



BBIN: A New Tool in India's Sub-Regional Diplomacy

*Dr. Rahul Mishra**

Introduction

India's sub-regional diplomacy is poised to take a meaningful shape with endeavours to push for greater regional and sub-regional initiatives. Clearly, India is taking a step forward to strengthen relations and improve connectivity with the countries on its eastern flank. Invitation to the leaders of the neighbouring countries, particularly the eastern neighbours to attend Prime Minister Narendra Modi's swearing-in ceremony in May 2014 is a testimony to that. India's concept of the 'East' is seemingly broadened with the inclusion of Bangladesh and Bhutan, countries which are considered to be a part of wider South Asian region. Highlighting the importance of Bangladesh, in December 2014, Modi stated that "India's Act East Policy starts with Bangladesh".ⁱ While Modi's first foreign visit as the Prime Minister of India was made to Bhutan, the first visit of his second year in office started with Bangladesh. He also visited Nepal during the first year of his tenure. In fact, Modi's visits to the other three BBIN (Bangladesh, Bhutan, and Nepal) member countries played an instrumental role in bringing them on the negotiating table for touching new heights in the context of sub-regional cooperation.

BBIN: Recent Developments

India's sub-regional initiatives have been given a fillip with the signing of the recent road connectivity agreement with Bangladesh, Bhutan and Nepal under a sub-regional

framework, BBIN. On June 15, 2015, the Motor Vehicle Agreement (MVA) with the aim to regulate passengers, personnel and cargo vehicular traffic between the BBIN countries was signed at the BBIN Transport Ministers' meeting at Thimphu, Bhutan. From the Indian side, the MVA was signed by Nitin Gadkari, the Union Minister of Road Transport and Highways and Shipping. Obaidul Quader, Minister of Road Transport and Bridges of Bangladesh; Lyonpo D. N. Dhungyel, Minister of Information and Communications, Bhutan; and Bimalendra Nidhi, Minister of Physical Infrastructure and Transport, Nepal signed the MVA on behalf of other three BBIN countries. On the signing of the agreement, Nitin Gadkari stated:ⁱⁱ

This historic agreement will further promote our cooperation in trade and commerce apart from further cementing our age-old cultural ties. The MVA is the "over arching" framework to fulfill our commitment to enhance regional connectivity. This will need to be followed through with formulation of the required protocols and procedures in the shortest time possible to realise the ultimate objective of free movement of people and goods in the region... Taken together, this provides enormous opportunity for integration and development of our region.

Clearly, the MVA has been initiated with an aim to promote safe, cost effective and environmentally sound road transport in the sub-region and further help each country in creating an institutional mechanism for sub-regional integration and boosting economic development of the region through mutual cross border movement of passenger and goods.ⁱⁱⁱ Though the cost of implementation of the MVA will be borne by individual countries on their own, ADB (Asian Development Bank), under the SASEC (South Asia Sub-regional Economic Cooperation) framework will play a key role in the progress of the plan. With an aim to promote regional prosperity and boost trade by improving cross border connectivity, SASEC was set up in 2001, which includes India, Bangladesh, Bhutan, Maldives, Nepal and Sri Lanka as member countries.

A total of 30 road projects worth US\$ 8 billion over the next five years to fill and upgrade critical connections in the BBIN area have been identified by the ADB.^{iv} The four countries are willing to fast track the process and expect to finalise the agreement by the end of 2015. Starting July 2015, a six month work plan will be carried out by the four

countries, and between July and September 2015, the officials will negotiate, outline and finalise the state-to-state or regional agreements needed for the agreement. Negotiations for the protocols and upgradation of the required infrastructure for full realisation of the agreement will take place in the next six months. By December 2015, officials are expected to arrive at mutually agreeable terms of accord on the infrastructural and regulatory mechanisms needed to implement the BBIN MVA.^v To bring the initiative to the next level, a BBIN Friendship Motor Rally is scheduled to be held in October 2015, which would further help in emphasising on the importance of the sub-regional connectivity, greater people-to-people contact and trade between the BBIN countries.

During 18th SAARC (South Asian Association for Regional Cooperation) Summit in November 2014, held at Kathmandu, Nepal, the SAARC cabinet also approved to have a SAARC MVA. The idea of a SAARC MVA was pitched in so as to boost the trade relations in the SAARC region as also to improve the sub-regional and regional connectivity. However, it could not materialise and Pakistan's disapproval of the regional MVA gave birth to the sub-regional initiative by the BBIN countries. In February 2015, a preliminary meeting of the Transport Secretaries of BBIN countries to discuss the text of the draft MVA was organised by the Indian Ministry of Road Transport and Highways in Kolkata. The meeting took place under the SASEC framework.

BBIN: Linking South Asia with the Southeast Asian Region

BBIN is an initiative to kick-start a smaller 'Eastern' sub-regional grouping with the potential to act as a link between South and Southeast Asia. Reasons for India's willingness are threefold:

1. To strengthen trade relations with the Eastern (Bangladesh) and North Eastern (Bhutan and Nepal) neighbouring countries;
2. To improve the sub-regional connectivity in order to realise regional connectivity goals with Southeast Asia;
3. To develop the North Eastern Region of India through cross-border cooperation.

Although India already has two separate bilateral MVAs with Bangladesh and Nepal, BBIN MVA is the 'first of its kind sub-regional connectivity pact'. Moreover, the bilateral MVAs are still problematic as vehicles crossing the borders require several permits. However, the cargo vehicles registered in any of the four countries will now be allowed to cross the borders. There are a few restrictions with respect to the bilateral MVAs. For example, in the case of India-Bangladesh MVA, vehicles are allowed to travel for not more than 150 km across the border. It is in this context that BBIN MVA will make the process easier and comfortable.

BBIN MVA is a remarkable sub-regional initiative, which may lead to greater and seamless regional connectivity. Three important reasons are worth mentioning in that context. First, the finalisation of the BBIN MVA would allow the BBIN countries to move forward quickly in enabling the exchange of traffic rights and ease cross-border movement of goods, vehicles, and people, thereby helping expand people-to-people contact, trade, and economic exchanges among these countries.^{vi} According to the joint statement issued during the signing of the MVA, the agreement has the potential to transform the border roads/transport corridors into economic corridors, which could increase intraregional trade within South Asia by 60 percent and with the rest of the world by 30 percent.^{vii} In addition to boosting the sub-regional trade in the South Asian region, it will facilitate the easy transit of people across South Asian borders and beyond. Second, this will, when fully implemented, reduce the transport cost of the goods and foster multi-modal transport and transit facilities that will further enhance the strength of the economic relations among the four countries.

Third, considering that India's North Eastern Region is still marred by the lack of infrastructure and unfriendly terrains, free and open access to other countries of the region, particularly Bangladesh's Chittagong would help India to transport goods from mainland India to the North Eastern Region at a relatively low cost.

Bottlenecks and Challenges

Though the stipulated deadline for the completion of the agreement is three years, there are a few problematic areas, which might obstruct and delay the process. First, relatively unstable economic condition of three countries other than India might act as a

barrier. These three countries lack adequate infrastructure for implementing MVA. For the purpose of smooth implementation of the agreement, expertise in areas such as information technology and advanced civil engineering skills in mapping disaster prone zones and employing advanced disaster preparation, quick response, early recovery and effective mitigation expertise are required, which are still lacking in Bangladesh, Bhutan and Nepal. Moreover, Nepal, which is now occupied with the process of reconstruction, is trying to come out of the effects of the deadly earthquake, which struck the Himalayan state in April-May 2015, leaving as many as 10,000 people dead and more than 400,000 displaced.

Second, several border crossings in the sub-region do not have adequate number of check posts. Though the agreement will pave the way for greater sub-regional integration, once the agreement is fully implemented, the issue of influx of refugees to eastern India is likely to pose a challenge to India's border and internal security.

Third, while Indian citizens are not required to obtain visas or visa-on-arrival to visit Bhutan and Nepal, Indian citizens are still required to obtain prior visa to visit Bangladesh. This might prove to be an impediment if the issue of visa on arrival between India and Bangladesh is not addressed at the earliest.

Fourth, the agreement stipulates that the regular passenger and cargo vehicle must have a comprehensive insurance policy, but Bangladesh does not recognise policies made in India, Nepal or Bhutan; hence, it was suggested by the Ministry of Foreign Affairs of Bangladesh that "local insurance companies now have to have an arrangement with their regional counterparts so that their policies are honoured abroad."^{viii}

Policy Recommendations

BBIN MVA is regarded as a landmark step towards sub-regional cooperation. However, considering that the BBIN is at a nascent stage and there is still a long way to go, a few policy recommendations may be suggested to ensure the successful implementation of the agreement:

1. Considering that India is the largest economy in the region, the responsibility to turn this sub-regional initiative into a success principally lies on New

Delhi's shoulders. India, along with the ADB, should provide necessary assistance in developing infrastructure in other three countries. India should provide the other three countries with technical know-how so as to ensure the smooth implementation of the agreement.

2. India should push for a similar arrangement in BIMSTEC (Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation), particularly to boost connectivity with Myanmar and Thailand. India is already working towards the realisation of a similar arrangement with Myanmar and Thailand. During the secretary-level talks at Bengaluru on June 2-3, 2015, consensus on the text of the trilateral MVA was reached upon for the facilitation of the trilateral highway. Clearly, this trilateral agreement would not only integrate India with Myanmar and Thailand, but would also link the BBIN corridor with the two Southeast Asian countries and beyond. Attempts should be made to ensure that resources that are to be injected in the BBIN plan also facilitate the endeavours towards a trilateral connectivity. The BBIN model can be utilised to enhance connectivity in the BIMSTEC as well. Energies of both the groupings may be pooled to ensure that the initiative helps get access to the larger ASEAN (Association of Southeast Asian Nations) market and thereby, bridging the gap in ASEAN and the SAARC economies.
3. Seamless connectivity will come through with profound investments. In addition to the financial support from the ADB, India and other member countries should also seek assistance from other regional groupings and banks. Support of the Asian Infrastructure Investment Bank (AIIB) is critically important on that count. AIIB's support to BBIN, if proposed by the member countries, would also stand as a test case to prove the worth of AIIB. Whether AIIB funds the BBIN will determine how impartial, decentralised and egalitarian AIIB would be in the context of China's neutrality. Also, this would alleviate fears among China's neighbours regarding China's possible dominance of the bank.
4. Bus services have been started between India and its two South Asian neighbours, Nepal and Bangladesh. These services have been now flagged off

between Delhi (India)-Kathmandu (Nepal), Varanasi (India) - Kathmandu, Kolkata (India) - Agartala (India) via Dhaka (Bangladesh), and Guwahati (India) - Dhaka. In addition to this, bus service between Delhi and Pokhara (Nepal) will be inaugurated soon. Nevertheless, only road connectivity is not sufficient to realise comprehensive connectivity. The MVA should be complemented with an agreement for air connectivity, joining the major cities of the four countries. Also, another agreement for the sub-regional rail connectivity, particularly in the context of rail freight transport should also be facilitated.

5. In the context of road connectivity, it is crucial to ensure that the road/highways are widened and made at least four-laned. While in certain cases land acquisition would be an issue, such challenges need to be effectively met through awareness campaigns and making inhabitants of the borderlands important stakeholders in the connectivity plans. The widening of roads and making four-laned highway is a pressing need in other cases also. For instance, the Asian Highway No. 1, which passes through Imphal, Manipur, needs to be expeditiously widened. Establishing the soft and hard infrastructure along the highways and the connecting nodes is a necessary precondition for enhanced trade and commerce among the BBIN countries as also with the wider Southeast Asian region.
6. Another issue which demands comprehensive planning and synchronisation at the sub-regional level is- making the emission norms uniform. While India's emission norms are more stringent than Bangladesh, there are differences among the other three member countries also. Thus, emission norms related to vehicles and exemption for 'green goods' need to be discussed and uniformity must be established, which can be applicable across the sub-region.
7. Advanced technology and technological know-how is also required to make sure that the BBIN corridor is not used for narcotics trade, illegal immigration and smuggling of weapons. Thus, technology to comprehensively and quickly scan huge transport vehicles and cargo items

need to be installed at the check posts, once the MVA gets into the implementation stage.

8. Bhutan and Nepal are landlocked countries. A joint mechanism could be evolved under which India could provide Bhutan and Nepal greater access to its ports, purely for commercial purposes. This would facilitate these two landlocked countries with access to regional markets and open seas, and also make BBIN a comprehensive connectivity framework. For this purpose, a joint agreement for port access for civilian purposes could also be facilitated.
9. A bilateral agreement with Bangladesh could also be worked upon under which India and Bangladesh could use each other's ports in case of transport overload issues. India and Bangladesh should evolve a joint mechanism for greater maritime communication and surveillance. There is a pressing need to establish greater business-to-business contacts on the ground through regular and faster modes of transport.
10. Of all the regional and sub-regional groupings in the world, SAARC is, perhaps, one of the most disintegrated. In view of the fact that India is already striving to connect with Southeast Asia through road, rail, air and sea links, BBIN offers tremendous opportunities. BBIN, geopolitically, geoeconomically and even at the geo-civilisational level, is in consonance with India's 'Act East' Policy. This sub-regional initiative can indeed become a link between South and Southeast Asia, provided that the initiatives taken are systematically and expeditiously implemented.

Dr. Rahul Mishra is a Research Fellow at Indian Council of World Affairs.

End Notes:

ⁱ "Act East Policy starts with Bangladesh: PM Modi", *ANI News*, December 19, 2014, <http://www.aninews.in/newsdetail2/story196480/act-east-policy-starts-with-bangladesh-pm-modi.html> (Accessed on July 6, 2015).

ⁱⁱ "India, Nepal, Bhutan and Bangladesh Sign a Landmark Motor Vehicles Agreement for Seamless Movement of Road Traffic among Four SAARC Countries in Thimpu", *Press Information Bureau*, Government of India, June 15, 2015, <http://pib.nic.in/newsite/PrintRelease.aspx?relid=122516>, (Accessed on June 15, 2015).

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- iii “Bangladesh, Bhutan, India and Nepal (BBIN) Motor Vehicle Agreement for the Regulation of Passenger, Personal and Cargo Vehicular Traffic amongst BBIN”, *Press Information Bureau*, Government of India, June 10, 2015, <http://pib.nic.in/newsite/PrintRelease.aspx?relid=122416>, (Accessed on June 15, 2015).
- iv “Opening Remarks at the Meeting of the Ministers of Transport of Bangladesh, Bhutan, India, and Nepal on Regional Road Transport Connectivity - Wencai Zhang”, *Asian Development Bank*, June 15, 2015, <http://www.adb.org/news/speeches/opening-remarks-meeting-ministers-transport-bbin-road-transport-connectivity-wzhang>, (Accessed on June 18, 2015).
- v Dezan Shira and Associates, “BBIN Motor Vehicle Agreement Unlocks Northeast India”, *India Briefing*, July 2, 2015, <http://www.india-briefing.com/news/bbin-motor-vehicle-agreement-unlocks-northeast-india-10941.html/>, (Accessed on July 4, 2015).
- vi Op. cit. No.2.
- vii Ibid.
- viii Sheikh Shahariar Zaman and Shohel Mamun, “BBIN Motor Vehicle Agreement Signed”, *Dhaka Tribune*, June 16, 2015, <http://www.dhakatribune.com/bangladesh/2015/jun/16/bbin-motor-vehicle-agreement-signed>, (Accessed on June 20, 2015).