PROSPECT AND SO FAR DEVELOPMENT OF BBIN CONNECTIVITY

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Abstract:
Bangladesh, Bhutan, India, and Nepal, BBIN countries have signed a sub-regional Motor Vehicles Agreement (MVA) for smoothing easy cargo movement across their borders on June 15, 2015. It is likely to reduce trade transaction costs meaningfully and may be an operative tool to realise their trade and investment potentiality. In the attempt, it will create new economic opportunities, mainly in border areas and, through their joint effect will help to promote workable and inclusive development through engagement group and increase in purchasing power.

The BBIN MVA has put in space a respectable structure for smoothing transit and transport within four nations of Bangladesh, Bhutan, India and Nepal. It has properly capitalized on the present political thump for sub-regional addition and rapidly placed on the table a framework that can provide a much-awaited push towards economic integration for the sub-region.

This paper talked about how BBIN MVA Connectivity comes to the existence and history of this Sub-regional cooperation. Secondly, objective and purpose of signing BBIN sub-regional MVA agreement. Thirdly, what is the issues have been discussed and finally, the prospect and so far development of BBIN sub-regional cooperation.

Key Words:
BBIN Connectivity, Bangladesh, Bhutan, India, Nepal.

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1. Introduction

Theoretically, the entire SAARC countries may be disaggregated into three sub-regions: an eastern sub-region containing Bangladesh, Bhutan, India and Nepal (BBIN). The proposal, encouraged by Bangladesh at the SAARC Summit in 1996 was lastly recognized by the SAARC Heads of Countries and Government in the Ninth Summit in Male in 1997. The eastern sub-region at that time indicated a feeling to go forward faster and the South Asian Growth Quadrangle (SAGQ) was designed.

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SAGQ was also identified as a stage for developing opportunities for partnership. A Council of Ministers, including the Foreign BBIN Nations, has established. Four comprehensive areas of cooperation were identified. Yet, even this progress presently thereafter went into a midpoint, and the awareness of sub-regional economic integration, growth and development lay in hibernation.

The BBIN initiative, for the time being, operates through inter-governmental Joint Working Groups including senior officials of respective governments, under the age is of their particular Foreign Affairs ministries but drawing in representatives of other concerned ministries/agencies of the government. Two such JWGs were set up, one on Trade, Connectivity and Transit and Water Resources Management, and Power/hydropower trade and Grid Connectivity.

Bangladesh convened the first conference in Dhaka, which was proposed by Bangladesh, Bhutan and India, Nepal. Its main task was to identify cross-border initiatives that may be accepted by the countries towards attaining economic synergy through setting in point arterial channels of trade. Another priority identified was also to provide the connectivity embodied by seamless electric-grid.

BBIN was also working to create access to road, rail and port infrastructure. As would be seen in the foregoing, the BBIN vision for the sub-region rests on 4 formidable pillars viz.

1. Trade, connectivity and transit.
2. Investment in power generation and water management sectors.
3. Cooperation in the energy area, in power trade and converting national grids.
4. Contact between the peoples of the region

2. History of BBIN

South Asian countries have integrated together through South Asian Association for Regional Cooperation, SAARC in December 1985. Their closeness and their strong shared history possibly even prepared them conscious that cumulative socio-economic interdependence of countries entitled to whole communication and border.

An enhanced and well-organized connectivity setup apropos simplify trade between South Asian countries required for long been known as seen since SAARC came into existence, but in practice, SAARC failed to tie the probable requirements. Unluckily, their struggles towards an interdependent relationship were hindered by political disputing at the official SAARC stage.

As a result of SAARC Nations gradually understood the deplorable need for a new approach. In mid ninths, few of them of the member countries recognized that what is the area of SAARC didn’t achieve because it was unwieldy and very freezing in the pace of movement, could maybe be more credibly addressed by approving a ‘block by block’ sub-regional approach for cooperation that would enable the progress of the sub-region, that was enthusiastic and ready to go forward on practical cooperative goals that would be much quicker than the lethargic pace of the whole form, in effect pursuing a dual-track approach. It was understood that goals of SAARC may be stretched not by an attempt but by emerging separate proportion through sub-regional cooperation.

It was also recognized that till now the method had been to determinate difficulties arising from needs only and that what was essential today was a complete approach which achieves anticipatorily and follows instantaneously advanced thinking. Maybe, certain continuous efforts and promise, this new approach would be interpreted as challenging action to recharge the people and strengthen the sub-region.

Formally, the knowledge of BBIN or SAGQ sub-regional cooperation was primarily not made-up in SAARC Charter. It was only in the 9th Summit at Male 1997 that the member nations decided for the development of definite projects related to the distinct needs of four states. The SAARC Council of Ministers, in May 1996 to recommend the formation of an economic structure within a sub-region comprising Bhutan, Nepal, India and Bangladesh named as the South Asian Growth Quadrangle or SAGQ.
One year later of The Male summit allowed extrinsic multiple efforts provided “to the distinct specific needs of Member States,” and thence formalized the group. Focused on the region of the northeast, it attempted to collaborate on trade, Communication, investment, energy, tourism, and natural resources development. Targeted areas of collaboration were adjudged to enable an environment of enhanced economic growth and complementarity.

Four SAARC members countries in 1996—Bangladesh, Bhutan, India, and Nepal—has been made the South Asian Growth Quadrangle (SAGQ) to go faster economic development in the four States. SAARC certified SAGQ in 1997 at the SAARC Summit held in Male. At the application of SAGQ, ADB propelled the SASEC program and supported it by some regional technical assistance projects.

Informal discussions gradually developed another consensus around sub-regional ties beyond bilateral agreements, given larger motivation by the sustained failure of living regional instruments to bring considerable transformation in trade, power and infrastructural relations. The November 2014 SAARC summit held at Kathmandu saw widespread approval of a proposed land transport agreement by regional conditions, apart from questions of one country which instigated the unity to fall through.

However, the Summit Declaration invigorated sub-regional initiatives as part of efforts toward greater regional connectedness. An outline for cooperation between four eastern region countries was subsequently realized, with the first quaternary Joint Working Groups discussion in January 2015.

In the Joint Announcement of transportation ministers of this four countries released on June 15, 2015, it was stated that “we admit the methodological and facilitating role played by the ADB in enchanting the BBIN-MVA process this remote and request ADB to endure as long as the much needed technical support and other related measures necessary to ensure the active and effectual application of work plan”.

India is taking a footstep forward to support the affairs and thereby increase connectivity with the nations on her eastern side. Emphasizing the status of Bangladesh, India’s Prime Minister Narendra Modi in December 2014 stated that “India’s Act East Policy starts with Bangladesh. P.M. Modi’s first foreign official visit in his official capacity was finished to Bhutan in 2014 and the first visit in the following year in office started with Bangladesh.

In his first year, Prime Minister Narendra Modi visited Nepal also. In short, Mr Modi’s visits to the Bangladesh, Bhutan and Nepal played an instrumental role in bringing them to a negotiating table for moving new altitudes in the perspective of sub-regional cooperation.
India’s sub-regional initiatives have been given a fillip with the advent of the very recent road connectivity agreement with Bangladesh, Bhutan, and Nepal under the sub-regional framework of BBIN. This is being viewed as a diagram changer in the sub-continent. All initiatives put together would cast a formidable impact on increasing people to people connectivity as glowing as on increasing cross-border business activities.

In this connection, Foreign Minister of Bangladesh AH M Mahmood Ali said that his government was also looking at “the prospects of a direct air connection between Dhaka and Guwahati in near future.”

3. BBIN: MVA - Signing of the Agreement:

The Motor Vehicle Agreement (MVA) has been signed on June 15, 2015, with the goal to regulate cargo vehicular traffic, personnel and passengers between the BBIN countries at the BBIN Transportation Minister’s meeting at Thimpu, Bhutan.

Facilitating unimpeded cargo movement across the borders has been kept in mind. This, in turn, is probably to reduce trade transportation costs meaningfully and attend as a vital tool to understand the trade and investment potential. This will further make new economic chances, particularly in all border areas.

BBIN will further help in encouraging sustainable development through employment generation and assist in power purchase. The Agreement has appropriately capitalized on the present political clout for sub-regional integration and has presented a charter for the much-awaited stand for the ultimate economic integration for the sub-region.

After the successful groundwork by the combined authorities, on November 1, 2015, a cargo vehicle carrying some goods made the first successful trial run from Kolkata to Agartala via the territories of Bangladesh, refreshing a route that was happened to close since liberation. The commuting distance was cut down to a 1000 Kms. This trial agreement came into existence after four and half months of South Asian Transportation Ministers sign up the milestone BBIN MVA for regulation of travellers, personnel and cargo vehicular movement between the member countries. In the MVA, the four systems of the related agreement are

1. One year license for regular transportation, 2. Transportation of cargo regularly, 3. Permit for vehicles. 4. One month permit for non-regular car assistance services like ambulances. Here, the constricting parties will decide, through prior consultation, the number of cargo and personal cars and the volume of traffic. Local taxes will not be discharged.
The Agreement instructs that the regular passenger and cargo trucks possess an Inclusive Insurance Policy but Bangladesh does not recognize these rules made in other nations. Therefore, the confined insurance firms now have, to have an organization with their regional colleagues so that their strategies are honoured abroad. Strategically placed Siliguri requires being the nerve centre of this futuristic connectivity drive. The road widening work is underway in Bengal. A 33 Km. stretch from Fulbari Check post on Bangladesh border to Panitanki border in Nepal is being carried out. Both these check posts lie in India. Work on Chandrabanda port duties stations of India to Jaigon border in Bhutan has commenced. This will substantially save a distance of 90 Kms. According to Bangladesh’s Road Transport Minister Obaidul Quader, six possible land paths have been identified to connect Bangladesh, Bhutan, India and Nepal, namely:

<table>
<thead>
<tr>
<th>Bi/Tri-lateral</th>
<th>Routes</th>
</tr>
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<tbody>
<tr>
<td>Bangladesh-India</td>
<td>Kolkata-Petrapole/Benapole-Dhaka-Akhaura/Agartala. Agartala-Akhuara-Chittagong Silchar-Sutarkandi-Chittagong</td>
</tr>
<tr>
<td>Bangladesh- India-Nepal</td>
<td>Kathmandu-Kakarvita/Phulbari-Banglabandha-Hatikamrul-Mongla</td>
</tr>
<tr>
<td>India-Nepal</td>
<td>Kathmandu-Birgunj/Raxaul-Kolkata/Haldi Kathmandu-Bhairahawa-Sunauli-Lucknow</td>
</tr>
<tr>
<td>India-Bhutan</td>
<td>Thimpu-Phuentsholing-Jaigon-Kolkata/Haldi</td>
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Table 1: Provable BBIN Route

The Asian Development Bank (ADB), which has been marked as a vital donor in developing transport corridors in those countries through the South Asia sub-regional economic Cooperation (SASEC) programme, providing technical help in formulating the BBIN MVA.

3.1 Objectives of MVA

The objective of the agreement is to afford continuous people-to-people contact and boost economic interaction by smoothing cross-border movement of goods and people. To India’s smaller neighbours, one vital motivation for signing the agreement was to ensure mutuality in
trade and commerce with India, particularly given their view that they face many obstacles to their trade with India. To provide continuous people to people contact.

Enhancing the economic integration by cross-border efforts of peoples and goods. 3. Reciprocating trade and commerce with India. To facilitate cargo vehicles movement as no change would be required at the borders. Customs and tariffs should be decided by the particular country. To establish a platform from where these member nations can act decisively and implement collectively.

3.2 Purpose of MVA

The Promotion Meeting of the development will aim to careful and fine alter the project policy and methodology, and also create consciousness on the objectives, the opportunity of work and methodology of the project and create possession from early on among key shareholders (viz. policy-makers, researchers, private players, chambers, multilateral assistance, civil society organizations, media, etc.) in the region.

The specific objectives defined by CUTS International in Kolkata are as follows: Discourse and deliberate on the necessities of the BBIN Motor Vehicles Agreement, the probable suggestions of the necessities on the socio-economic and political environment of the countries in the BBIN nations, in light of its objectives and actions of the project.

Gather inputs from various stakeholders on objectives, the scope of work and methodology of the project which in turn will help to understand and effectively plan various components in the project implementation phase. Understand the probable stakeholder concerns and identify strategies to address those concerns through the project Chalk out short term and long term strategies for active operation of the project.

Issues of Discussion

- The present political climate in the BBIN region with regards to trade, transit and transport facilitation.
- Existing sprints regarding trade, transport and transit assistance and their implications on the total economic development of countries in the BBIN region
- Role of the BBN MVA and its practices in talking the existing gaps
- Likely barriers that can deter operative application of the Motor Vehicles Agreement and how those could be talked, in the light of the project objectives and actions

Projected Results
Formation of a mutual stand and network of different stakeholders who will provide their inputs essential for effective execution of the project

Comprehensive understanding of the existing barriers to trade, transport and transit facilitation and their implications on the total economic change of countries in the BBIN sub-region

Enhanced unanimity on the need for trade help measures like the BBIN MVA and considerate and buy-in of applicable international agreements by policymakers, leading to supporting policy dialogue and better execution of the BBIN MVA in the long run. Complete understand about the key provisions of the BBIN MVA and how it can effectively decrease several non-tariff barriers and endorse effective transit policy;

A full and sharpened project operation plan with active intervention policies (both long term and short term)

Well logic and considerate by project implementation teams from all four countries about hurdles, approach and strategies.


Additionally, bilaterally, Bangladesh and India are collaborating on linking up existing national highways at Dalu (Meghalaya, India)-Nakugaon (Mymensingh, Bangladesh), which will become an effective north-south corridor of great importance for Bhutan and North-East states of Meghalaya and Assam in India. These efforts are likely to shrink the trade costs at least by 5% to 7% by cutting down the travel time and procedural delays. However, it is to be noted that the real control of the Agreement whose primary objective is to facilitate trade and reduce the costs of doing business across the borders is dependent on

- The design of these agreements and
- The value of implementation.

3.3 Prospect of BBIN

BBIN is likely to produce positive results for Nepal and Bhutan, the two landlocked countries. This arrangement shall address their long-standing grievance about trade and transit
especially in the case of Nepal. The Agreement would facilitate unimpeded movement of cargo vehicles ringing export to the Developing nations through India. Bhutan too has expressed its eagerness due to similar reasons of geographical compulsions. The third BBIN JWG on Trade and connectivity met in Dhaka on January 19-20, 2016 and recommended that: More trial runs of passengers and cargo vehicles should be conducted. Modalities to be run out by BBIN-MVA Nodal Officials scheduled to meet the following month.

- Discussions should commence on similar BBIN Rail Connectivity Agreement based on SAARC Regional train Agreement template with routes to connect at least three countries.
- Bangladesh & Bhutan should share their joint reports on multi-modal connectivity between Daikhawa (BD)-Dhubri (India) - Gelephu (Bhutan) with others.
- Land ports/LCS that is crucial for promoting sub-regional trade and transit are identified and required up gradation measures initiated/recommended.
- A custom subgroup should be formed at the earliest to discuss harmonization of procedures, e-tracking mechanisms, electronic data exchange and common custom documentation.
- Harmonization of standards should be achieved earliest.
- E-knowledge network linking educational and research institutes in the BBIN (towards the formation of a BBIN epistemic community) be taken up for implementation.

3.4 Economic integration in the BBIN Countries

Economic integration of BBIN Nations would permit continuous sub-regional connectivity, goods people-to-people contact between the four counties and integration on economic issues. It would help to unopposed travels of passenger and cargo trucks among the BBIN countries. Cargo trucks do not have to be shipped the goods to the border, a practice that has prevailed until now.

As per the agreement, member countries would allow vehicles recorded in the other countries to enter their land under certain terms and conditions. Each country will finalise Customs and tariffs in the bilateral and trilateral forums.

3.5 Alternative of SAARC
BBIN confidences to develop as a full-fledged economic alliance, an alternative to SAARC that had failed in its regional cooperation initiatives due to lack of trust especially between India and Pakistan.

The BBIN agreement is a key foreign policy advantage of Prime Minister Narendra Modi, who has broken it to platform how Pakistan’s objection has been the main barrier to regional integration in South Asia. After the SAARC MVA was not inked in 2014, the agreement was re-boxed into the BBIN initiative for continuous travel and trade across the eastern part of the South Asian subcontinent.

“BBIN success centres on The Indian States”

Much will be contingent on the eastern and northeastern States of India, if the Bangladesh-Bhutan-India-Nepal (BBIN) regional consortium has to be successful, specialists at a conference on trans-regional connectivity in Kolkata have said. “India’s federal structure makes States very important. Since BBIN will mainly operate through east and northeast India, these States must play ball with Delhi and the three neighbouring countries,” former Bangladesh Bank governor Atiur Rahman said.

3.6 ‘Great opportunity’

“BBIN is also a great opportunity for India’s eastern and northeastern States to develop connectivity and access major regional and even global markets. This opportunity should not be lost, come what may,” said Mr Rahman. Pradeep Mehta, secretary-general of the Consumer Unity Trust Society International that organised the Kolkata conference to initiate a study into operationalising the BBIN MVA, agreed. The DFID of the UK, the Indian government and the US Consulate is backing the study.

3.7 Benefits for India

Benefits for India Benefits for India the primary benefit of the BBIN MVA for India-based companies is the capability to travel through Bangladesh. The agreement will support the Northeast India region to develop noticeably; though, the agreement will also allow central India’s dealings to develop more cost and time operative supply outlines and delivery networks for the region Northeast India covers 30 percent of India’s freshwater assets.

This pathway to water has given opportunities to hydropower operations and the agricultural industry to develop in the region, but this development has not reached its possibly. The region’s rubber, bamboo and food processing industries will grow significantly because of the
MVA. Industrial development also becomes a feasible option for the region due to lesser transport costs and its access to rather cheap labour.

The region has negotiable rivers, but currently, absence of direct access to any port. With the inaugural of roadways to Bangladesh, producers will find it easier to transport products to ports in Chittagong, Bangladesh or larger urban centres in India. The corridor will have an immense effect on the North East Region.

This impact can be categorized into four areas:

- Better connectivity of the NER to India and the BBIN nations
- Growth in intraregional trade among BBIN nations
- Growth in GDP for NER states and employment generation
- Creation of value chains within the NER, thereby promoting interregional production-consumption collaborations, In addition, the operationalization of the BBIN corridor will have a huge tangible and intangible impact on the economic and cultural integration of all four nations in the corridor.

### 3.8 Improved connectivity of the North East Region

The BBIN corridor will greatly improve road connectivity to the NER.

This improvement will be chiefly influenced by the opening up of Bangladesh for vehicles travelling from NER to mainland India and vice versa. Currently, to access the NER via road, a vehicle has to go through Malda and Siliguri and circle almost the entire Bangladeshi border. For instance, to reach Agartala from Kolkata, a vehicle would be able to save about 1,000 km of distance and more than 60 per cent of transit time (see figure).

**Figure 1:**

Reduced cost and time of moving freight in and out of the North East Region
Rerouting NER freight via Bangladesh for such routes could save 14 to 18 per cent of total transportation costs, translating to INR 350 to 400 crores.

3.9 Benefits for Nepal and Bhutan

The BBIN-MVA agreement is likely to yield maximum payments for the two Himalayan landlocked countries of Nepal and Bhutan. The arrangement has addressed their long-standing complaints about trade and transit issues with India. Mainly in the case of Nepal, the agreement would enable smooth movement of cargo vehicles ringling exports to Bangladesh and Bhutan through India. Bhutan is also reasonably eager about the arrangement of related motives.

A. BBIN Connectivity and Bangladesh
The BBIN-MVA has Identified 30 transport corridors, among those seven are inside Bangladesh. Therefore, the centre of such connectivity is Bangladesh, being transit point between the two landlocked countries, Nepal and Bhutan. It is expected to increase monetary benefits of Bangladesh. Bangladesh has taken several initiatives taking the MVA into consideration. The pipeline of BBIN road projects of Bangladesh and their status are mentioned below:

✓ Completion of Dhaka-Chittagong National Highways
✓ Construction of new four-lane Katchpur, Megna and Gomoti (KMG) Bridges
✓ Construction of new Padma Bridge and immediate approach roads
✓ Four-lane of roads between Benapole and proposed new Padma Bridge
✓ Four-lane of Joydevpur-Elenga-Hatikamrul-Rangpur-Burimari/Banglabandha National Highway
✓ Four-lane of Dhaka (Katchpur)-Narsingdi-Sarail-Sylhet-Tamabil National Highway
✓ Four-lane of Baraiarhat-Heanko-Ramgar Highway

4. Developments So Far
There are several developments already observed since the signing of the BBIN-MVA. Forming expert groups on specifics of connectivity (also for inter-grid connectivity), organising friendship motor rally (though without Nepal), agreeing on having BBIN rail agreement, talks underway to identify routes, fix different fees and finalise different protocols, sharing letters of exchange between Nepal and India for transit between Nepal and Bangladesh through Kakarbitta-Banglabandha corridor, Indian planning of investing US$ 10 billion to strengthen road network within BBIN, etc. Such steps should be termed as common developments. On the other hand, there are several bilateral developments such as between Bangladesh and India. These include

- Fixing transit fee at Tk 192 for a tonne of goods from Tripura to Ashuganj port with security charge of extra Rs 50
- Launching bus service linking Kolkata and Agartala (Tripura) via Dhaka
- Agreeing to allow Bangladeshi trucks to carry cargo up to discharge point to Agartala
- Having trial runs from Kolkata-Dhaka-Agartala and Dhaka-Kolkata-New Delhi
• Route survey for passenger vehicle trial run through Dhaka – Hatikamrul - Rangpur - Burimari/Chengrabandha - Jaigaon (India) is under process
• Talks ongoing to launch a bus route from Kolkata to Khulna via Jessore
• Taking steps to reopen past routes the one through the Raimangal River linking Satkhira district with the South 24 Parganas district in West Bengal
• Agreeing on protocols for passenger vehicles and for cargo vehicles protocols are being finalised
• India gets road-transit facilities from Bangladesh Signing agreement on coastal shipping, Standard Operating Procedure (for cargo), signing similar deal to enforce passenger and cruise service, beginning of coastal shipping, signing MoU on using Chittagong and Mongla ports to benefit Nepal and Bhutan as well via transit
• Renewing Protocol on Inland Waterways Transit and Trade with provision for automatic renewal after every 5 years
• Arrival of a vessel at Ashuganj carrying Indian goods consigned to Tripura - marks first official transit to NES via Bangladesh
• Thinking of constructing bridge on river Feni to connect Sabroom of Tripura with Chittagong seaport
• Opening of weekly Tripura Sundari Express traversing from New Delhi to Agartala
• Laying foundation stone for broad gauge rail link connecting Agartala with Akhaura
• Dhaka-Kolkata looking to revive five routes: Benapole-Bangaon, Birol- Radhikapur, Akhaura-Agartala, Banglabandha-Shiliguri-Nepal and Khulna- Kolkata
• Planning to convert Dinajpur-Birol-Radhikapur tracks from meter to broad gauge
• Indian planning of investing US$ 4 billion in strengthening rail network within BBIN Operationalising Sylhet airport and Guwahati as regional hubs for air connectivity, etc.

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