduate in Economics with a second major in Business Administration & Marketing from Connecticut State University. He has a Diploma in business management from Houston University Texas USA. He is also a Certified in supply chain management from Cranfield University U.K.

Mr. Masakorala started the industry career in 1992 at Hayleys PLC as a management trainee and worked in the group companies in many senior positions until 2006, including Hayacrb Holdings Australia as head for global sourcing, distribution and logistics. He has worked as an Independent shipping/trade consultant & writer/columnist and a UNESCAP certified trainer involved in professional training in the areas of shipping, international trade, logistics, and transport and trade facilitation. He has expertise in the field on export/import, ports,



DELHI POLICY GROUP



The Asia Foundation

customs, shipping, international trade policy, and logistics and supply chain management for 26 years.

He was the National consultant (Sri Lanka) for International Trade Centre working with ITC team, on logistics and boat building for the National Export Strategy (NES) project of EDB of Sri Lanka in 2017/2018.

Former chairman of the Sri Lanka Shippers' Council & Association of Shipper's Council of Bangladesh, India, Pakistan & Sri Lanka (ASCOBIPS), served as the first Secretary General of the Asian Shippers' Council-ASC- 2009-2012 representing 16 countries in Asia. Working group member on shipping surcharges at the London based Global Shippers' Forum (GSF) 2011-2016. He serves on the NCE council and as a board member of ICC Sri Lanka, formally at Exporters Association and Ceylon Chamber of Commerce.

Mr. Masakorala was the first Sri Lankan and only South Asian to be on the working group of the Paris based International Chamber of Commerce (ICC) on INCOTERMS Plus transport project.

Immediate past Secretary General of the Joint Apparel Association Forum (JAAF) Sri Lanka and chaired the logistics committee of JAAF till 2017 and a member of it now. Founding partners of Singapore Shippers' Academy and the Shippers' Academy Colombo, founder of the Colombo International Maritime Conference Events & South Asia Maritime and Logistics Forum. He has represented the region and country in over 50 international conferences around the world. Formally served as board member of Sri Lanka Ports Authority, Ceylon Shipping Corporation and Central Freight Bureau and trade facilitation committees of BOI and Customs



Dr. Pritam Banerjee

Independent Consultant & Former Senior Director – South Asia, Corporate Public Policy, Deutsche Post DHL Group

Pritam Banerjee is Senior Director for Policy, South Asia. In this role he is responsible for the Deutsche Post DHL group businesses engagement with governments and its agencies on regulatory affairs and policy, and developing solutions for group businesses and their clients. Dr. Banerjee was previously heading Confederation of Indian Industry's (CII) Trade Policy Division. In that capacity he was responsible for industry engagement with the government on all issues related to bilateral trade agreements, WTO related issues, issues related to dumping and safeguard measures, and intellectual property.



DELHI POLICY GROUP



The Asia Foundation

Prior to CII, Pritam Banerjee was with the World Bank in Washington DC, where his work focused on issues related to Trade Facilitation and Trade in Services. Dr. Banerjee is a member of the National Trade Facilitation Steering Committee, and was most recently a special invitee to the Committee on Ease of Doing Business Reforms constituted under the Ministry of Commerce as a part of Prime Minister Modi's initiative on reforms. He serves as the executive member of FICCI Logistics Taskforce, and led FICCI's interaction on GST related issues relevant to the transport and logistics sector focusing on operational aspects of GST implementation.

Dr. Banerjee has been engaged with Asian Development Bank as a logistics expert on issues related to development of efficient logistics corridors in India, and regulatory reforms in the road freight and coastal shipping sectors. He also serves as a guest faculty at Indian Institute of Foreign Trade (IIFT), Foreign Services Institute (FSI), and NACIN (National Academy of Customs, Indirect Taxes and Narcotics).

Dr. Banerjee has a Ph.D in Public Policy, and Masters and undergraduate degrees in Economics. He has been extensively published on issues related to international trade, regional integration, regulatory reforms, logistics, and trade facilitation.

Session IV: Energy, Water, Environment, Climate Change and other issues

Moderator

Prof. Prabir De



Dr. Arbind Kr. Mishra

Former Member of the National Planning Commission, Nepal

Arbind Kumar Mishra is a former member of the National Planning Commission (NPC) in the Government of Nepal, ranked at par with an assistant minister. In his portfolio covering Energy and ICT, he advises on the formulation of national strategies, coordinates policy across the public sector, and monitors major projects. He graduated from A.M.U., Aligarh, India with first class honors in B.Sc. in Electrical Engineering and obtained his Master of Engineering degree in electrical power system from the University of Roorkee, India (presently IIT, Roorkee), ranked first in class. Dr. Mishra completed his PhD in Electrical Engineering from Doshisha University, Kyoto, Japan, and has been a postdoctoral fellow at UPV, Valencia, Spain.



DELHI POLICY GROUP



The Asia Foundation

Dr. Mishra began his academic career as a faculty member of Nepal's most popular engineering institute, IOE (Pulchowk), of Tribhuvan University (TU) in 1997. In addition to teaching and research, he held key academic and managerial responsibilities, as chairman of the electrical engineering subject committee, faculty board member, and founder coordinator of M.Sc. (Power system) program. He also served as the Chief of the IOE (Pulchowk) central campus, and as a standing committee member of the central executive and implementation committees of TU's Institute of Engineering. Beyond TU, he has been a member of the electrical engineering subject committees for Kathmandu University, Pokhara University and Purwanchal University.

Dr. Mishra is the vice chairman of Alternative energy promotion center, Nepal governing board. He has worked as a senior consultant in electrical engineering in Nepal and has served in several technical committees of the Nepal Electricity Authority. He was also the advisor for National Association of Community Electricity Users Nepal. He has also served in many high-level committees of Nepal Engineers Association. He is an international resource person for utilities engineers in the field of electrical transmission and distribution planning including protection coordination and renewable energy technologies. Dr. Mishra is widely published in renowned journals in the field of electrical engineering, including IEEE, IET, IEE Japan, among others. He has received several medals and notes of commendation for his contributions in the field of electrical engineering and engineering education.



Dr. Mark Smith

Deputy Director General – Research for Development, International Water Management Institute, Colombo

Dr Mark Smith is currently Deputy Director General – Research for Development of the International Water Management Institute (IWMI), based in Colombo, Sri Lanka. He has a Ph.D. in Ecology & Resource Management from Edinburgh University, UK and over 25 years of research & programme management experience in water resources, agriculture, climate & sustainability. Prior to joining IWMI in April 2018, Mark spent 10 years as Director of the Global Water Programme at the International Union for Conservation of Nature (IUCN). He led the development and implementation of a number of IUCN's major initiatives working at the interface of water resources, development and conservation, including the BRIDGE, SUSTAIN-Africa and WISE-UP to Climate programs. Dr Smith is a scientist with areas of specialisation in agriculture, forestry and hydrology. This has included work on agroforestry in West Africa, with the University of Edinburgh, and in Kenya, with the UK Centre for Ecology and Hydrology.



DELHI POLICY GROUP



The Asia Foundation

Dr Smith was leader of the interdisciplinary ‘Livelihoods and Environment’ research group at CSIRO Sustainable Ecosystems in Australia, supporting sustainable development in tropical river catchments. Following this, he became policy advisor on climate change and poverty at the UK development NGO Practical Action.

Dr Smith holds an undergraduate degree in Agriculture, Masters in Climatology, and a PhD in Ecology.



Dr. Khin Maung Lwin,

Director (Retd), Ministry of Health and Sports, Myanmar

Dr. Lwin has been an elected member of the Global Steering Committee, representing the South-East Asia and East-Asia Region of Water Supply and Sanitation Collaborative Council based in Geneva, Switzerland, affiliated to UNOPS since 2011. Since 2013, he has been appointed as an advisor for the National Water Resources Committee, chaired by the Vice-president of the Government of the Republic of the Union of Myanmar until the year 2020. He has served as a Government staff from 1975 till 2010 and retired as a Director of Central Health Education Bureau, Ministry of Health, Myanmar. After retirement, he continued teaching the post grad students in the University of Public Health as an Honorary Professor and Advisor for Public Health Domain for the Ministry of Health and Sports.

He started his career as a Writer/ Journalist in 1968. He has also published books and many communication materials related to Health and Environment. He was the recipient of the “Tun Foundation Literary Award” in 2008. He has attended the Institute of Medicine and University of Foreign Languages for degree courses. He has taken his training at the Central Institute of Political Sciences and Central Institute of Public Services in Myanmar and Faculty of Public Health, Mahidhol University of Bangkok, Thailand and Central Health Education Bureau of Indonesia.



Ms. Divya Hudlani,

Research Associate, LKI

Divya joined LKI in 2017 as a Research Associate. She completed a Masters of Public Policy at the Lee Kuan Yew School of Public Policy at the National University of Singapore in 2014. She obtained her bachelor’s degree, majoring in Economics, from the University of Miami, Florida, USA. Her master’s thesis was on the role of public-private partnerships in the reconstruction of post-disaster environments.

Prior to coming to LKI, Divya was a Research Associate at the Earth Observatory of Singapore, looking at economic livelihoods and housing reconstruction in post-disaster environments. Divya has conducted



DELHI POLICY GROUP



The Asia Foundation

fieldwork for primary data collection across South-East Asia including Singapore, Thailand, and Indonesia.

Her research interests include microeconomic livelihoods, Sri Lanka's environmental policy, and the concept of sustainability in economic development.

Session V: People to People Connectivity through Multi-Sectoral Engagement

Moderator

Amb. H.K. Singh

Director General, Delhi Policy Group



Mr. Sabyasachi Dutta

Director, Asian Confluence, Shillong

Sabyasachi Dutta is the Founder-Director of the 'Asian Confluence', India East Asia Centre. Born in Shillong, a social entrepreneur, educationist, artist and a student of Indian history and international relations, Sabyasachi has had a successful career spanning 12 years in the Silicon Valley, California USA in cutting edge technology, innovation and entrepreneurships in large corporations such as SONY Corp as well as several successful start-ups, and holding several patents. He left that to start several social innovation projects in India. He pioneered a unique leadership program for rural youth of India; a unique model of youth led rural development which was lauded by the World Bank; set up a chain of eighty primary schools using the model of community participation propelled by youth leadership and introduced several innovations in the education.

In his current avatar, Sabyasachi continues to facilitate cultural programs, exchange programs, talks, discussions and symposia with scholars and leaders of culture and thought, from India and abroad. He holds a Master's Degree in Electrical Engineering with special paper in Media and Communication from Arizona State University, USA.



Dr. Rohan Samarajiva

Chair, ICT Agency, Sri Lanka

Professor Rohan Samarajiva is Chair of the ICT Agency of Sri Lanka and former Director General of Telecommunications. He was founding Chair of LIRNEasia, an infrastructure policy and regulation think tank working across emerging South and South East Asia. Since 2012, LIRNEasia has been working on big data for public purposes. He serves on the Privacy Advisory Group of UN Global Pulse. He has taught in US, Dutch and Sri Lankan universities and advised governments.



DELHI POLICY GROUP



The Asia Foundation

He delivered the Second BIMSTEC Foundation Lecture organized by BIMSTEC Secretariat, Ministry of Foreign Affairs of the Kingdom of Thailand and the Indian Studies Center of Chulalongkorn University in 2016.

Discussant



Dr. Nisha Arunatilake

Research Director, IPS, Sri Lanka

Nisha Arunatilake has been a Research Fellow at IPS since 2000 and was appointed as the Director of Research in January 2018. She has extensive post-doctoral experience in conducting policy related economic research in labour market analysis, education, public finance and health. She heads the Labour, Employment and Human Resource Development unit at the IPS. Her work is published in both local and international journals, book chapters and reports.

She has collaborated with, and has been a consultant to different organizations, including the World Bank, United Nations Development Programme (UNDP), Asian Development Bank (ADB), United Nations Educational, Scientific and Cultural Organization (UNESCO), United Nations Children's Fund (UNICEF), Asian Development Bank Institute (ADBI), and International Labour Organization (ILO) in numerous research studies. She was the lead author of the second National Human Development Report (2012) for Sri Lanka. She is a Research Associate of the Commitment to Equity (CEQ) Institute of the Tulane University of New Orleans, USA.

She has served in national level committees on labour, employment, human resource development, migration, health sector reform, and tobacco and alcohol policy formulation.

Nisha Arunatilake holds a BSc in Computer Science and Mathematics with summa cum laude from the University of the South, USA and an MA and PhD in Economics from Duke University, USA. All three of her degrees were fully funded by university grants.



DELHI POLICY GROUP



The Asia Foundation

Participants:



Dr. Nishan de Mel

Executive Director & Head of Research, Verite Research, Sri Lanka

Dr. Nishan de Mel is the Executive Director and Head of Research of Verité Research, a think tank that provides analytical research and advisory services on economic, political and legal issues in Sri Lanka and Asia. He is an economist with extensive academic, policy, and private sector experience. He has been a Member of the Presidential Task Force on Health Sector Reform, Presidential Committee on Tobacco, Alcohol and Dangerous Drug Regulation, and the National Steering Committee on Social Security.

He has also served as the Executive Director of the International Centre for Ethnic Studies (ICES) and on the Board of the Sri Lanka Foundation Institute, among others. Internationally, Nishan has held several governing, teaching, and research positions, including as Lecturer in Economics at Oxford University. He earned his masters and doctoral degrees in Economics at the University of Oxford where he was a Chevening Scholar and his undergraduate degree in Economics from Harvard University.

SR. NO.	NAME	DESIGNATION
1.	Ms. Yvani Deraniyagala,	Board Advisor, Munasinghe Institute for Development, Colombo
2.	Ms. Anishka De Zylva	LKI
3.	Zul Luthvfi	ITC
4.	Mathisha Arangala	Verite Research
5.	Nilangika Fernando	Verite Research
6.	Pabasara Kannanpara	LKI
7.	Priyanka Moonesinghe	RCSS
8.	Chandima Kiriwandala	Department of Commerce, Sri Lanka

DPG Roundtable Reports, Vol. 3, Issue 4

Regional Conference on 'Advancing BIMSTEC Cooperation'

Colombo | Sri Lanka | August 2-3, 2018



Delhi Policy Group
Core 5A, First Floor, India Habitat Centre
Lodhi Road, New Delhi-110003
Ph. +91-11-48202100
www.delhipolicygroup.org