

Rise of Sub-regionalism in South Asia: A Study of Bangladesh, Bhutan, India,
Nepal (BBIN) Initiative and Nepal

A Thesis

Submitted to

Department of International Relations and Diplomacy
(DIRD)
Faculty of Humanities and Social Sciences
Tribhuvan University

In fulfillment of the requirement for the Master's Degree in International Relation
and Diplomacy

Submitted by

Binita Nepali
Roll Number: 182804007
Registration Number: 5-2-48-1453-2013

December, 2022

Letter of Recommendation

I certify that this dissertation entitled “Rise of Sub-regionalism in South Asia: A Study of Bangladesh, Bhutan, India and Nepal (BBIN) Initiative and Nepal” has been prepared by Binita Nepali (Registration Number: 5-2-48-1453-2013) under my supervision. I hereby recommend this thesis for final examination by the research committee at the Department of International Relations and Diplomacy, Faculty of Humanities and Social Sciences, Tribhuvan University in the fulfillment of the requirements for MIRD 526 Thesis for the Master’s Degree in International Relations and Diplomacy.

Dr. Keshav Bashyal
(Research Supervisor)
December, 2022

Declaration

I hereby declare that the work entitled “Rise of Sub-regionalism in South Asia: A Study of Bangladesh, Bhutan, India and Nepal (BBIN) Initiative and Nepal” submitted to the Department of International Relations and Diplomacy (DIRD), Tribhuvan University, is my original work and no portion of the work has been published or submitted in support of any application for any other degree or qualification of this or any other university or institution of learning. In case of other author’s information, ideas and arguments, the sources have been duly cited and acknowledged as per the requirements. The copyright of this research work belongs to the author.

Binita Nepali
December, 2022

Acknowledgement

I owe appreciation and gratitude to a lot of people for this endeavor. First and foremost, I would like to express my sincerest gratitude to Dr. KeshavBashyal, my esteemed supervisor for his unflinching support, invaluable tutelage, and patience during my study. Without his feedback, comments and supervision, this work would have never finished.

I would also like to express my profound respect and gratitude to Prof Dr. Krishna Raj Acharya, the Head of Department of International Relations and Diplomacy, Tribhuvan University for the necessary support throughout the process. Also, I am forever indebted to Prof Dr. Khadga KC, the former head of Department of International Relations and Diplomacy, Tribhuvan University for his indispensable guidance, counsel, and treasured support.

Special thanks are also due to all the faculty members at the department who have stimulated my thinking and offered valuable inputs and comments on my thesis. My gratitude also goes to all the administrative staffs, and my friends from the department, for their unfaltering support throughout my journey in the institution.

Last but not the least, I would like to thank my family and friends for their unwavering support throughout. Also, I am grateful to everyone who inspired and supported me while I worked on this work, whether directly or indirectly.

Abstract

Sub-regionalism in a simple term refers to cooperation and integration among a group of countries within a larger region. It involves the creation of mechanisms to facilitate economic, political, and social interactions among the member countries. Sub-regionalism, driven by narrow and focused goals, is often seen as a stepping stone towards greater regional integration, as it can help to build trust and cooperation among member countries, and create a foundation for more comprehensive cooperation. Over the past few years, there has been a shift towards sub-regional groupings within the larger multilateral regional grouping. In South Asia, one such sub-regional grouping is Bangladesh, Bhutan, India and Nepal (BBIN).

BBIN, formed in 2014, aims to foster greater cooperation among the member countries on a range of issues including trade, transportation, energy, and the environment. Four eastern South Asian signed an BBIN Motor-Vehicular Agreement (BBIN MVA) in 2015 to allow seamless movement of people and vehicles among the signatory countries. BBIN countries are attempting to strengthen trade ties amongst themselves through various connectivity endeavours. Bhutan has not ratified the agreement but encouraged the other three to approve and engage in the pact. Three nations are now responsible for fully implementing the accord. The BBIN Initiative is getting immense attention at present from the perspective of geopolitics, geo-economy, and geographical contiguity. However, there are still issues with the agreement's implementation, which calls for greater consideration.

This thesis attempts to explain the factors, motivations and drivers behind the formation of BBIN as well as the impact on the member countries and broader region. Furthermore, it examines areas of possible collaboration as well as past efforts at sub-regional cooperation. Lastly, the study attempts to study how Nepal's participation in such sub-regional forums can result in the much-needed resolution to Nepal's connectivity-related issues. The sub-regional cooperation has the promise to ease Nepal's connectivity issues and aid in the country's economic integration with the rest of the world. Opportunities are immense for Nepal but challenges are no less. Nepal needs to be free from political issues and work on to implement the high priority infrastructure and connectivity projects to reap the benefits that BBIN offers.

Keywords: South Asia, Sub-regionalism, Nepal

Table of Contents

CHAPTER - 1: INTRODUCTION

1.1. Background.....	1
1.2. Statement of the Problem.....	3
1.3. Research Questions.....	4
1.4. Research Objectives.....	4
1.5. Delimitation of Study.....	4
1.6. Organization of Study.....	5

CHAPTER - 2: LITERATURE REVIEW

2.1. Regionalism in South Asia and SAARC	6
2.2. Sub-regionalism and BBIN.....	8
2.3. Theoretical Foundation.....	11

CHAPTER - 3: CONCEPTUAL FRAMEWORK AND RESEARCH METHOD

3.1. Conceptual Framework.....	13
3.2. Research Methodology.....	15

CHAPTER - 4: STATUS OF REGIONAL COOPERATION IN SOUTH ASIA

4.1. Regional Cooperation in South Asia: An Overview.....	16
4.2. Causes of SAARC's slow progress and poor integration among South Asian Countries....	17
4.3. Consequences of Poor Regional Connectivity.....	20
4.4. Rise of Sub-regional Cooperation in South Asia.....	22

CHAPTER - 5: BANGLADESH, BHUTAN, INDIA, AND NEPAL (BBIN) INITIATIVE

5.1. BBIN: An Overview	26
5.2. Significance of BBIN.....	34
5.3. Factors affecting BBIN.....	41

CHAPTER - 6: PROSPECTS FOR NEPAL IN BBIN INITIATIVE

6.1. SIGNIFICANCE OF BBIN FOR NEPAL.....	45
6.2. CHALLENGES FOR NEPAL.....	49

CHAPTER - 7: SUMMARY AND CONCLUSION

7.1. SUMMARY.....	54
7.2. CONCLUSION.....	57

BIBLIOGRAPHY

List of Tables

Table (i): Brief description of BBIN MVA Articles.....	28
Table (ii): Seven South Asian Corridors.....	38
Table (iii): Connectivity Initiatives under BBIN for Trade and Transport.....	47

List of Figures

Figure (i): Conceptual Framework.....	14
Figure (ii): Consequences of Poor Regional Connectivity in South Asia.....	20
Figure (iii): Total length of Road in Kilometers (SRN+LRN)	50

List of Abbreviation and Acronyms

ADB	Asian Development Bank
AIP	Afghanistan, India and Pakistan
ASEAN	Association of Southeast Asian Nations
BBIN	Bangladesh, Bhutan, India, Nepal
BBIN-MVA	Bangladesh, Bhutan, India, Nepal Motor Vehicle Agreement
BCIM	Bangladesh, China, India and Myanmar Economic Corridor
BIMSTEC	Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation
BIMP	Brunei-Indonesia-Malaysia-Philippines
BIMPT-EAGA	Brunei, Indonesia, Malaysia, the Philippines, Timor-Leste- East Asian Growth Area
BRI	Belt and Road Initiative
CAGR	Compound Annual Growth Rate
DoR	Department of Roads
ECOWAS	Economic Community of West African States
EDI	Electronic Data Interchanges
EU	European Union
FACD	Framework Agreement for Cooperation and Development
GCC	Gulf Cooperation Council
ICT	Information and Communication Technology
IGGT	Intergovernmental Group on Transport
IMT-GT	Indonesia-Malaysia-Thailand Growth Triangle
IMS	India, Maldives, and Sri Lanka

IMS-GT	Indonesia-Malaysia-Singapore Growth Triangle
IORA	Indian Ocean Rim Association
LCS	Land Custom Station
LDC's	Least Developed Countries
LRN	Local Road Network
MEA	Ministry of External Affairs
MIT	Ministry of Physical Infrastructure and Transport
MoFA	Ministry of Foreign Affairs
MVA	Motor Vehicle Agreement
NTS	Non-Traditional Security
OAS	Organization of American States
RETA	Regional Technical Assistance
SAARC	South Asian Association of Regional Cooperation
SAARC-MVA	South Asian Association of Regional Cooperation- Motor Vehicle Agreement
SAFTA	South Asian Free Trade Area
SAGQ	South Asian Growth Quadrangle
SASEC	South Asia Sub-Regional Economic Cooperation
SCO	Shanghai Cooperation Organization
SIJORI	Singapore, Johor in Malaysia and Riau Islands in Indonesia
SRN	Strategic Road Network
TAC	Terai Arc Landscape
TTA	Trilateral Transit Agreement

CHAPTER – 1

INTRODUCTION

1.1 Background

Regionalism refers to the complex of ideas, values, attitudes, loyalties, and objectives of an individual or a group which contribute to the creation, maintenance, or modification of a particular region. The phenomenon of regionalism or regional cooperation came to existence after the end of the Second World War as the western world collaborated to find remedies of their common difficulties and to reconstruct the war-devastated European economies (Murthy, 2008). To share a common destiny, interests, and threats is another way to put it. The third wave of globalization saw a dramatic increase in state participation in regional institutions. The ideas of pooled sovereignty, the rule of law, international cooperation, and trade liberalization contributed to the expansion of the classic Westphalian notion of state sovereignty.

Regionalism has now become an indispensable phenomenon producing benefits on a tremendous scale and creating a new milieu for political and economic interaction with the notion of mutual interdependence and free movements of goods and people. In a manner that is more formalized and institutionalized, regionalism has made it possible for governments to continue their traditional strategies of power dynamic, dogpiling, hiding and binding, and alliance formation. Countries around the world have enjoyed prodigious success by embracing free trade regimes within regional markets with connectivity as the omphalos of economic integration. Regional Organizations such as the European Union (EU), Association of Southeast Asian Nations (ASEAN), Economic Community of West African States (ECOWAS), Shanghai Cooperation Organization (SCO), Organizations of American States (OAS), are setting the examples of success as the member nations of these organizations are prioritizing economic prosperity over their political differences.

Meanwhile, the only regional organization in South Asia, the South Asian Association for Regional Cooperation (SAARC) despite its 35 years of existence, is setting the example of failure with its ineffectiveness to retain the desired outcomes (Bhattacharjee, 2018). The inability of SAARC to foster regional cooperation is the main reason behind South Asia's citation as one

of the least integrated regions in the world despite being one of the most diverse and dynamic regions with a shared culture, language, religion, history, topography, development priorities and close geographical proximity (Mehta, 2020). With one-fourth of the world's population breathing within, it is one of the fastest growing regions and one of the largest markets in the world (World Bank, 2018).

On the other hand, fewer than 6% of its trade is intra-regional. The incessant tensions between India and Pakistan, an asymmetry between India and other South Asian nations, Pakistan's obstructionism, lack of dispute resolving mechanism in SAARC, intra-regional disputes, minimal intra-regional trade, the competition of external powers, growing influence of China in the region via Belt and Road Initiative (BRI), and mistrust and suspicion between member nations are some of the factors making integration within SAARC poorest of all (Bhattacharjee, 2018). Besides, domestic politics, domestic political institutions, strengths of governments, internal structural impediments, and shortages of resources are also responsible for SAARC's slow progress (Dash, 2008). Economic integration is a must for improving regional cooperation. However, the intraregional trade within SAARC is exiguous accounting for less than one-third of its potential even after the operationalization of the South Asian Free Trade Area (SAFTA) in 2006 and having multiple bilateral Free Trade Agreements (United Nations Economic and Social Commission for Asia and the Pacific, 2018). The prevalence of a variety of non-tariff and para-tariff barriers, poor trade facilitation at borders, poor supply capacity of the Least Developed Countries (LDCs), lengthy sensitive lists, and persisting high connectivity and trade costs continue to barricade the opportunity of South Asian countries to tap the untapped potential of intraregional trade in goods, services, and investments (Mehta, 2020). Other factors impeding the intraregional trade are; restrictive trade policies, inadequate manufacturing capacity to absorb the raw material available in the region, costs of currency conversion, similar comparative advantage in the type of goods produced, lack of exportable surpluses, and informal activities such as smuggling, and corruption (Srinivasan, 2002). South Asia has enormous natural resources, human capital, surplus labor, and a strategically important location however it is bound to suffer the issues of trade barriers because of poor connectivity.

The hope and optimism to achieve regional connectivity through SAARC became lower after the important initiative, SAARC- Motor Vehicle Agreement (MVA) could not be signed

during the 18th SAARC summit which was held in Kathmandu in 2014 because of Pakistan's reluctance (Bhattacharjee, 2018). SAARC faced another knock-back as the 19th SAARC summit which was planned to be held in Pakistan on 15-19 November 2016 got adjourned for an uncertain time after a terrorist attack on an Indian Army camp in Uri, Kashmir (Bhattacharjee, 2018). Following the attack of September 2016, countries of South Asia except Nepal refused to participate in the summit citing the absence of a favorable or conducive regional environment. Also, Pakistan's backing for China's involvement in SAARC as a full member is augmenting the already unfavorable situation of SAARC.

Such a non-cooperative scenario within SAARC has frustrated the South Asian countries and they are increasingly seeking alternatives within and beyond the region to advance their mutual interest and to give the required impetus to the regional integration in South Asia. In light of this context, the thesis attempts to explain the emergence of sub-regionalism in South Asia and evaluate how Nepal's participation in such sub-regional forums can result in the much-needed resolution to Nepal's connectivity-related issues.

1.2. Statement of the Problem

The lack of regional cooperation and discouraging trade relations in South Asia may not affect other South Asian countries to the extent it affects Nepal since it is small, landlocked, and one of the least developed countries (LDC) in the world. Nepal's trade is asymmetrically dependent on India and China and the trade deficit is increasing. Low export and high import, trade barriers, high transaction cost, improper trade policy, higher cost of production, slow industrial development, lack of trade diversification, and limited export capacity are responsible for increasing trade deficit. In terms of connectivity, Nepal is least connected compared to other small South Asian countries. Sri Lanka is an island country, Bangladesh has access to the sea, and Afghanistan is bordered by six Asian countries. And comparatively, these three are larger economies than Nepal. Bhutan, though landlocked, is more concerned about its environment than the economy and happy to go slow (Kinznag, 2021). While Maldives is showing significant growth compared to other small countries in South Asia. The lack of economic and physical connection leaves Nepal with little opportunity to create productive ties with the rest of the world and depend asymmetrically on the two big neighbors, India, and China. The sub-regional

cooperation through the BBIN initiative is expected to help Nepal integrate with the global economy by opening doors for Nepal to regional and international markets and soothe its connectivity woes since SAARC, the only regional integration hope for Nepal, has failed to address its problems. Given this, more research should be done to examine the advantages and disadvantages of Nepal's involvement in regional and sub-regional organizations. There hasn't been much research done, nevertheless, on Nepal's requirements for membership in regional organizations, its perks, and its problems.

1.3. Research Questions

In exploring the prospects BBIN initiative holds for Nepal, the thesis has attempted to proceed with the following research questions:

- a) What is the status of regional cooperation in South Asia?
- b) How BBIN initiative came into existence as a sub-regional forum?
- c) How can BBIN initiative enhance Nepal's connectivity in South Asia region?

1.4. Objectives of the Study

The below-mentioned objectives strive to address the research questions:

- a) To explain the current scenario of regional cooperation in South Asia.
- b) To study how BBIN came into existence as a sub-regional group.
- c) To explore the prospects of how BBIN can enhance Nepal's connectivity in the region.

1.5. Delimitation of the Study

BBIN is an initiative of four South-Eastern South Asian countries; Bangladesh, Bhutan, India, and Nepal. However, the research limits its focus on examining the advantages that BBIN has in stock for Nepal only and not to other member countries; Bangladesh, Bhutan, and India. The study has tried to evaluate whether or not the BBIN framework connects Nepal with the global economy by solving its connectivity barriers. The other socio-cultural, political, ethnographic, and environmental problems of Nepal are not discussed. As the other member countries of the

BBIN have diverse characteristics, different issues to solve, and different expectations from BBIN compared to Nepal, the findings of the study cannot be generalized. This research is solely based on available secondary data and their content analysis. Also, the study is subjected to the time frame of the research period where no further development has been considered.

1.6. Organization of the Study

This study is organized into seven chapters. The first chapter mainly introduces the topic and unfolds the research questions and the research objectives of carrying out the thesis. The second chapter is the literature review and explores the theoretical framework of key variables associated with this research. Chapter three deals with research methodology applied while doing the study. The objective of the fourth chapter is to respond to the first research question, which is to explain the present state of regional cooperation in South Asia. It emphasizes the primary reasons for SAARC's failure and the underlying factors that led to the advent of sub-regionalism in South Asia. Similarly, Chapter five gives the detail explanation of BBIN and its opportunities and challenges. The sixth chapter discusses the possibilities and problems Nepal berates as a BBIN member. Lastly, chapter seven summarizes and concludes the research findings.

CHAPTER – 2

REVIEW OF LITERATURE

Chapter II reviews the exiting literature concerning with regionalism and sub-regionalism in South Asia. The main research questions of this thesis are as follows: what is the status of regional cooperation in South Asia? How the BBIN initiative came into existence as a sub-regional forum? And how BBIN initiative will solve Nepal’s connectivity problems. These questions construct the guideline for organizing this literature review, with the anticipation to provide an integrated understanding to BBIN initiative and its prospects for Nepal.

2.1. Regionalism in South Asia and SAARC

Kishore C. Dash (2008) authored a book titled “Regionalism in South Asia” which gives a comprehensive multi-disciplinary and multi-level-based analysis on SAARC’s failure. The author first discusses various theories of regionalization such as Transnationalism, Intergovernmentalism, Functionalism, and Neo-functionalism and shows their weakness to describe South Asia’s regionalism. He states South Asian regionalism as non-universal and unique from Euro-centric perspectives of regionalism and points out that the SAARC’s failure shouldn’t be analyzed comparing with other regional organizations such as ASEAN and EU. The author rather uses domestic institutional structures, government capacity, domestic support, and preferences of political and societal actors toward regional cooperation as an independent variable to understand regional cooperation in South Asia and to study SAARC’s failure in-depth. However, the author’s endogious approach to study SAARC’s failure locks him out of opportunities to work on a grey-area that overlaps national and international actors and affairs in the region. Similar to other literature on SAARC’s failure, this book has also focused Indo-Pakistan tussle over Kashmir and Indo- Pakistan war as the main reason for SAARC’s failure to foster regional cooperation. Thus, the book gives comprehensive insights into SAARC’s history, challenges, and failure but lacks solution-based recommendations such as what factors or actors can increase connectivity in the region. Ahmed Zahid (2013) in his book “Regionalism and regional security in South Asia: The role of SAARC” attempts to correct the negative connotation that invariably attaches to SAARC and the prevailing assumption that it has achieved nothing worthwhile by showing its success in less controversial issues such as health,

education, and poverty. In the controversial issues such as politics, economy, bilateral tensions, and connectivity he agrees with most of the critics that SAARC has failed to live up to expectations originally held for it and concludes by stating SAARC needs a makeover or a takeover. The World Bank (2018) report titled "A Glass Half Full: The Promise of Regional Trade in South Asia" examines the possibility of open regionalism and regards intraregional trade as a complement to and stepping stone towards broader global integration. It proposes eliminating four crucial intraregional trade hurdles, mainly border tax distortions, non-tariff barriers, connectivity costs, and trust deficits.

Siegfried. O. Wolf, Paulo Casaca, & Anne J. Flanagan (2014) in their book "The Merits of Regional Cooperation: The Case of South Asia" look South Asia not as a "failed region" but as a "region with tremendous potential" and suggests ways of further enhancing existing regional cooperation instead of adding to the debates of insurmountable hurdles and challenges of South Asia which dominates contemporary literature on the region. The challenges of South Asia; bilateral crises, national disharmonies, economic uncertainties, endemic poverty, growth of religious extremism, the rise of militant fundamentalism, multitude of socio-economic dissimilarities, and tremendous inequalities are impeding the growth of SAARC which can be mended by increasing the political will among South Asian decision-makers, reassessing the cultural argument, improving organizational structures, dealing with China's increasing role in the region, and going beyond the old pattern to create a new path. Besides, the book considers connectivity problems as the main challenge faced by the SAARC because almost all of the SAARC member states share a border with India, but practically none share a common border, except for the troubled Durand Line between Afghanistan. This connectivity problem according to the book can be solved by approaches within the regions such as sub-regionalism. Sub-regionalism, a significant mechanism of regional cooperation especially in the economic field which promotes regionalization at a smaller level, started in South Asia with the formation of SAGQ which is considered effective for bypassing the issue of Indo Pakistan political conflict and at the same time criticized for weakening SAARC. It is yet to explore whether sub-regionalism will lead to a strengthening or the insignificance of SAARC. In SAARC: An Evaluation of its Achievements, Failures, and Compulsion for Cooperation, Mohammad Muzaffer, Iqra Jalthol, & Zahid Yaseen (2017) explain SAARC's achievements and points out the factors responsible for SAARC's inability to fulfill its desired objectives and suggests that

new initiatives must be taken to bring the required cooperation in the region briefly showing the direction towards sub-regionalism.

This part of the literature review describes the state of regional cooperation in South Asia, which is the first objective of this thesis, by highlighting the key causes and events that contributed to SAARC's sluggish progress and the member nations' ensuing quest for alternatives. It also explains the factors that brings shift from regional to sub-regional groupings in South Asia.

2.2. Sub-regionalism and BBIN

Atiur Rahman (2004) in “SAARC: Not yet a community” mentions about South Asian Growth Quadrangle (SAGQ) and elucidates that “sub-regional initiatives in South Asia have raised large questions, concerns, and political passion rather than providing any answer or creating growth mechanisms and cooperative understanding” (Rahman, 2004, p. 138). Nevertheless, it can also be interpreted as one of the last options to bail-out SAARC from being a ‘toothless tiger’. At least it would evoke enthusiasm about cooperation which could function as an impetus for larger regional cooperation. Amitendu Palit (2010) in Chapter 5, Sub-regional Cooperation under SAARC: An Economic Analysis, of the book “The Emerging Dimensions of SAARC” focuses on the economic dimensions of the sub-regional forum by studying SAGQ and BIMSTEC.

Tariq Karim & Madhumita Srivastava Balaji (2016) in “BBIN: Paradigm Change in South Asia” explains how the sub-regional initiative, BBIN, changed the paradigm of regionalism in South Asia from regional cooperation to sub-regional cooperation and discusses the potential of BBIN to bring cooperation in Eastern South Asia and South Asia at large by connecting South Asia with ASEAN and other nearby regions. Cooperation among the BBIN nations can pave the path for the evolution of a powerful sub-regional block and if lessons are learned from the past, this quadrangle can not only act as the new growth engine in the larger region straddling South and South East Asia but also emerge as a potentially formidable bargaining block. Vikash Kumar (2016) in his paper analyses why nations are increasingly going beyond SAARC and then explains why they are choosing sub-regional arrangements (especially BBIN) by showing sub-regional trade potential and intra-sub regional trade and transport prospects in his article “Sub-Regionalism in South Asia: A Case Study of the Bangladesh–Bhutan–Nepal–India Motor

Vehicles Agreement.”The author considers sub-regional arrangement as a “bottom approach” and states it as being more viable and successful than a “top-down” approach in bringing deeper regional integration by giving examples of successful growth triangles of South East Asia.

In the article “Prospect and so far, Development of BBIN Connectivity”,Mahamudul Hassan (2016) expounds on the history, purposes, opportunities, and developments of BBIN and explains how BBIN emerged as a sub-regional forum and how it creates new economic opportunities, mainly in border areas of the member countries. The BBIN-MVA agreement is likely to yield benefits for the two Himalayan landlocked countries of Nepal and Bhutan by addressing their long-standing complaints about trade and transit issues while among four members India will enjoy the maximum payments.

CUTS International (2018) in “Connecting Corridors beyond Borders Enabling seamless connectivity in the BBIN sub-region”explains existing and proposed trade connectivity initiatives of BBIN, BBIN’s salient features, significances, BBIN corridors, and factors affecting the implementation of BBIN-MVA to give a clear picture of what BBIN intends to achieve. It also discusses the challenges that BBIN countries are facing and suggest ways for the fuller implementation of all the proposed initiatives. QuratUlAin and ZahoorAhman Shah (2019) in “Neo-Regionalism in South Asia: With Reference to the Emergence of BIMSTEC and BBIN”, first inspect SAARC’s non-functionality and challenges and show why countries of South Asia are seeking for alternatives beyond SAARC. Then the thesis studies BIMSTEC and BBIN and their role in the region as an attractive alternative to SAARC.BBIN, a sub-regional organization outside SAARC is expected to pave the way for increased Trade and cross investments among the member countries and if the member countries are ready to remove political barriers between them, the BBIN will work for wider integration which SAARC failed to deliver and there can be a revival of SAARC through sub-regionalism.

The literature studied in this part explains the rise of sub-regionalism in South Asia with reference to the BBIN initiative, so supporting the second objective of this thesis. Along with its potential to provide SAARC momentum and bring about broader regional integration, the discussion also covers the economic, social, cultural, and political opportunities that BBIN presents for the member nations and the wider South Asian region.

2.2.1. Country specific study of BBIN

Parthapratim Pal (2016) in the research paper titled “Intra-BBIN Trade: Opportunities and Challenges” elaborates on the major opportunities and challenges of BBIN. BBIN initiative can facilitate intra-regional and inter-regional trade in goods and services and develop massive transnational road and rail connectivity networks. India’s dominance in BBIN, India’s demand for transit through Bangladesh, heterogeneity among member countries in economy, Bhutan’s reservations about free movement of cargo and people within the sub-region, different development priorities, and other bilateral and political issues are the challenges that BBIN needs to deal in order to achieve its objectives. This article however gives more emphasis to India. BBIN allows India to bypass Pakistan and discuss connectivity issues with Bhutan, Bangladesh, and Nepal, which has proved difficult at the SAARC level and as it also integrates well with India's 'Act East Policy' it can solve India's longstanding problem of locational disadvantage and poor connectivity of its northeastern states.

Nuzhat Sharmeen (2017) in her report “Regional Cooperation in South Asia and the Sustainability of Bangladesh, Bhutan, India, and Nepal (BBIN) Transit” discusses briefly the sustainability of the entire BBIN project by explaining the scopes of the agreement along with the overall implications of the agreement. The thesis mainly revolves around the Bangladesh and how the BBIN project supports the capacity development of Bangladesh. It has discussed in detail the financing scheme, the sustainability of the pricing, and cost incurred by Bangladesh for the project. It also briefly touches upon the different trade policies practiced by member countries and compares with the Bangladesh to show the importance of harmonization of trade policies for the effective implementation of the agreement. Similarly, Ashish Shukla (2019) discusses sub-regionalism in his article "Sub-regional Cooperation under the BBIN Framework: An Analysis" and places more of an emphasis on India by describing how BBIN links India's north-eastern area to bigger markets both within and outside of the country. It claims the success of the BBIN initiative rests on how India shows commitments towards the initiative and how sincerely it fulfills its responsibilities. It goes on to discuss how India can use BBIN as a geostrategic and diplomatic strategy to further its regional objectives of becoming the lone regional power and to counteract China's ascent in the area.

This section provides evidence in favor of the thesis' main objective, which is to determine whether or not BBIN can address Nepal's connectivity issues. It is discovered that the study done so far on the prospects of sub-regional cooperation in South Asia is India-centric after thoroughly reviewing various books, academic papers, and other publications pertinent to the research subject under investigation. Only a handful of literature talks about the prospect of BBIN for Bangladesh and very few for Nepal, but that too in brief.

2.3. Theoretical Foundation

South Asia's regionalism and sub-regionalism cannot be fully explained by a single theory. In order to get a theoretical understanding of regional cooperation in South Asia, a number of theories should be studied. The major focus has been built around the theory of functionalism, neo-functionalism, and dependency theory to get a theoretical understanding of regional cooperation in South Asia. Functionalism, developed by David Mitrany- the Romanian political theorist, is rooted in the principles that in today's interdependent world, no nation-state can independently resolve all of its economic, social issues, and political issues; this can be resolved if nations-states escape the conflictual system through international agreements in specific functional or technical areas such as health or education (Dash, 2008). Hence, there is a need to identify common international economic and social problems and to create regional and global organizations to deal with them. Furthermore, it mentions the spillover effect, which is when collaboration increases in one area helps improve cooperation in other areas. SAARC embraced a functionalist approach to cooperation in social and cultural fields as well as other non-controversial areas with the expectation that this forum would foster more regional cooperation for the fulfillment of the needs of the populace. Although cooperation on 'low political area' is going well, it could not have a positive knock-on effect on solving the 'high political issues' like bilateral tension, which is one of the main causes of SAARC's sluggish progress.

Neo-functionalism, inspired by functionalist ideas and the communication theory of Karl W. Deutsch, is grounded on the assumptions that the intentional merger of economic activity in specific economic sectors across borders generates wider economic integration that would eventually spill over into political integration. Ernst Haas, a prominent proponent of neo-functionalism, assumed that "once an integration effort had been launched, there would be

pressures for further integration as social and economic groups would demand additional economic integration, and that this would create new political actors interested in and ready to promote further integration" (Dash, 2008). This helps us to understand the motivations for the establishment of BBIN. It seeks to promote economic development and connectivity in the region by liberalizing trade and transportation. Greater people to people connectivity and regional integration are anticipated as a consequence of the increased trade among the member countries. Also, the dependency theory can be used to understand the relations between India and other member states in BBIN as it suggests that regionalism and sub-regionalism can be driven by the relationship between developed (India compared to other member countries) and developing countries (Nepal, Bhutan), with the latter seeking to use regional organizations to promote their own development and reduce their dependence on the former.

CHAPTER – 3

CONCEPTUAL FRAMEWORK AND RESEARCH DESIGN

3.1. Conceptual Framework

As SAARC, the only regional organization in South Asia is largely dysfunctional owing to its own institutional structure, poor design, and bilateral conflicts between the member nations, particularly India-Pakistan rivalry, regionalism in South Asia hasn't been able to produce significant outcomes. The SAARC's impasse and the resultant poor regional integration have compelled its member nations to look for alternatives that may strengthen regional interconnectedness for trade and development. As a result, sub-regional cooperation has emerged in South Asia as one of the viable alternatives. This study has attempted to understand the phenomenon of sub-regionalism in South Asia and how sub-regional cooperation can assist Nepal to enhance its connectivity and trade. In doing so, a top-down approach has been conceptualized; first studying the status of regionalism in South Asia, then rise of sub-regionalism and finally, explaining the prospects that sub-regional forum has for Nepal. The factors that led to the paradigm shift from regionalism to sub-regionalism in South Asia is discussed with theoretical lens to give the clear picture of status of regionalism in South Asia. Then, BBIN initiative is taken as sub-regional forum formed by four eastern South Asian countries; Bangladesh, Bhutan, India, and Nepal. And Nepal as a member of the BBIN initiative is studied as a case study to study the expected prospects of BBIN initiative for Nepal. As the perks that Nepal gets as a member of BBIN are contingent on the success of BBIN itself, BBIN is an independent variable, and potential prospects for Nepal are a dependent variable. Using the available secondary sources, Nepal's materialistic, diplomatic, strategic, and normative needs to join such forum has been studied to fully understand how BBIN can fulfill such needs. It seeks to be a part of regional organizations to promote its own development and reduce dependence on the big neighboring countries. Nepal, given its geographical realities of being landlocked, poor connectivity, and inadequate resources to fund its own development agenda, has higher hopes from such forum.

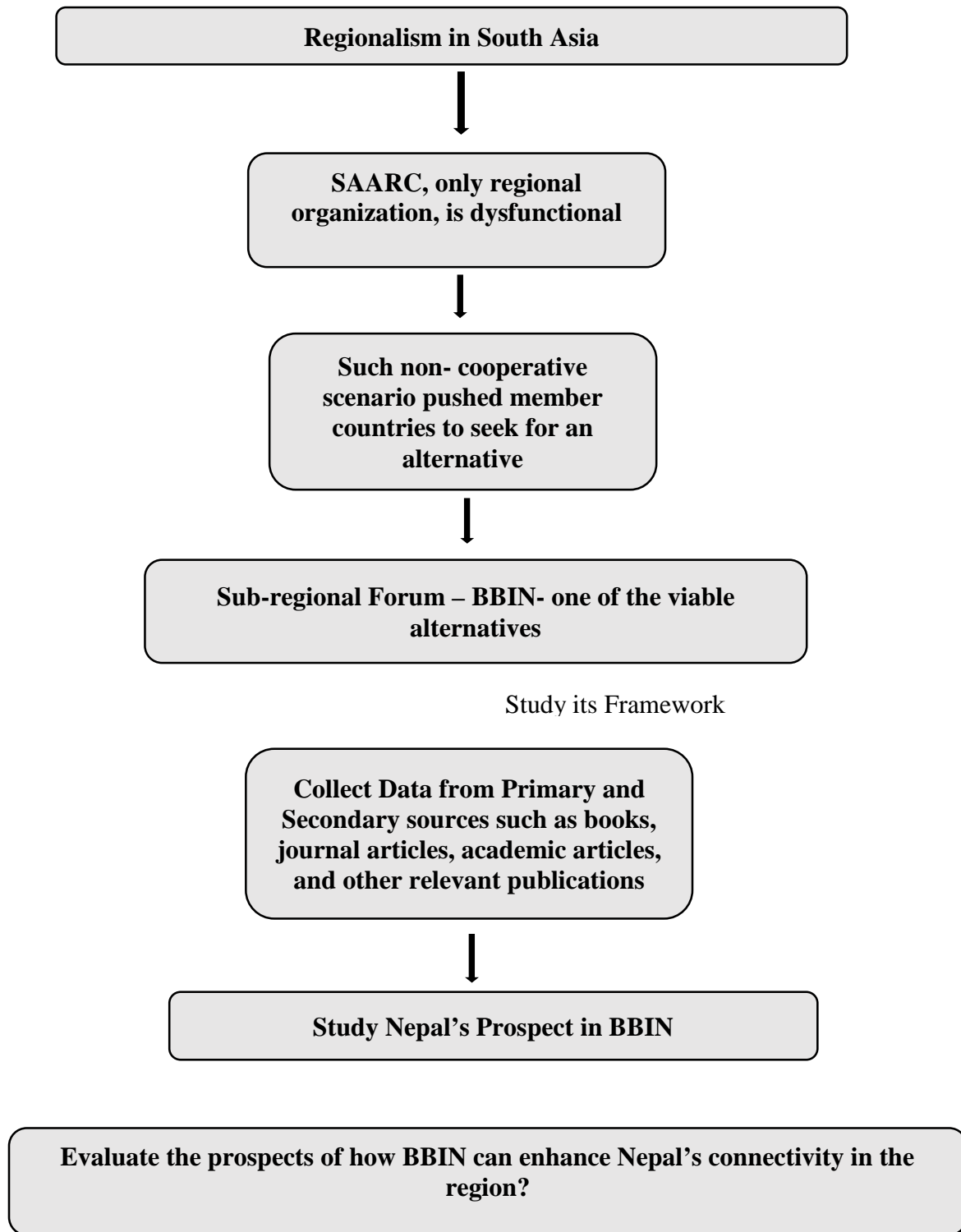


Fig (i). Conceptual Framework

3.2. Research Methodology

3.2.1. Research Design

Given the theoretical nature of the study qualitative research design has been applied. The qualitative study emphasizes words over numbers and employs an explanatory, descriptive, critical, and comparative approach for the analysis. This is a qualitative case study with a single case study focusing on Nepal. The case study approach is appropriate "when the research addresses either a descriptive question (What) or an explanatory question (How or Why)" (Yin, 2004). This approach is appropriate for this research, for it answers "What" and "How" questions using literature from previous studies. Another research design used is ex post facto research design, which evaluates facts, happenings, and events that have already occurred without additional intervention.

3.2.2. Nature and Sources of Data

In understanding the BBIN as a sub-regional forum and evaluating the benefit for Nepal, secondary data have been collected as the sources for this paper, and based on the gathered data the study has attempted to derive a firm view about the established objectives of the study. Books, academic journals, scholarly articles, research papers, theses, grey pieces of literature such as official documents from states, annual and other official reports of an organization, policy statements, press releases, and other relevant publications regarding the issue dealt has been used as the major sources for collecting information.

3.2.3. Data Analysis Method

Secondary sources have been collected through the qualitative content analysis method, searching out the underlying themes in the material being analyzed or using a brief quotation to illustrate the relevant points. The relevant data has been analyzed using descriptive and analytical methods. The gathered data were evaluated rigorously, and arguments were developed based on the content analysis of each sources collected. Data collected also has been inspected using theories because theory conscious analysis provides a comprehensive understanding of the subject matter.

CHAPTER – 4

STATUS OF REGIONAL COOPERATION IN SOUTH ASIA

4.1. Regional Cooperation in South Asia: An Overview

It is critical to comprehend SAARC, the only pan-regional organization in the region, and its current status to grasp the current state of regional cooperation in South Asia. Regionalism in the form of the SAARC was established when regionalism was becoming popular elsewhere in the world, dominated by the cold war between two superpowers. Over three and a half decades ago, the leaders of seven South Asian countries, Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan, and Sri Lanka, established SAARC with the signing of the SAARC declaration on December 8, 1985, in Dhaka, Bangladesh. Afghanistan joined the organization in 2007 during the Delhi Summit as SAARC's eight members. The group is aimed at strengthening and promoting socio-economic and cultural engagement between the member countries and finding a way to achieve economic development and prosperity. Furthermore, the organization aims to increase collective self-reliance and foster mutual trust and understanding among member nations. Other objectives include strengthening cooperation with other developing countries and cooperating with international and regional organizations with similar aims and purposes (SAARC Charter, 2020). The formal establishment of SAARC raised hopes among the member countries that it would evolve into a vibrant regional body. However, the 2008 Mumbai terror attack, the 2016 Uri attacks and subsequent developments belied those hopes. Instead of a dynamic regional body, it is now known as a "slow boat to nowhere" or "talk shop" to nowhere. (Mohan, 2002).

The progress towards regional cooperation, economic integration, and the creation of a security community in South Asia has been mostly paralyzed. Little has been done to maintain its institutional framework for substantial regional cooperation as many obstacles have made the cooperation process stagnant. SAARC's annual summits have been postponed 11 times in its 36-year existence owing to political concerns, either bilateral or internal (Naazer, 2017). Numerous agreements, initiatives, summit declarations, communiqués and institutional mechanisms established under SAARC have not been cogently implemented.

As a result, South Asia's regional cooperation demonstrates failure rather than success, as it remains one of the world's least integrated regions (World Bank, 2018) in spite of being one of the most diverse and dynamic regions in the world, with a shared culture, language, religion, history, topography, development priorities, and close geographic proximity (Mehta, 2020). Even fears of insecurity and new challenges such as climate change, migration, terrorism, ethnic clashes, hunger, natural calamities, economic interests, and global pandemics have all failed to strengthen links between states and people across South Asia.

4.2. Causes of SAARC's slow progress and poor integration among South Asian countries

An asymmetry between India and other South Asian nations is one of the factors making integration within SAARC poor. The region has a distinct feature with regards to India's geographical position (Dash, 2008), size, population, economy, military, and influence in the global arena. India accounts for over 80% of the total SAARC GDP and for 75% of the total population of the member nations (Gill, 2020). Except for Afghanistan, India is the only country in South Asia that shares land and maritime borders with other countries in the region, and every country in South Asia has a little bit of India in it as they are related to India individually in terms of their cultural identities, economic patterns, philosophical trends, and historical experience (Muni, 1978). Since the very beginning, this disparity has generated legitimate and understandable apprehensions in the small countries where India might use SAARC to pursue regional hegemony. Therefore, smaller nations have been reluctant to implement various SAARC accords. On the other hand, India has been reticent to actively participate in SAARC since its formation, believing that the small countries formed the organization to strengthen their bargaining power against India and that, as a result, India may have to deal with its smaller neighbors as a consortium rather than individually. The region's India-centric orientation made it pretty clear that no stride toward cooperation and collaboration could be achieved without India assuming a dominant stake in the regional structure.

Another impediment to SAARC's growth is its members' lack of trust, particularly in India and Pakistan. India and Pakistan fought three wars in the past and are embroiled in a conflict over Kashmir and, most recently, Afghanistan. Pakistan continues to use SAARC to raise bilateral issues, and it is committed to a Kashmir-first strategy, under which full

improvement of Indo-Pakistani ties will not be possible until the Kashmir issue is resolved. The Kashmir problem has become more complicated since India declared Jammu and Kashmir to be union territories and Pakistan published (The News, 2020) a political map in 2020 including the "India administered Kashmir" in its entirety. Lately, a conflict between India and Pakistan has halted many major SAARC initiatives, including the SAARC MVA, SAFTA (all members realized the first reduction on July 1, 2006, but Pakistan and India have refused to assist one another under the agreement), and the SAARC satellite project. In addition, the 19th SAARC summit, which was scheduled to take place in Pakistan in 2016, has been canceled indefinitely in the aftermath of the Uri incident. India withdrew from the event, denouncing the terrorist attack and alleging that Pakistan was complicit in it. India's boycott of the summit was quickly joined by other members, resulting in the summit's cancellation altogether (Bhattacharjee, 2018). Thus, India-Pakistan conflicts have long hamstrung South Asia's regionalization process. Primarily for two reasons: first, they are the region's two largest states, and regional integration would be inconceivable without their cooperation; second, they are both nuclear powers, and their behavior not only influences the behavior of smaller states in the region but also attracts major global powers to the region (Price, 2016).

Hence, the regional body has also been directly or indirectly influenced by extra-regional actors and great power politics. China is one such extra-regional player in the area, with both physical proximity and significant holdings in South Asia in terms of burgeoning energy demand. For this, China has been developing ports and bases in South Asian countries such as Bangladesh, Sri Lanka, and Pakistan, which South Asian countries, particularly India, see as a threat to their national security. India takes it as a Chinese encirclement of India, labeled "the string of pearls" (Dabas, 2017). The increasing strategic involvement of China in South Asia to oppose India's ascent or predominance has exacerbated regional cooperation issues (Madan, 2014). As a founding member state, India has continuously rejected China's ambitions to become a full member state in SAARC as an observer state. These India-China political relations have played a significant role in limiting SAARC's capacity and efficacy. In addition, China's rising foothold in South Asia is transforming the conventional limits of a mostly continental South Asia into marine ones, so making SAARC partly antiquated (Verma & Jain, 2020). The rise of China, coupled with other factors such as the "Asian Century" narrative and changing geopolitics of the post-cold war era, consequently altered and heightened US engagement in the South Asian

region, resulting in cooperation between India and the US, ostensibly to balance China's influence in the larger Indo-Pacific and South Asian regions. These developments or the engagements of these two extra-regional actors are crucial in influencing the behaviour of regional actors and shaping their relations with other South Asian actors. Also, their involvement changes the region's security dynamics as the smaller states tend to rely more on extra-regional powers for security than build other regional security arrangements (Dash, 2008).

Another factor blocking SAARC's development is its own organizational and structural impediments. Decisions in SAARC are reached by consensus. The secretariat, which oversees all the operations, can only coordinate and supervise; it cannot take independent action. SAARC cannot address any bilateral or controversial topics or make decisions without a consensual vote (SAARC Charter, 2020). This mandate creates a number of problems and slows down the decision-making process. The Secretary General, appointed by the member countries on an alphabetical rotational basis, who is in charge of the SAARC secretariat, is supported by the Directors of Working Divisions, nominated by member states. As the SAARC secretariat functions on a consensus-based basis, representatives of their respective nations, particularly the Directors of Working Divisions, do not support a SAARC Secretariat proposal that would conflict with the specific policy taken by their individual countries. The decision-making process or policy making process is thus hampered. Likewise, SAARC does not have any provision for resolving disputes or mediating conflicts. So, disputes among the member countries often hamper consensus building. As a result, bilateral conflicts have often resulted in the postponement of annual summit meetings of SAARC and delayed implementation of its programmes. The 1989 SAARC Summit was postponed due to the then ongoing Sri Lanka-India conflict. Similarly, the 11th SAARC Summit was postponed due to the post-Kargil war in Pakistan-India relations. Furthermore, there is no structure for reviewing and monitoring the execution of decisions and planning processes (Murthy, 2008). Another problem within the institution is the presence of only a few technical staff in the secretariat. Diplomatic staff who do not have technical expertise dominate the SAARC secretariat.

Besides, border tensions (between India-Pakistan, Afghanistan-Pakistan, India-Nepal), cross-border terrorism (between India-Pakistan, Afghanistan-Pakistan), water-sharing disputes (between India-Pakistan, India-Bangladesh), refugees issues (Ahmed & Bhatnagar, 2008),

multiethnic composition, illegal migration, division in political systems, history of colonial legacy and mutual distrust, fundamental structural flaws, incidents of unintelligible diplomacy (Singh, 2019), polity and economy of sharing of natural resources, and over-emphasized nationalism are other factors hindering cooperation among the South Asian countries.

4.3. Consequences of Poor Regional Connectivity

Due to the poor regional connectivity, South Asia remains a poorly integrated region economically. The intraregional trade within SAARC is exiguous, accounting for less than one-third of its potential (World Bank, 2018) even after the operationalization of the South Asian Free Trade Area (SAFTA) in 2006 and having multiple bilateral Free Trade Agreements (United Nations Economic and Social Commission for Asia and the Pacific, 2018). SAARC intraregional trade is wretchedly low compared to other regional trade blocs throughout the globe. The intra-regional trade in SAARC, which is home to almost 20 percent of the world's population, remained static between 4 and 7 percent for its entire history. In contrast, intra-regional trade in ASEAN, which is home to less than 9 percent of the world's population, accounts for 22 percent (Statista, 2020). Regardless of the measures adopted, intraregional trade in the area has not advanced enough.

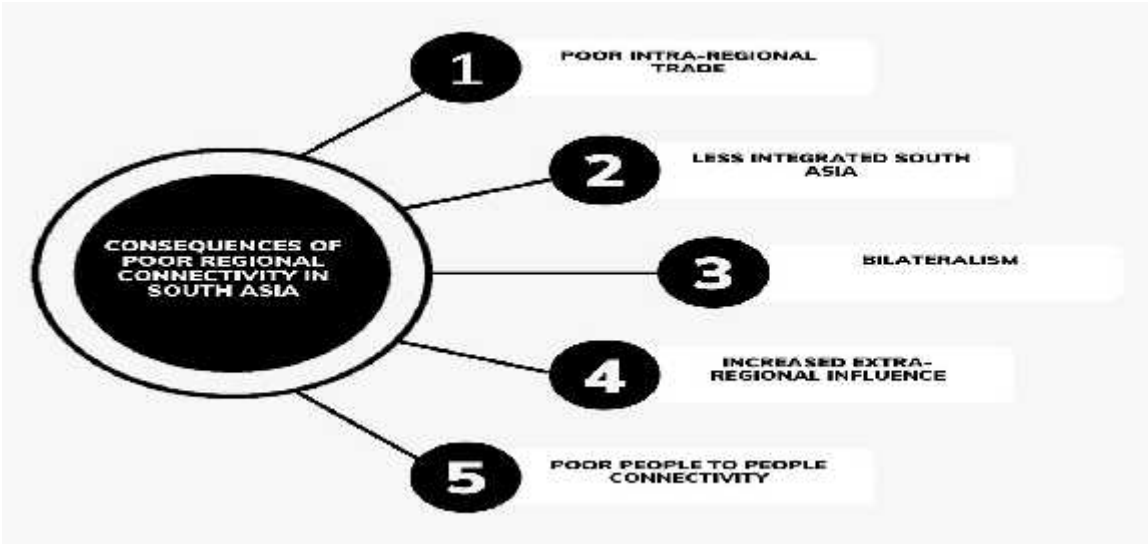


Fig (ii). Consequences of Poor Regional Connectivity in South Asia

The prevalence of a variety of non-tariff and para-tariff barriers, poor trade facilitation at borders, poor supply capacity of the Least Developed Countries (LDCs), lengthy sensitive lists,

and persisting high connectivity and trade costs continue to barricade the opportunity of South Asian countries to tap the untapped potential of intraregional trade in goods, services, and investments (Mehta, 2020). Other factors impeding intraregional trade are: restrictive trade policies, inadequate manufacturing capacity to absorb the raw materials available in the region, costs of currency conversion, similar comparative advantages in the type of goods produced, lack of exportable surpluses, and informal activities such as smuggling and corruption (Srinivasan, 2002). Likewise, cross-border investment and movements are insignificant with the exception of India and Nepal, who have an open border and constitute an economic union in terms of labor mobility. South Asia has enormous natural resources, human capital, surplus labor, and a strategically important location. However, it is bound to suffer the issues of trade barriers because of poor connectivity.

The cooperation gap among South Asian countries has made it easier for external actors to penetrate the region. Extra-regional actors and great power politics have had an impact on South Asia. China's growing strategic involvement in South Asia to counter India's ascension or domination has increased regional cooperation concerns (Madan, 2014). The growth of China, combined with other reasons such as the "Asian Century" narrative and changing geopolitics of the post-Cold War era, altered and increased US engagement in the South Asian region. Their presence in the region has altered the region's security dynamics, as smaller states choose to rely on extra-regional powers for protection rather than establish other regional security arrangements, making regional cooperation more difficult.

Another consequence of poor regional connectivity is that member states have resorted to bilateralism, which has a detrimental impact on the regional body. Bilateralism is the quicker approach, requiring just two nations to negotiate, while SAARC needs one country to negotiate with seven countries. Thus, bilateralism diminishes the nations' reliance on SAARC to attain their goals, rendering them less motivated to pursue regional initiatives.

The non-cooperative scenario within SAARC has frustrated the South Asian countries and they are increasingly seeking alternatives within and beyond the region to advance their mutual interest and to give the required impetus to the regional integration in South Asia. India gave the first gesture of its search for an alternative when Indian Prime Minister, Narendra Modi,

addressed the 18th SAARC Summit emphasizing that the opportunities must be realized through SAARC or outside it and among us all or some of us (Shukla S. , 2019). India now is prioritizing regional platforms such as Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC), Bangladesh, Bhutan, India, Nepal (BBIN), SCO, Indian Ocean Rim Association (IORA), and BCIM instead of SAARC to achieve its regional interests and to deliver on connectivity, development and counter-terrorism efforts (Bhattacharjee, 2018). Similarly, because of SAARC's failure other South Asian countries have chosen the path of searching for acceptable alternatives instead of waiting for SAARC to progress, which seems like a distant thing.

4.4. Rise of Sub-Regional Cooperation in South Asia

Sub-regionalism is a form of regional economic integration characterized by a sense of unanimity, less formal arrangements, geographical proximity, controlled regional development strategy, and willingness and urgency in promoting development with a focus on smaller growth-oriented zones within a broader region to enhance their competitiveness and promote their exports in the global market (Murthy, 2008). Sub-regionalism is a case of the market, in juxtaposition to institutional integration, where legal agreements encourage preferential trade among member countries. Member countries rely on non-official institutions to provide public and semi goods, which in turn lowers transaction costs related to the international movement of goods, services, and other costs of production. Specific projects or initiatives in key economic sectors are given utmost importance by member nations as they will support and complement their national plans and strategies and make the greatest use of local synergies and affinities. Ultimately, such groupings are deemed to boost trade relations by contributing tangible progress in the respective nations.

Over the past few years, there has been a shift towards sub-regional groupings within the larger multilateral regional groupings such as EU, Gulf Cooperation Council (GCC), and ASEAN. For instance, Indonesia-Malaysia-Singapore makes up an important grouping of sub-regional cooperation in ASEAN. Similarly, in South Asia, the failure of the SAARC to perform productively as a forum to promote regional cooperation has led to a creation of sub-regional groupings such as BBIN, BCIM, and BIMSTEC (Batra, 2015). Besides, the success stories of

smaller but focused groups of countries such as; Brunei, Indonesia, Malaysia, the Philippines, and Timor-Leste – East Asian Growth Area (BIMPT-EAGA), Indonesia-Malaysia-Singapore Growth Triangle (IMS-GT), Indonesia-Malaysia-Thailand Growth Triangle (IMT-GT), and SIJORI Growth Triangle (Singapore, Johor in Malaysia and Riau Islands in Indonesia) in South East and East Asia encouraged some of the South Asian countries to take an initiative of forming sub-regional groupings.

The concept of sub-regionalism was not contemplated when SAARC was first formed. It only gained notoriety in 1996 when the idea of forming a growth-triangle was proposed during the meeting of SAARC Councils of Ministers in 1996 in New Delhi (Shukla, 2019) marking the beginning point for sub-regionalism in South Asia, which can be roughly divided into three subregions: the western subregion, made up of Afghanistan, India, and Pakistan (AIP); the southern subregion, which includes India, the Maldives, and Sri Lanka (IMS); and the eastern subregion, which comprises Bangladesh, Bhutan, India, and Nepal (BBIN) (Karim, 2017). The rationale behind was if one sub-region could demonstrate that cooperative upward growth was achievable in any clearly delineated sector, it would inspire other sub-regions to do the same. Although the idea was first rejected, the SAARC agreed to it in 1997 at its ninth summit held in the Maldives. Consequently, the South Asia Growth Quadrangle (SAGQ) was formed consisting of Bangladesh, Bhutan, India and Nepal. The SAGQ states perceived it as a platform for new opportunities for cooperation and decided to adopt a project-led strategy in an effort to work together on commerce, communication, investment, energy, tourism, and the development of natural resources (Hassan, 2016). ADB launched the South Asian Sub-Regional Economic Cooperation (SASEC) program which supports SAGQ with regional technical assistance (RETA) projects (Hassan, 2016). However, this advancement swiftly stalled and remained quiescent owing to tense relations between Bangladesh and India prior to 2011 (Karim, 2017), as well as because it became a bone of contention in the internal politics of Bangladesh and Nepal, where the major opposition parties (the Bangladesh Nationalist Party and the United Marxist and Leninist Party, respectively) accused the respective governing parties of failing to consider the people's interests (Shukla, 2019).

And meanwhile, recognizing the significance of physical connectivity, SAARC was attempting to enact a Motor Vehicle Agreement for the Regulation of Passenger and Cargo

Vehicular Traffic (MVA), initially proposed by India, that would permit the free cross-border movement of goods and transportation among its members. A conference of SAARC transport ministers in Colombo, Sri Lanka in 2009 adopted the proposals of the Intergovernmental Group on Transport (IGGT) to establish an expert group to discuss and finalize the text of the proposed Regional Agreement on Motor Vehicles for SAARC Member States. Later, the expert group finalized the draft agreement, which was subsequently approved at the fifth meeting of the SAARC IGGT in 2014, which was attended by all member nations aside from Maldives. The proposal to finalize the SAARC MVA was presented during the 18th SAARC Summit held on November 26-27, 2014 in Kathmandu, Nepal. Three ideas regarding road, rail, and energy connectivity were the top agenda, however only energy connectivity reached consensus. The remaining two were denied as Pakistan had not yet finished its internal procedures to grant them. Unfortunately, the framework agreement was not signed during the 18th SAARC Summit due to Pakistan's surprising resistance in the last minute (Haran, 2018). The effort failed to obtain the backing of all member nations, and lengthy deliberations were held captive by political considerations that seemed to take precedence over productive, forward-looking exchanges (Chaudhary, Basu, & Bonsale, 2015).

However, the Summit Declaration revitalized sub-regional initiatives as part of efforts to enhance regional connectivity. The persistent failure of living regional instruments to bring about significant change in trade, power, and infrastructural relations provided a greater impetus for the gradual development of a new consensus regarding sub-regional ties among four eastern neighbors of South Asia that extend beyond bilateral agreements. The 2014 visit of Indian Prime Minister Narendra Modi to Bangladesh, Bhutan, and Nepal was also significant in bringing these nations to the negotiation table in order to advance sub-regional cooperation to new heights (Hassan, 2016). Modi in his remarks at the 18th SAARC summit in Kathmandu, discussed the increase of engagement between four nations: "South Asia is slowly coming together. India and Bangladesh have strengthened their rail, road, electricity, and transit linkages. India and Nepal have begun a new era of energy cooperation, while India and Bhutan are strengthening these connections each and every day (Chaudhary, Basu, Bhonsale, 2015). He also stated that regional integration in South Asia would go ahead "through SAARC or outside it, among all of us or some of us."

An idea for cooperation between four eastern region countries was subsequently realized, with the first quattro Joint Working Groups discussion between Bangladesh, Bhutan, India and Nepal in January 2015 (Hassan, 2016). Having already tested the ‘top-down’ approach (multilateral or regional framework), four countries of South Asia opted for a ‘bottom-up’ approach (sub-regional framework) by signing the BBIN MVA agreement making full use of the Article VII of the SAARC charter which allows member states to engage with each other in sub-regional cooperation (Shukla, 2019). While discussing the BBIN initiative, John F. Kennedy’s saying— “Geography has made us neighbors, history has made us friends, economics has made us partners, and necessity has made us allies” - is relatable and significant. Bhutan, Bangladesh, India and Nepal are the neighboring countries and their proximity, mutual history and socioeconomic interdependence make it obligatory for them to have flawless communication and edge to smooth the progress of regional trade and commerce.

The BBIN MVA is a solid way toward establishing a strong sub-region and is anticipated to allow seamless connection of people and vehicles on the roads of the signatory nations. It is getting immense attention at present from the perspective of geopolitics, geo-economy, and geographical contiguity (Kumar, 2017). A study conducted by the Asian Development Bank (ADB) suggested ten regional road networks as South Asian Corridor, of which seven have been identified in the BBIN region (Ghosh , 2016). Thus, the BBIN initiative has given new hope for regional cooperation in Eastern South Asia and South Asia at large.

CHAPTER – 5

BANGLADESH, BHUTAN, INDIA, & NEPAL (BBIN) INITIATIVE

5.1. BBIN MVA: An Overview

The Transport Ministers of four countries, Minister for Physical Infrastructure and Transport of Nepal Bimalendra Nidhi, Minister of Road Transport and Bridges of Bangladesh Obaidul Quader, Bhutanese Minister for Information and Communications D.N. Dhungel, and NitinJairam Gadkari, Indian Minister for Road Transport and Highways, and Shipping, signed the landmark BBIN-MVA agreement on 15 June 2015 in Thimpu with an intent to provide seamless people-to-people contact and enhance economic interaction by facilitating cross border movement of people and goods between the BBIN countries (Ministry of External Affairs, 2015). Bangladesh, Bhutan, India, and Nepal (BBIN) countries engaged in a high-level delegation meeting in New Delhi on February 8, 2020. Bhutan, the fourth signatory to the pact, participated at this conference merely as an observer, since the Bhutanese parliament had previously rejected to ratify the accord, citing the agreement's danger to the country's tranquil environment and culture. The three countries (Bangladesh, India, and Nepal) have signed a trilateral MOU for the seamless movement of cargo. The onus is now on three countries to expediate and finalize the Passengers and Cargo Protocols for the implementation of BBIN MVA.

The BBIN vision for the sub-region rests on four mighty pillars: (i) Trade connectivity and transit, (ii) Investment in power generation and water management sectors., (iii) Cooperation in energy sector including power trade and converting national grids into a sub-regional grid, and (iv) people to people connectivity. The primary objective of the MVA, as noted in the Joint Declaration issued by the transport ministers of the BBIN countries are as follows;

- To facilitate cargo movement across borders in the sub-region and significantly reduce trade transaction costs.
- To provide seamless people to people contact.
- To enhance economic integration by facilitating cross-border movement of people and goods.
- To facilitate cargo vehicles movement as no change would be required at the borders.

- To establish a platform from where these member nations can act decisively and implement collectively.
- To promote, safe cost effective and environmentally sound road transport in the sub-region and to further assist other member countries in creating an institutional mechanism for sub- regional integration.
- To encourage sustainable development through employment generation and assist in power purchase.

The BBIN MVA framework is made up of 17 articles and 63 subarticles, including four types of permits for both cargo and passenger traffic with different regulations, directions, restrictions, and limitations, as well as three annexures that include (i) a template for the protocol containing information about the route, route maps, locations of permitted rest or recreation places, tolls, and check points for passenger or cargo transportation (ii) the protocol format referencing the competent authorities in Article III (12); (iii) the protocol format requesting identifying information from the conductors, cleaners, or assistants traveling in the vehicle (Karim and Hasan, 2015; De, 2015; BBIN MVA, 2015).

The Agreement also includes the Forms of Permits A, B, C, and D, which must be completed by the vehicle operator and countersigned by the authorized authorities of the country of origin and destination (Ministry of Information and Communication of Bhutan, 2015). Belatedly, the schedules are provided for both the categories of transportation, such as cargo movement and passenger movement, and include details about the agreed-upon routes, the weight of motor vehicles allowed, the type of vehicle movement, the duration of temporary admission, and the documents required, evident format, and transit declaration (Ministry of Information and Communication of Bhutan, 2015).

Table (i) Brief description of BBIN MVA Article

Article No.	Title	Description
Article I	Definitions	There are nine components of this article, which specifies the definitions and scope of the agreement with respect to Passenger, Personal and Cargo Vehicular movement in the region, these components are: authorized routes, immigration check points, and LCS; home country; host country; joint land transport facilitation committee; national land and transport facilitation committee; rest or recreation places; repair facilities, refueling centers, and tolls
Article II	Competent authorities	The information regarding competent authorities such as designated officers to issue permits to any regular passenger vehicle operator (as per Form A)/regular cargo vehicle operator (as per Form B)/personal vehicle operator (as per Form C)/non regular passenger which operator (as per Form D) shall be given by contracting parties to the JLFTC for the purposed of various provisions of the protocol.
Article III	Permit related Issues	The licensing conditions for the authorized operators to issue permits shall be governed by the national law of the respective contracting party. The vehicle shall be allowed to complete the transport operation within the dates of the permit validity ensuring the period of temporary admission allowed in the territory of the host country.

		The Contracting Parties should ensure that permits are issued electronically and immediately uploaded to their secured online databases accessible to competent authorities of host country. The permits issued provisionally/manually should be counter-signed by the competent authorities of the host country.
Article IV	Fees and charges	The fees and charges shall be levied and collected by the respective contracting parties and the details of fees and charges levied under the Agreement shall be shared with the JLTFC. There shall be an option of electronic payment.
Article V	Installation of a tracking system	An electronic monitoring platform with appropriate software and hardware for efficient tracking of vehicles should be established within two years from the date of signing of the Agreement.
Article VI	Unscheduled halts, accidents and vehicle breakdowns	The procedures to be followed in case of an accident, breakdown, and/or repair of a vehicle: All relevant and related information shall be forwarded to the JLTFC by the contracting party. Also, the operator shall immediately inform the local designated officer about the incident/s with the required detail.
Article VII	Motor liability insurance	The vehicles operating under BBIN MVA shall be covered by a comprehensive insurance policy. The vehicle operator should ensure the fact that insurance cover will also be valid in the territory of host country against at least third-party loss and shall be recognized by host country. The personal vehicles shall be insured by a

		registered insurance company against at least third-party loss, in all the Contracting Party(ies) where the vehicles are allowed to ply
Article VIII	Specifications of vehicles	This specifies that schedule C II and P II must be followed to permit the size, type and category of cargo vehicle and passenger vehicle respectively. Load classification and the certificate of fitness are to be determined by the norms of the JLTFC.
Article IX	Number and volume of traffic movement of vehicle	The number and volume of the traffic movement of cargo vehicles and passenger vehicle shall be as per Schedule C III/P III except ambulance, relief vehicle, recovery vehicle, diplomatic vehicle duly certified by the competent authority of the contracting party issuing the permit.
Article X	Cross border coordination	Parties shall coordinate working hours and working days of the adjacent land customs stations authorized for entry and exit of vehicles and shall ensure the proper coordination among the authorities and agencies responsible for border controls and processes.
Article XI	Temporary admission of vehicles and other customs issues	This article defines the period and conditions of the temporary admission of vehicles in the territory of the contracting party as specified in schedule C IV/P IV.
Article XII	Cross border movement of passengers and crew	This defines the regulations to be followed by the crew for cross border movement relating to their passports, visas, and crew identity card, luggage limit, restricted goods etc. issued in paper form or via a smart card.
Article XIII	International transit through the territory of the	A transit declaration is required by the LCS for entering the transit country. It states that the exit

	contracting parties	endorsement must be entered in the relevant copy of the Document for Temporary Admission by the host countries customs authorities. The cargo in transit shall be exempted from routine physical customs inspections en route and customs escorts in the territory of the transit country.
Article XIV	Terms for establishment of authorized operator branch offices	The agency responsible for issuing permission to establish branch offices for authorized operators and the format of the application shall be presented to the JLTFC by the contracting parties.
Article XV	List of prohibited/restricted goods	The prohibitions and restrictions as stipulated under the national laws and regulations of the contracting parties shall govern the cross-border movement of goods and crew baggage.
Article XVI	Institutional arrangements	The contracting parties shall each establish a permanent National Land Transport Facilitation Committee (NLTFC) or a similar body. A JLTFC shall be set up to monitor and review the implementation of the Agreement. A customs sub-group shall be established to formulate the required customs and related procedures, which safeguard the entry and exit of motor vehicles under the Agreement and protocol. The JLTFC and the customs sub-group shall establish their respective Terms of Reference and internal rules.
Article XVII	Cooperation on investigation and repression of violations	This defines the claims for investigation of infringement and circumvention of the laws of the Agreement. The Dispute Resolution Mechanism of the JLTFC shall be followed by the contracting parties if any

		dispute arises in the implementation of the Agreement.
Article XVIII	Final provisions	This article gives details about the other provisions such as dispute resolution mechanism, relationship with the Agreement, its enforcement and denunciation, suspension, withdrawal, transparency, dispute settlement, review and amendment of the protocols under the Agreement.
<i>Source: Cuts International 2018, BBIN MVA -2015 from MOIC and MEA 2015</i>		

This subregion has ample coal reserves of about 900 million tons, natural gas reserves of 190 billion cubic meters, and hydroelectric generating capability of at least 75,000 megawatts. Bhutan has 30,000 MW, India has approximately 150000 MW, and Nepal has 43,000 MW. Forest reserves account for approximately 25% of the sub-region, and there are oil deposits (around 513 million tons) (Karim, 2017). The BBIN member nations typically get along well with one another, which is evidently lacking among the SAARC members. With the BBIN Agreement, ties between nations that were formerly characterized by a lack of trust are firmly heading in the direction of a national political consensus for cooperation among neighbors (Karim & Balaji, 2016). The Agreement has effectively taken advantage of the current political clout for sub-regional integration and provided a foundation for the much-anticipated platform for the sub-eventual region's economic integration (Karim & Balaji, 2016). As connection becomes the new global standard for development and wealth, BBIN nations must continue to capitalize on their resources and geographic advantages.

5.1.1. BBIN: How it functions?

When it comes to formulating, implementing, and reviewing quadrilateral agreements in fields like transportation, infrastructure, electricity connection, and water resources management, the BBIN project relies on inter-governmental Joint Working Groups (JWG) comprised of senior officials of respective governments, under the auspices of their respective Foreign Affairs ministries but drawing in members of other related ministries/agencies of the government.

Individual nations are responsible for covering the expense of the MVA's implementation on their own. However, this initiative has been receiving technical, advisory, and financial assistance from the Asian Development Bank (ADB) under the SASEC framework. Since its founding in 2001, SASEC has been fundamental in uniting the BBIN countries in a strong partnership to advance regional development by enhancing cross-border connectivity, fostering commerce among member states, and fortifying regional economic cooperation (Karim & Balaji, 2016). When signing the BBIN MVA, the BBIN nations recognized and praised ADB's contribution. In the Joint Statement of transport ministers of BBIN released on June 15, 2015, it was stated that “we acknowledge the technical and facilitating role played by the ADB in taking the BBIN-MVA initiative this far and request ADB to continue providing the much-needed technical support and other related arrangements necessary to ensure the effective and efficient implementation of work plan” (Nepal Foreign Affairs, 2015).

Any nation may join the BBIN MVA with the explicit approval of the other partner countries since it is an open agreement. Similarly, any nation may leave the pact at any moment (Ministry of Information and Communication of Bhutan, 2015). Bhutan temporarily opting to withdraw from the BBIN MVA after failing to get parliamentary support for the MVA caused a setback for the agreement (IAS Parliament, 2017). Bhutan first joined the MVA with the intention of merging its economic progress with that of other BBIN members. Bhutan changed its stance on BBIN-MVA due to perceived threats to national independence, its pristine environment, unsolved tourist difficulties, congestion, insufficient infrastructure, informal commerce, cultural beliefs, and domestic legislation (Kinznag, 2021). However, Bhutan eventually conceded for BBIN MVA to enter into operation among Bangladesh, India, and Nepal, while holding its ratification process hanging. The penultimate meeting on the BBIN MVA was held on February 8, 2020 in New Delhi, when the member nations reaffirmed their promises made at the highest political level for the execution of the BBIN MVA and the significance of trade, economic cooperation, and people-to-people interaction, via greater regional connectivity, especially by facilitating regional cross-border road travel. They decided to take into account speeding up the MOU's finalization for Bangladesh, India, and Nepal to sign in order to finalize the BBIN MVA (Ministry of External Affairs, 2020). The agreement would unite the four South Asian nations by allowing member states to operate their vehicles on each

other's territory for the movement of freight and people, as well as for the use of personal automobiles and transportation from other countries.

Even though it was signed by four nations, the BBIN operates on a bilateral basis according to the concept of reciprocity. This implies, for example, that for each truck that Bangladesh permits to enter Nepal, Nepal would also let an equal number of trucks from Bangladesh to enter its borders. This will also apply to the transportation of passenger vehicles, provided that all passengers have properly complied with immigration regulations (Chaudhary, Basu&Bonsale, 2015). The BBIN MVA, drafted on the lines of SAARC MVA, is expected to allow speedy implementation of land transport facilitation arrangements (Karim & Balaji, 2016).. In a joint statement after the signing of the BBIN MVA, the BBIN nations designated 30 priority transport connectivity projects with a combined estimated cost of approximately US \$8 billion that would be used to repair and enhance remaining stretches of trade and transportation corridors (see Fig. iii) (Nepal Foreign Affairs, 2015). It also stressed that the transit corridors could possibly boost commerce between South Asia and the rest of the globe by 30% and by 60%, respectively, if they were converted into economic corridors (Nepal Foreign Affairs, 2015). The BBIN corridor might legitimately be seen as the first step in realizing sub-regional cooperation, opening up investment opportunities and improving trade routes. Also possible via these channels is interactivity between individuals.

5.2. Significance of BBIN

BBIN does not have a charter, and its leaders do not frequently convene to determine the program. However, it provides tremendous potential for mutually beneficial collaboration in sectors that would directly benefit the people and contribute to their economic and social well-being.

BBIN framework's primary characteristic is seamless connectivity into each other's territories. The agreement will enable trucks to access each other's territories and the travel time and cost. On November 1, 2015, a cargo truck carrying some cargo successfully completed the first trial drive between Kolkata and Agartala via Bangladeshi territory, reopening a corridor that had been closed since the country's independence. The commute distance was reduced to 1000 kilometers (Karim & Balaji, 2016). It is estimated that it takes 20 to 25 days for a container to

travel from New Delhi to Dhaka via maritime route Mumbai, Colombo, and Chittagong, and then by rail to Dhaka; if a direct rail connection between New Delhi and Dhaka is constructed under the BBIN Initiative, it would take only four to five days (Ramaswamy, 2015). It will also reduce the need for trans-shipment of products from one country's truck to another at the border or encourage containerization, ultimately eliminating the previous time-consuming and pricy process. Under the terms of the agreement, member nations would let automobiles registered in other countries to enter their territory and each nation is required to set tariffs and customs in bilateral and trilateral forums. If everything goes according to plan, BBIN will likely lower trade costs between member nations by at least 5 to 7 percent, increase intraregional trade by over 60 percent, and increase trade with the rest of the world by another 30 percent (Karim & Balaji, 2016). The World Bank report, *A Glass Half Full: The Promise of Regional Trade in South Asia* approximates that the trade-off within the region could be worth USD 67 billion rather than its current value of USD 23 billion. Bangladesh, Bhutan, and Nepal all have a trade deficit with India, with Bangladesh's imbalance being the greatest at USD 7.6 billion and Nepal's deficit being the second-largest at USD 6.8 billion (Sinha & Sareen, 2020). The trade figures suggest that intraregional trade mostly involves trading with India, whereas trade with other countries is negligible. In light of this, the BBIN MVA has the potential to improve the situation by facilitating sub-regional trade connections in the South Asia region. BBIN MVA intends to increase sub-regional trade connectivity, which has been regarded as a harbinger to economic development and poverty reduction in BBIN nations.

In addition, it will also diminish some of the informal trading between BBIN nations. High levels of non-tariff barriers (NTB) are the primary cause for informal trade in the area. It is anticipated that the adoption of the MVA would encourage the standardizing of trade, the standardization of processes and customs laws, and the ultimate reduction of non-tariff barriers and informal trade. Increased economic and commercial cooperation among these nations is also expected to increase demand for supporting services such as logistics, shipping, banking, and express delivery. Additionally, an integrated market will increase the region's e-commerce services.

The BBIN-MVA will eliminate the need for numerous customs clearances and handling (loading/unloading), hence reducing costs and facilitating convergence of goods in a single route

for the larger BBIN trade lane. Through the integration and expansion of existing supply chains, the motor vehicle movement and customs-related facilitation may have a significant influence on economic growth. The effect on development will not be incremental, but exponential, since trade and logistical facilitation not only helps current firms to grow and flourish, but also gives chances for entrepreneurs to launch entirely new enterprises. It is probable that the creation of an effective and enabling road freight network will lead to the development of entirely new regional supply chains, hence providing employment and economic growth across the BBIN. Partners in BBIN may establish internationally competitive production networks based on the innovative use of locally obtained products such as silk, cotton, and wool.

Due to variations in the means of production—skill and knowledge, capital and labor flows, institutional frameworks within which regions are situated, etc.—different countries have varying degrees of comparative advantage in production. Certain nations' comparative advantage in a variety of inputs and skills will lead to the creation of Regional Value Chains (RVCs) in the production line. RVCs will increase market access, decrease production costs, and boost overall production efficiency. In this regard, BBIN MVA offers hope for the growth of RVCs in South Asia. BBIN Members have a number of bilateral agreements in place to support multimodal transportation, that might also help the region's exports. (Haran, 2018). Participation in the value chains of various parts of the same commodity is on the rise globally as 80 % of the total trade today in the world happens via global value chains. The BBIN countries will be able to significantly profit from the size of production and market networks by taking part in regional production networks. To start with, BBIN countries can take inspiration from India's initiatives such as 'Make in India'.

By shortening the distance between landlocked countries in the subcontinent, BBIN MVA connectivity would offer a significant boost to landlocked economies like as Nepal and Bhutan (Pal, 2016). Landlocked economies have special requirements for reducing their trade costs and fostering development. The Almaty Programme of Action of the United Nations (World Bank, 2014) recognized the significance of regional transport agreements in strengthening trade connectivity for landlocked states. The BBIN MVA will let Nepal and Bhutan to access ports in India and Bangladesh for intra- and inter-regional trade. It is anticipated that these nations will have increased access to international markets.

Furthermore, BBIN offers advantages to the north eastern region of India via improved connectivity, given that Nepal, Bhutan, and regions of north eastern India share almost similar geographical terrain and that inadequate connection inevitably weakens the full economic potential of the region. Bangladesh and India are collaborating on linking up existing national routes at Dalu (Meghalaya, India)-Nakugaon (Mymensingh, Bangladesh), which would become a vital north-south route between Bhutan and the North-East Indian states of Meghalaya and Assam (Karim & Balaji, 2016). Better connectivity between member states will increase cultural interaction between people, hence enhancing people-to-people ties and reinvigorating socio-cultural ties and economic interdependence among member nations. In addition, the region's enhanced connectivity enables it to serve as a hub for connecting to Southeast and East Asia (Chaudhury, Shakya, & Nayak, 2018).

There are numerous opportunities for collaboration among the BBIN nations in the energy sector. The member nations have a great deal of room to cooperate in the water and hydropower sectors in a way that benefits both parties. There will be a need for clean hydropower for grid balancing and stability notwithstanding the recent volatility in the power market (caused by the availability of heavily subsidized solar and wind electricity) (Haran, 2018). There are opportunities for load balancing throughout the area because to variations in peak demand hours and weekly and seasonal vacations across BBIN nations. During the wet seasons, India imports electricity from Bhutan and during other seasons it exports to Nepal and Bangladesh. India can assist Nepal and Bhutan in producing more energy and benefiting from their flowing water resources by providing funds for hydroelectric projects in those countries. They can export surplus power to India and Bangladesh where there is shortage of power. Nepal has recently started exporting electricity to India and talks are ongoing for the export to Bangladesh. However, the process is being hampered by a lack of a defined mandate or guideline for power trading among the BBIN nations. Thus, it is necessary to establish clear regional regulations for the trade of electricity across country lines.

Another potential area for collaboration is tourism. The BBIN countries can promote this region as major tourist hub locally and regionally by preparing a consolidated database of a all-tourist sites/famous sites in the region. Based on the database and route, different tourist packages and different circuits can be introduced. For this, a 'tourism forum' should be build

including different stakeholders such as government officers, visa service providers, transportation, hospitality, tourism sector from all the member countries. Given the immense natural beauty, this sub-region can be turned into a high-value visit place by opening it for movie shooting work.

The BBIN MVA may also be seen as a crucial step in the region's larger integration effort. Notably, the BBIN MVA matches well with some of the key efforts undertaken by the Asian Development Bank (ADB) as part of the South Asia Sub Regional Economic Cooperation (SASEC). A study conducted by the ADB in 2016 proposed ten regional road networks dubbed South Asian Corridors, seven of which have been identified in the BBIN area. These seven corridors have been described briefly in the table below:

Table(ii). Seven South Asian Corridors

S.N.	Corridors	Length and Ports
1.	SAARC Highway Corridor 2: Kathmandu-Birgunj (Nepal)-Raxaul-Kolkata/Haldia (India).	This corridor, with a total length of 1,323 kms, will give Kathmandu access to ports in Haldia and Kolkata.
2.	SAARC Highway Corridor3: Thimpuñ Phuentsholing (Bhutan)-Jaigon-Kolkata/Haldia (India).	This 1,039-km long corridor will connect remote regions in Bhutan to Kolkata and Haldia ports.
3.	SAARC Highway Corridor 4: Kathmandu-Kakarvitta (Nepal)-Panitanki-Fulbari (India)- Banglabandham-Mongla or Chittagong (Bangladesh)	The length of this corridor is 1,394 kms. This corridor will connect Kathmandu and other regions of Nepal to ports in Bangladesh
4.	SAARC Highway Corridor 5: SamdrupJongkhar (Bhutan)-Shillong (India)-Sylhet- Dhaka (Bangladesh) Kolkata	The length of this corridor is 906 kilometres and it will provide seamless connectivity from Bhutan to ports in Dhaka and Kolkata. This corridor provides a choice of ports depending on convenience and costs involved in port handling charges.
5.	SAARC Highway Corridor 6: Agartala	Though this is small stretch (227 kms), it

	(India)- Akhaura-Chittagong (Bangladesh).	will provide India's north eastern region access to the Chittagong port in Bangladesh.
6.	SAARC Highway Corridor 8: Thimphu-Phuentsholing (Bhutan)-Jaigon-Chengrabandha (India)-Burimari a) Chittagong (966 kms) and Mongla (880 kms).	These corridors branch out from Bhutan to two different ports in Bangladesh. The Mongla will be the nearest port (880 kms) and further ahead lies the Chittagong port (966 kms). This along with Corridor 3 and Corridor 5 will give access to five ports in the BBIN sub region.
7.	SAARC Highway Corridor 10: Kathmandu- Bhairahawa (Nepal)-Sonauli-Lucknow (663 kms).	This 663 km stretch will connect Kathmandu through Bhairahawa to India, from where it can access other roads, rail and sea ports.
<i>Source: CUTS International 2018</i>		

These economic corridors align with the proposed trade routes under the BBIN MVA, which are listed below;

- J Kolkata-Petrapole/Benapole-Dhaka-Akhaura/ Agartala
- J Thimphu-Phuentsholing-Jaigaon-Burimari- Hatikamrul-Mongla/Chittagong
- J Kathmandu-Kakarvita/Fulbari-Banglabandha- Hatikamrul-Mongla/Chittagong
- J SamdrupJonhkar (Bhutan)-Guwahati-Shilong- Tamabil-Sylhet-Chittagong
- J Silchar-Sutarkandi-PaturiaFerryghat-Benapole/ Petrapole-Kolkata
- J Agartala-Akhaura-Chittagong
- J Silchar-Sutarkandi-Chittagong

These corridors and routes if changed into fruition will allow landlocked trading centers in Bhutan, Nepal and India to gain access to ports in India and Bangladesh. All of them play essential roles in the flow of transit traffic between Nepal, India, Bangladesh, and Bhutan.

Furthermore, India is currently negotiating a similar agreement with Myanmar and Thailand under the Mekong Ganga Cooperation and The Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC) (CUTS, 2018). A 1,400 km long highway under planned by India, Thailand, and Myanmar would connect these nations to Southeast Asia by road and promote trade, business, health, education, and tourism among them (Pal, 2016). The BBIN sub-region would be easily connected with the expanding ASEAN market after effective implementation. Given that India has already negotiated free trade agreements with ASEAN nations, this is crucial from an economic and geopolitical standpoint. Greater economic integration between ASEAN and India and the other BBIN nations would result from improved connectivity.

The BBIN MVA initiative can also be potentially used as a diplomatic tool. It is well known that China is spending a lot of money building up its road and rail infrastructure in an effort to re-create the fabled Silk Route. The grandiose Belt and Road Initiative (BRI) aims to link Asia and the continents of Europe and Africa. The established European economic circle and the East Asian economic circle will be linked by BRI, which aims to cover 65 nations, 4.4 billion people, and nearly 40% of the world's GDP under its broadest meaning (World Bank, 2015). Given China's grand strategy, the BBIN MVA effort will provide India a solid strategic and economic footing in the region. Additionally, it would enable India to address connectivity concerns with other South Asian nations, since this has been difficult at the SAARC level.

However, to realize all these significances, the BBIN nations should cooperate to fully implement the agreement, whose main goal is to ease trade and lower the costs of doing business across borders. Members need to think about establishing formal structures and summit-level meetings. This would increase BBIN's visibility and hasten the completion of its activities. aid nations in overcoming the challenges the initiative faces while doing so. They should establish precise procedures for resolving their bilateral and collective issues that is hindering the smooth implementation of the BBIN MVA. Being the biggest country, India should assume a leadership position and endeavor to integrate these nations both within the region and with the rest of the globe.

5.3. Factors affecting BBIN

BBIN is a sub-regional approach to regional cooperation in South Asia that has the potential to improve connectivity between the South Asian nations. Earlier, the failure of Bhutan to ratify the BBIN-MVA led to questions being raised on whether BBIN can succeed or not. The Bhutan issue has been cleared for now as Bhutan conceded for BBIN MVA to enter into operation among Bangladesh, India, and Nepal. But there are number of challenges lined up for these three countries.

There are now bilateral treaties in varying levels of implementation between the four nations. It is still unclear how these arrangements would coexist with those of the BBIN MVA, as well as if the MVA will override the provisions of existing treaties. Access, understanding, interpretation, and implementation of diverse processes, rules, and regulations are lacking among authorities and practitioners across country lines (CUTS International, 2019). Customs and tariff problems remain unresolved between member nations. The member nations have not completely enabled domestic measures that are compatible with international accords for the ease of transport and transit. There are no integrated checkpoints at border crossings. Unsettled are issues about passenger traffic, e-visas, and visas-upon-arrival. Procedural issues also comprise aspects such as deciding on the type of vehicles that would be allowed cross-border movement, the permits and supporting documents that will be required, transit fees, rights of inspection and search, lack of coordination between the border management agencies of different countries, labor shortage (CUTS International, 2019), and the applicability of local laws. Merchants often need to clear their paperwork at more than ten different agencies (Mehndiratta& Nora, 2022). Shipments are usually weeks late due to a shortage of certified laboratories to certify export products. The significant trade costs among BBIN member countries are increased by the protracted border delays.

Another concern is cabotage limitation (Chaudhary, Basu, & Bhonsale, 2015), which means that trucks going from one country to another cannot pick up products from countries they pass through, nor can they return with items from their final destination. This would also result in vehicles returning empty, which would raise operating costs. The mobility of capital poses another big challenge. None of the BBIN countries have chosen capital account convertibility in

its entirety. Therefore, the free flow of capital has been restrained till now. There is a tremendous chance to open up BBIN economies to capital flow (Ghosh, 2016)., which would drastically reduce trade transaction costs.

Inadequate physical infrastructure in the subregion is one of the biggest causes for anxiety. The road density in Bangladesh, Bhutan, Nepal, and Northeast India is low, and parts of the connecting roads in this area are in poor condition, which increases travel time and expense. A rush in traffic may cause harm to the subregion's current infrastructure, since it is not built to manage the additional load. Without enough roadways that can support the anticipated volume of commerce and travel, no additional facilities or arrangements can operate without trouble.

Narrow roads near customs points, congested borders, long and diversionary transport routes, excessive documentation in the trading process, poor internet connectivity that hinders the proper operation of Electronic Data Interchanges (EDI), and a lack of adequate cold storage, warehouse, and sanitation facilities at border points are among the most significant infrastructure challenges. According to a report conducted by CUTS International in 2018, the Kathmandu-Kakarvitta-Panitanki-Fulbari-Dhaka-Chittagong corridor suffers distinct infrastructure deficiencies. Due to the lack of suitable scanners, all Land Customs Stations (LCSs) except Kakarvitta, Nepal, conduct manual inspections of shipments. Therefore, only limited freight volumes can be handled. In addition, there is a dearth of warehouses, cold storages, and open yards that can accommodate huge shipments. Parking facilities, quarantine offices, toilets, power and water supply, banking facilities, restaurants, and other relevant amenities are also in short supply.

Given the procedural, organizational, and infrastructural barriers, regional trade has not managed to realize its full potential. Even though trade between BBIN nations increased sixfold between 2005 and 2019, the untapped potential for Bangladesh, India, and Nepal is estimated to be 93%, 50%, and 77% respectively. It is simpler for BBIN nations to trade with faraway nations than with their neighbors. For example, it is 15-20% less cheap for an Indian company to trade with Brazil or Germany than with Bangladesh (HarreraDappe&Kunaka, 2021). In order to fully execute the MVA and increase the intra-regional trade, the agreements would need to be complemented by the construction and improvement of roads, rails, and waterways. In

addition, an energy grid, communication networks, and air linkages would be necessary to facilitate the cross-border movement of goods, services, capital technology, and people between member nations. Moreover, measures like cutting down physical inspection at borders to reduce delays, simpler regulations at the border crossings, digitalization of customs and other process, improved storage at the border areas and better coordination among the countries official at borders should be adopted.

Also, there is a dearth of information about the hidden costs and recurrent externality costs associated with the building of planned roadways. These costs are social and environmental in nature. Certain expenses associated with the development of roadways will likely be met by nearby communities that must be evacuated if the government seizes property for road projects. The regions where connectivity initiatives will be implemented are also home to diverse ecosystems. On the India-Nepal border, for instance, the eco-region encompassing 49,500 square kilometers of mountainous terrain along the foothills of the Himalayas is known as the Terai Arc Landscape (TAL), where the populations are impoverished and reliant on forest resources for their livelihood. Exotic creatures such as the Royal Bengal Tiger and the one-horned Rhinoceros inhabit this area. The challenge is that the construction of roads in this area may have a negative influence not only on the transboundary movement of animals, but also on the way of life of surrounding communities. Concern exists over whether these socio-environmental costs will outweigh the anticipated advantages of trade. A more holistic cost-benefit analysis that examines possibilities beyond trade gains is required. As a framework agreement, the MVA is a promising start; but, a more sustainable approach to infrastructure development is essential.

Lastly, cross-border connectivity presents security concerns. The borders between BBIN nations are permeable, particularly India's borders with Bangladesh, Bhutan, and Nepal. This character faces formidable obstacles. These porous borders are susceptible to transnational illicit activities like as contraband smuggling, human trafficking (primarily of women and children), and the circulation of counterfeit Indian rupees. Under these conditions, there are arguments against cross-border connection that center on this development-security dilemma. How to manage illegal and undocumented cross-border operations without impeding the lawful flow of goods and persons is thus the major challenge at the frontier.

Undocumented migration over the subregion's boundaries is one of the most serious Non-Traditional Security (NTS) concerns confronting the BBIN subregion. Historical cross-border ties and permeable boundaries permits both the voluntary and involuntary migration of individuals across international frontiers. Border areas have become sites of unauthorized human and contraband movement. Violence, a lack of economic prospects, social security, and political instability in the country of origin, environmental degradation, and cross-border ethnic and religious affiliations all contribute to border crossings in the BBIN subregion (Saikia&Basu, 2018). In addition to being tied with transnational criminal networks, undocumented population flow exacerbates NTS challenges in the subregion. Free cross-border mobility between India and Nepal, for example, has been utilized by insurgent groups for safe passage, lodging, and cross-border networks to carry out subversive actions. Other NTS challenges includes, transboundary criminal activities, terrorist groups, energy security, and human trafficking.

These challenges if remain unsolved would greatly affect the smooth implementation of BBIN MVA. Better coordination among the member countries is a need of an hour. BBIN member countries should not forget that the most of the challenges they face now are the challenges that took SAARC to the deathbed. While implementing the initiatives, the BBIN member nations must also lay out a precise set of guidelines for how the bilateral and shared problems will be resolved.

CHAPTER – 6

PROSPECTS FOR NEPAL IN BBIN INITIATIVE

The lack of regional cooperation and discouraging trade relations in South Asia may not affect other South Asian countries to the extent it affects Nepal as Nepal is least connected compared to other small South Asian countries. Sri Lanka is an island country, Bangladesh has access to the sea, and Afghanistan is bordered by six Asian countries. And comparatively, these three are larger economies than Nepal. Bhutan, though landlocked, is more concerned about its environment than the economy and happy to go slow (Kinznag, 2021). While Maldives is showing significant growth compared to other small countries in South Asia.

Nepal, being landlocked mountainous county with poor transportation, confronts several connectivity obstacles that impede its economic growth and integration into the regional and global economy. The major connectivity issues include limited access to ports, difficulty in moving goods and people due to inadequate transport infrastructure, and high transportation costs that end up making Nepali goods and services less competitive on the global market among others. As a result of such connectivity barriers resulting from poor infrastructures, Nepal's trade is asymmetrically dependent on India and China and the trade deficit is increasing. Low export and high import, trade barriers, high transaction cost, improper trade policy, higher cost of production, slow industrial development, lack of trade diversification, and limited export capacity are responsible for increasing trade deficit. The lack of economic and physical connection leaves Nepal with little opportunity to create productive ties with the rest of the world and depend asymmetrically on the two big neighbors, India, and China.

The sub-regional cooperation through the BBIN initiative is expected to help Nepal integrate with the global economy by opening doors for Nepal to regional and international markets and soothe its connectivity woes since SAARC, the only regional integration hope for Nepal, has failed to address its problems.

6.1. Significance of BBIN for Nepal

For Nepal, the BBIN Initiative offers significant prospects for economic development and integration into the regional and global economy. The BBIN Initiative aims to improve

connectivity among the member countries through the development of road, rail, and waterway networks as shown in the Table (iii). This can facilitate the movement of goods and people, and contribute to Nepal's economic growth. BBIN MVA aligns very well with some of the major initiatives taken by the Asian Development Bank (ADB) under the South Asia Sub Regional Economic Cooperation (SASEC). ADB has proposed 10 regional road networks as South Asian Corridors, out of which 7 have been identified in the BBIN region (Ghosh, 2016). Among them, three trade corridors will link Nepal to Bangladesh and India: a) Kathmandu-Kakarvita-Panitanki-Fulbari- Dhaka- Chittagong. The length of this corridor is 1,394 kms. This corridor will connect Kathmandu and other regions of Nepal to ports in Bangladesh b) Kolkata- Raxual-Birgunj-Kathmandu. This corridor, with a total length of 1,323 kms, will give Kathmandu access to ports in Haldia and Kolkata. c) Lucknow- Gorakhpur-Sunauli-Bhairawa-Kathmandu. This 663 km stretch will connect Kathmandu through Bhairahawa to India, from where it can access other roads, rail and sea ports. Also, the renewal of Trilateral Transit Agreement (TTA) between Nepal, Bangladesh, and India could expand cross-border connectivity as well as to facilitate Nepal's full utilization of riverine and seaports in India (Haldia, Visakhapatnam, and Kolkata) and Bangladesh (Chittagong and Mongla).

These trade corridors along with the TTA can be a catalytic force for integration because it will also have spill over effects on other sectors of the economy such as agriculture, education and tourism of all the three (Bangladesh, India and Nepal) countries. These corridors will connect Nepal with major ports in India and Bangladesh. Nepal can use these corridors to import goods faster on cheaper prices.

Table(iii). Connectivity Initiatives under BBIN for Trade and Transport

From/To -India	Bangladesh	Bhutan	Nepal
	<ul style="list-style-type: none"> - Inland Container Port at Ashuganj, Bangladesh - Widening of Ashuganj-Akhaura Road in Bangladesh (will provide connectivity to Tripura) - Akhaura-Agartala Rail Link - Inclusion of additional routes in IWTT Protocol - Bridge over river Feni (at Sabroom, Tripura) - Upgradation of infrastructure at Sutarkandi LCS to Integrated Check Post (Assam) - Border Haats at Balat&Kalaichar on the Meghalaya border - Integrated Check Post at Dawki (Dawki- Tamabil) - Land Custom Stations at Dalu, Borsora, Ghasuapara - ICP at Kawarpuchchiah/Demagiri- Thegamukh LCS - Use of Chittagong and Mongla ports in Bangladesh for Indian cargo - Development of Integrated Check Post at Akhaura (near Agartala), Tripura 	<ul style="list-style-type: none"> - Upgrading of the East-West Highway 	<ul style="list-style-type: none"> - Jayanagar-Bijalpur-Bardibas Rail Link Project - Jogbani-Biratnagar Rail Link - Nepalgunj-Nepalgunj Road Rail Link - Kakarbitta-New Jalpaiguri Rail Link - Bhairawaha-Nautanwa Rail Link - Establishment of Integrated Check Posts at Raxaul-Birgunj, Sonauli-Bhairhawa, Jogbani-Biratnagar, and Nepalgunj Road-Nepalgunj
<p><i>Source: CUTS International 2018</i></p>			

Access to ports in India and Bangladesh will break Nepal's long-standing export and import bottleneck. As it enables the flow of products and services among its member states, BBIN may increase trade and investment opportunities for Nepal. The agreement will also aid in decreasing Non-Tariff Barriers (NTB), so reducing the volume of informal commerce via standardization, formalization, and containerization of cargo movement. The Nepal-India Regional Trade and Transport Project of the World Bank is also aligned with the BBIN MVA modality, which is projected to modernize transport and transit measures between Nepal and India. In 1960, Nepal and India signed the Treaty of Trade and Transit to expand the exchange of commodities between the two nations, enhance economic development cooperation, and enable trade with other parties (Lama, 2018). The present India-Nepal transit pact has several faults, including as documentation requirements, transshipment processes, sensitive goods, arbitrary bank guarantees, and inadequate infrastructure. All of these shortcomings have resulted in exorbitantly high transaction costs (at least 2.7 times that of transport by road) for transit goods when measured in terms of the time required to conduct transit processes (Mehndiratta & Nora, 2022). This can only be resolved by greater cooperation between India and Nepal. Nepal and India must be willing to undertake the activities listed in the Trade Facilitation Agreement and the Vienna Program of Action for adhering to internationally recognized best practices. Both programs push member states to ratify international transport and transit treaties and international rules in trade and transit procedures, which the two nations must explore over time. Such activities would facilitate the movement of commodities and aid in accelerating trade between two nations and a third country.

With access of ports in India and Bangladesh, the BBIN Initiative can provide Nepal with access to larger markets in the region, which can help to increase the demand for Nepal's goods and services. India and Bangladesh are both large markets for Nepal for a number of reasons. India and Bangladesh have large and rapidly growing populations which creates a large demand for a variety of goods and services. Nepal has a number of export products that are in high demand in both India and Bangladesh including textiles, garments, carpets, and handicrafts. These products are popular in both countries due to both high quality and relatively low prices. In addition to exports, Nepal also relies on both India and Bangladesh as major sources of tourism. The BBIN Initiative has focused on improving connectivity among the member countries through the development of road, rail, and waterway networks. This can make it easier

for tourists to travel to and within Nepal, which can increase the demand for Nepal's tourism-related services.

The BBIN Initiative aims to promote regional energy cooperation. BBIN member countries agree to make joint efforts to explore harnessing of water resources, including hydropower and power from other sources available in the sub-region. The energy cooperation in the region can help Nepal to secure a reliable and affordable supply of energy. The BBIN Initiative has supported the development of cross-border transmission lines, which can help to increase the transmission of electricity between the member countries and improve Nepal's access to electricity. Nepal can benefit from its enormous hydropower output capacity by selling cleaner electricity to India and Bangladesh. There have been some constructive breakthroughs recently. Nepal and Bangladesh are discussing about the bilateral power trade and Bangladeshi investment in Nepal's hydropower industry. The positive side of the bilateral power trade is that Nepal can buy power from Bangladesh during the winter and sell its power dominance during the rainy season. This increases the prospect of improving energy trade not only with India but also with Bangladesh.

6.2 Challenges for Nepal

One of the main obstacles preventing Nepal from using the full advantages of the BBIN Initiative is a lack of adequate transportation infrastructure. Around 90% of freight and passenger travel in Nepal occurs on roads, compared to 8% on the air network and 2% on rail, rope, and other modes of transportation. Strategic Road Network (SRN) and Local Road Network are Nepal's two most important road networks (LRN). National roads are part of SRN and are considered as the backbone of the country's economic integration with its neighbors. The federal government's road expansion made progress in 2018–19, reaching 32, 879 km (Nepal in Data, 2019).

However, Nepal has the lowest road density in South Asia, with only 47 km of roads per 100 square kilometres and 2.5 km of roads per 1,000 inhabitants, compared to 12.2 km, 4.1 km, and 5.5 km of roads per 1,000 inhabitants in Bhutan, India, and Sri Lanka. Similar findings were made by the World Bank study, which indicated that between 2014 and 2018, the capital investment on SRN climbed at a Compound Annual Growth Rate (CAGR) of 40%, whereas the

maintenance expenditure only increased at a CAGR of 13%. (Herrera Dappe, & Kunaka, 2022). Additionally, maintenance costs decreased from 16% in 2014 to 7% in 2018 as a percentage of all SRN expenses. According to one estimate, the average yearly financial allotment for SRN maintenance over the course of five years falls short of the needs by 60%. The trend throughout the years has generally been that capital expenditures are neither consistently efficient nor productive. As a result, the money set aside for SRN is often not fully used. The current SRN are in poor shape.

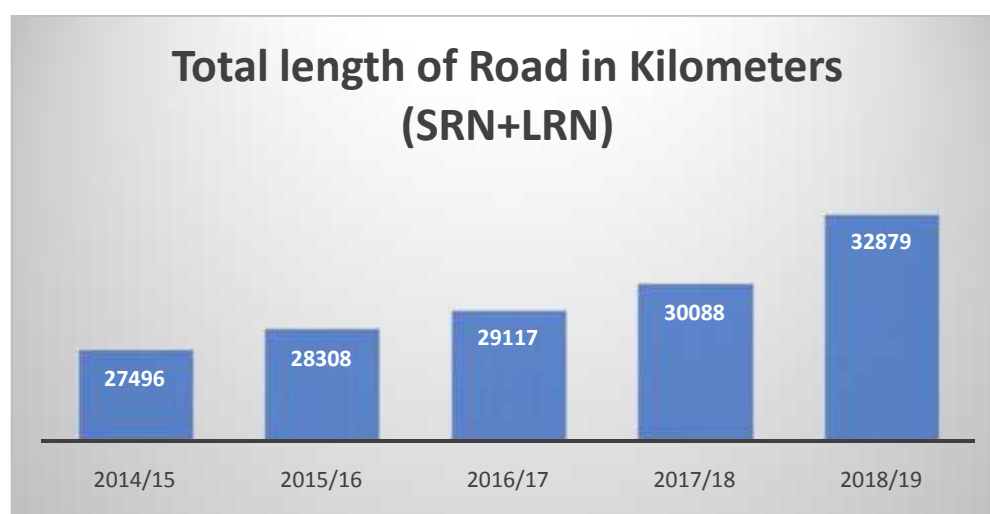


Figure (iii). Total length of Road in Kilometers (SRN + LRN)

Source: Nepal Economic Survey 2019/20

Given that a large portion of its intra-regional and international trade is carried out by land, Nepal's poor road infrastructure poses a big challenge. For international trade, Nepal depends on the Indian ports of Kolkata and Haldia, which are located on the east coast of India. International trade has been significantly hampered by poor road conditions. For instance, Rauxal-current Birgunj's situation is undesirable. The road from Mothihari to Rauxal is in the same condition, making it difficult for vehicles to go through it effectively (CUTS, 2018). Similar issues with road infrastructure exist on the Banglabandha-Fulbari-Kakarvitta route used for trade between Nepal and Bangladesh through India (CUTS, 2018)

In addition to these issues with physical infrastructure (poor road networks), Nepal confronts problem in soft infrastructure (supporting infrastructure) such as management,

government coordination, digitalization, transparency, and accountability. These hurdles impede the effective implementation of the favourable provisions of the BBIN MVA in Nepal.

Transporting goods by road necessitates transshipments at many locations, which creates unnecessary delays in the transit of both commodities and vehicles. For example, the current India-Nepal transit treaty prohibits the unfettered movement of automobiles from the ports of Kolkata and Haldia to Nepal, hence increasing transportation expenses. The various sets of rules and regulations governing customs processes between countries also offer a problem. For instance, the documents required for customs clearance in India and Nepal differ (CUTS, 2018). The BBIN MVA requires typical freight vehicles to be protected with comprehensive insurance. The policies of Bangladesh are not acknowledged by India, Nepal, or Bhutan (Sharmeen, 2017). Nepal must build suitable infrastructure (both hard and soft) to restore the quality of its infrastructure projects and reap the full advantages of BBIN.

Besides, there are some political and social challenges. The transport associations in Nepal hold strong reservations against the two-way movement of cargo. The transport syndicate has been involved in anti-competitive activities like halting shipments, hiking the freight charges and imposing rotations. These associations are against BBIN MVA because foreign trucks plying in Nepal would erode their local business due to direct transportation of cargo of trucks from one country to the other. It has come to light that the Narayani Truck Owner's Association, one of the most politically powerful associations of the transporters and truck drivers headquartered in Hetauda (an important node for trucks travelling along three corridors: a) Kathmandu-Kakarvitta-Panitanki- Fulbari-Banglabandha, b) Kathmandu-Kakarvitta- Panitanki-Kolkata and c) Kathmandu-Birgunj- Raxaul-Kolkata), strongly opposes the two-way movement of cargo for foreign trucks because doing so would undermine local businesses and increase unemployment (CUTS, 2018).

The rail, road, and port projects that have been proposed or are currently being worked on in BBIN to improve cross-border connectivity are shown in Table (iii). However, owing to delicate political and economic ground realities in the participating nations, timely execution of these initiatives has remained difficult. For instance, because to political interference, the upgrading of the LCS to an ICP in the Raxaul-Birgunj corridor of the Indo-Nepal border, which is also a part of Asian Highway 42, has repeatedly missed completion dates (CUTS, 2018). There

is little question that the BBIN MVA plan will promote trade in the area, but it may fall short of resolving the concerns of those who reside near cross-border sites about their ways of subsistence. Vendors, laborers, and transportation lobby groups oppose the BBIN because they fear losing their livelihood possibilities if integrated infrastructure and transparent systems shape up. These obstacles must be properly addressed via awareness campaigns and by including the frontier inhabitants, vendors, and transportation as key players in key BBIN projects and efforts.

An additional problem is the open border between India and Nepal, which allows for easy human movement and generates business possibilities on both sides. For employment, millions of Nepalis migrate to India. However, the open border is increasingly under peril from criminal organizations that exploit it for human trafficking, particularly of women and children, the trade of illegal drugs, the transportation of counterfeit money, and as a sanctuary for terrorist organizations. Being a landlocked country, Nepal depends on India for connectivity to the rest of the world. Any disruption at the border creates significant socioeconomic impacts for Nepal. Ensuring the smooth movement of goods and vehicles at the border is both a necessity and a challenge. Better coordination of border monitoring agencies of Nepal and India is a must and an increased use of technology in monitoring border movement can also help to secure the open border.

Nepal also faces number of geo-political challenges due to the India-China rivalry. India's refusal to allow Nepal to purchase power generated by Chinese-funded facilities is one such example obstructing Nepal from taking benefits that the sub-regional energy cooperation delivers. With a 2000 MW total installed capacity and a 1500 MW domestic demand in 2021, Nepal became an energy-surplus country (South Asia Monitor, 2021). The enormous hydroelectric potential of Nepal has not yet been exploited. Nepal's hydropower industry is the only practical way to close the roughly \$5.9 billion— trade gap with India. Given this, India's condition of not buying electricity owing to the geo-political tension it shares with China is major challenge. If China reacts in the same fashion, Nepal will be meddled in the geo-political completion between its two gaint neighbors and couldn't export its products be it hydropower or other products. The two markets where Nepal can sell its electricity are India and Bangladesh (in Bangladesh's case, transmission lines would have to travel via India), hence for Nepal to do this, it has to establish a clear, long-term agreement with India over its power projects.

Nepal has to go above and beyond to get beyond these challenges that are getting in the way of the BBIN activities that would aid Nepal in solving its connectivity problems. Political parties should avoid using infrastructure projects for their own political gain and guarantee that major infrastructure projects funded by BBIN and other projects are implemented on schedule. Nepal must also immediately harmonize its national policies with BBIN, other regional, and global norms. To resolve the bilateral disputes with India, Bangladesh, and Bhutan that continue to be key points of contention and block the process of cooperation, more diplomatic channels should be developed. To stay up with India and Bangladesh, Nepal needs expedite the development projects (both hard and soft infrastructures). The least developed of the three, however, won't be able to profit from the gains that sub-regional cooperation delivers owing to its inadequate infrastructure.

CHAPTER – 7

SUMMARY AND CONCLUSION

7.1. Summary

To summarize, the thesis has covered all three of its objectives: explaining the status of regional cooperation in South Asia (Chapter- 4), studying the emergence of sub-regionalism and BBIN (Chapters- 4 & Chapter -5), and examining the opportunities BBIN presents for Nepal (Chapter 6). All three objectives have been discussed with the appropriate real-world examples, theories and contextual information.

The failure of SAARC to bring the needed regional integration made South Asia one of the least integrated regions in the world. As a result, sub-regionalism came into existence in South Asia as countries are seeking for alternatives within and beyond the region to advance their mutual interest. Sub-regionalism is a case of the market, in juxtaposition to institutional integration, where legal agreements encourage preferential trade among member countries. Member countries rely on non-official institutions to provide public and semi goods, which in turn lowers transaction costs related to the international movement of goods, services, and other costs of production. Specific projects or initiatives in key economic sectors are given utmost importance by member nations as they will support and complement their national plans and strategies and make the greatest use of local synergies and affinities. Ultimately, such groupings are deemed to boost trade relations by contributing tangible progress in the respective nations. One such viable alternative with great potential in South Asia is BBIN Initiative.

The major causes of SAARC's slow progress includes an asymmetry between India and other South Asian Nations, involvement of extra regional actors and great power politics, organization and structural impediments, border tensions, bilateral tension, cross-border terrorism, water-sharing disputes, refugees issues, multiethnic composition, illegal migration, division in political systems, history of colonial legacy and mutual distrust, fundamental structural flaws, incidents of unintelligible diplomacy, polity and economy of sharing of natural resources, lack of political will among the member for cooperation, and over-emphasized nationalism. Also, cooperation gap among South Asian countries has made it easier for external actors to penetrate the region. Their presence in the region has altered the region's security

dynamics, as smaller states choose to rely on extra-regional powers for protection rather than establishing other regional arrangements, making regional cooperation more difficult. These challenges have made SAARC obsolete and pushed countries to opt for other arrangements for cooperation.

The BBIN initiative has given new hope for regional cooperation in Eastern South Asia and South Asia at large. BBIN MVA is the “overarching” framework to accomplish member countries commitment to improve regional connectivity as it provides enormous opportunity for incorporation and development of the South Asian region. BBIN framework's primary characteristic is seamless connectivity into each other's territories. The agreement will enable cargo vehicles to access each other's territories. It will also reduce the need for trans-shipment of products from one country's truck to another at the border or encourage containerization, ultimately eliminating the previous time-consuming and pricy process. If everything goes according to plan, BBIN will likely lower trade costs between member nations by at least 5 to 7 percent, increase intraregional trade by over 60 percent, and increase trade with the rest of the world by another 30 percent. BBIN has the potential of bringing the much-needed regional integration of South Asia with the other regions. Notably, the BBIN MVA matches well with some of the key efforts undertaken by the Asian Development Bank (ADB) as part of the South Asia Sub Regional Economic Cooperation (SASEC). A study conducted by the ADB in 2016 proposed ten regional road networks dubbed South Asian Corridors, seven of which have been identified in the BBIN area.

Furthermore, BBIN has some comparative advantage over the SAARC which makes it a more reliable initiative for the cooperation. Apart from shared cultural legacy, shared history, and vast resource endowments, this subregion also has a number of economic substitutability that can serve the common good of the people. The BBIN member nations typically get along well with one another, which is evidently lacking among the SAARC members. With the BBIN Agreement, ties between nations that were formerly characterized by a lack of trust are firmly heading in the direction of a national political consensus for cooperation among neighbors. The Agreement has effectively taken advantage of the current political clout for sub-regional integration and provided a foundation for the much-anticipated platform for the sub-eventual region's economic integration. As connection becomes the new global standard for development

and wealth, BBIN nations must continue to capitalize on their resources and geographic advantages. This newfound initiative, sub-regionalism, has helped to rapidly diversify areas of cooperation in the region. What started as a motor vehicle agreement has quickly encompassed trade, connectivity, and energy as emerging areas of cooperation.

BBIN region mirror all those problems that made SAARC failure except from those created due to India-Pakistan tussle and political one. Besides, inadequate physical infrastructure and soft infrastructure in the subregion is one of the biggest causes for anxiety. Poor road infrastructure, narrow roads near customs points, congested borders, long and diversionary transport routes, excessive documentation in the trading process, poor internet connectivity that hinders the proper operation of Electronic Data Interchanges (EDI), and a lack of adequate cold storage, warehouse, and sanitation facilities at border points are among the most significant infrastructure challenges. A joint detailed study should be made by BBIN countries to better understand the underlying problems that made SAARC a failure for the smooth implementation of BBIN initiative. While implementing the initiatives, the BBIN member nations must also lay out a precise set of guidelines for how the bilateral and shared problems will be resolved. The BBIN countries must also collaborate with BIMSTEC, BCIM and other such regional arrangements so that they can function together as allies to maximize their gains.

Alike in SAARC, India holds central position in the BBIN region being the largest and the most powerful nation both politically and economically. The success of the BBIN initiative rests on how India shows commitments towards the initiative and how sincerely it fulfills its responsibilities. BBIN will also help India in altering its perception as a hegemonic power. India should provide necessary assistance in developing infrastructure especially in Nepal and Bhutan and offer them unhindered access to ports.

Sub regionalism holds great potential for least developed countries like Nepal and Bhutan. The economic and physical connectivity leaves them with little possibility to create productive ties with the rest of the world, rendering them extremely disadvantaged in a global economy where such relations help attain development goals. Thus, these small countries are immensely benefited with sub-regional form of integration. BBIN has the potential of solving Nepal's connectivity issues and increase trade and investment opportunities for Nepal by

providing access to ports in India and Bangladesh will break Nepal's long-standing export and import bottleneck as it enables the flow of products and services among its member states. However, to reap full benefits, Nepal needs to make certain changes in its policies and utilize every possible platform to generate a favorable narrative for BBIN MVA.

7.2. Conclusion

In conclusion, the BBIN MVA signifies the start of a much bigger purpose of sub-regional collaboration, since seamless connectivity is strongly related to regional economic success and human interactions. The projects under BBIN are crucial for the integrated eastern South Asia and the South Asia at large as it will not only ensure trade, transport and transit facilitation across the region, but is also likely to foster regional harmony and integration by cementing strong ties between people across the BBIN countries. Despite the fact that the advantages can only be monetized via trade and economic factors, cultural connectivity and the ensuing political cohesion may be the net non-monetized gain, ushering in an era of calm geopolitics in the BBIN region. Therefore, completion of infrastructure connectivity projects and other initiatives in a timely manner is essential. It needs effective funding systems and political and administrative commitment. A coordinated approach to infrastructure development and regulatory harmonization on the part of the involved nations is must. Also, strong political consensus among the member countries is required to create a win-win situation for all the member countries.

For Nepal, BBIN is an apt platform with the potential to solve Nepal's longstanding problem of locational disadvantage and poor connectivity with the outer world. BBIN fits well with the new wave of Nepal's development goal - vast transnational road and rail connectivity networks - as it seeks to promote connectivity between member nations through the construction of road, rail, and waterway networks. This can facilitate the movement of goods and people, and contribute to Nepal's economic growth by assisting it to reach out for its exports and make its imports efficient. The proposed corridors under the BBIN will connect Nepal with major ports in India and Bangladesh. With access of ports in India and Bangladesh, the BBIN Initiative can provide Nepal with access to larger markets in the region, which can help to increase the demand for Nepal's goods and services. Therefore, BBIN can significantly expand Nepal's trade and

investment potential by facilitating the movement of goods and services among its member nations. Through standardization, formalization, and containerization of freight transportation, the agreement will also help reduce Non-Tariff Barriers (NTB), hence lowering the volume of informal trade. Moreover, regional energy cooperation can assist Nepal ensure a stable and economical energy supply. Nepal may profit from its large hydropower generating capability by selling India and Bangladesh cleaner energy. With better transportation infrastructure, Nepal can attract more visitors and strengthen the tourism industry, a major economic contributor.

Nepal has vast opportunities, but also significant problems in this sub-regional endeavor. Nepal has significant challenges in adopting BBIN thanks to its weak transportation infrastructure and soft infrastructure. Nepal must first comprehend its connectivity strengths and shortcomings, as well as the underlying factors preventing it from establishing a connection with other South Asian countries. Nepal must employ all available channels to promote a favorable narrative for BBIN MVA. Moreover, Nepal should be free of political ties and work in the country's best interests. Such economic efforts should not be impeded by the fast political shifts inside the nation. For this reason, political parties should at least have the same foreign policy stance. Political parties should refrain from exploiting infrastructure projects for their own political gain and ensure that significant infrastructure projects financed by BBIN and other sources are executed on time. Swift completion of high priority connectivity projects should be the top priority, delivering significant macroeconomic benefits and creating tens of thousands of employments for the Nepali population.

For effective implementation, Nepal must immediately update and synchronize its national policies with BBIN and other regional and international norms. Since Nepal's trade policy does not adequately address transit issues, it is imperative that Nepal adopt a transit policy. Nepal should reduce non-tariff barriers by reducing the number of items on the sensitive list. Apart from that, social safeguard policies are required for transporters, truckers, vendors, and workers who operate at border crossings. The bureaucratic hassles that come with multiple documentation/paperwork requirements should be reduced to the highest extent possible. Inland Container Depots (ICDs) must be established in close proximity to border crossings or strategic areas and must serve as customs clearing sites to minimize loading and unloading at the roadside near border checkpoints. ICSs should be supplemented with appropriate infrastructures such as

uninterrupted internet access, wide roads, parking facilities with bathrooms, warehouses, and cold storage for its smooth functioning. In addition, it is also equally important to understand the culture and political dynamics at the local level and address livelihood concerns of local communities to make benefits from the BBIN MVA.

In addition, inter-ministerial collaboration between the Ministry of Foreign Affairs, the Ministry of Industry, Commerce, and Supplies, the Ministry of Physical Infrastructure and Transport, and the Ministry of Finance of Nepal is required for the prompt completion of the planned BBIN projects. Recent government churn has resulted in several independent internal and foreign policy decisions, creating the impression of Nepal as a docile nation on the world arena. BBIN gives Nepal the chance to enhance its image. Nepal must also take the lead in this regard, rather than waiting for India and Bangladesh to make crucial choices and initiate initiatives in the BBIN region. In addition, Nepal, as a member of such grouping, would need to manage such developing geopolitics with extreme caution in order to look less exuberant and more realistic in its performance. Nepal must also be diplomatically pragmatic in order to resolve the bilateral problems with India (particularly border issues and revision of treaties) that continue to be significant points of contention and impede the process of cooperation. More diplomatic channels must be established in order to enhance ties with Bangladesh. Nepal and Bangladesh must negotiate with India for an unencumbered business environment. Nepal and Bhutan should urge India to provide Nepal and Bhutan greater access to its ports for purely business reasons. This would facilitate the development of these two landlocked nations by giving them access to regional markets and open seas.

In a nutshell, Nepal to catch up with the rapid developments in other member nations (India & Bangladesh) and exploit the benefits that BBIN offers, it must revise its policies and speed up its development projects (both hard and soft infrastructures). Otherwise, the least developed of the three will not be able to reap the benefits of subregional cooperation.

Bibliography

- Ahmed, Z.S., & Bhatnagar, S. (2008). SAARC and Interstate Conflicts in South Asia: *Prospects and Challenges for Regionalism*. *Pakistan Horizon*, 61 (3), 69-87.
- AIn, Q. U., & Shah, Z. A. (2019). Neo-Regionalism in South Asia: With Reference to the Emergence of BIMSTEC and BBIN. *The Research Journal of Social Sciences*, 10, 523-532. Retrieved from https://www.academia.edu/39805864/Neo_Regionalism_in_South_Asia_With_Reference_to_the_Emergence_of_BIMSTEC_and_BBIN
- Arshad, F., & Ali, L. A. (2017). Regionalism in South Asia and the Role of SAARC. *Pakistan Journal of History and Culture*, XXXVIII, 124-142.
- Ashraf, M. T., & Akhir, M. (2016). SAARC AS A TOOL OF REGIONALISM IN SOUTH ASIA: LESSONS FROM ASEAN. *Journal of Southeast Asian Studies*, 4(25). Retrieved from https://www.researchgate.net/publication/318093613_SAARC_AS_A_TOOL_OF_REGIONALISM_IN_SOUTH_ASIA_LESSONS_FROM_ASEAN
- Batra, A. (2015). SAARC and Economic Cooperation. *India International Centre Quarterly*, 41(3/4), 50–60. Retrieved from <http://www.jstor.org/stable/24390776>
- Bhattacharjee, J. (2018). SAARC vs BIMSTEC: The search for the ideal platform for regional cooperation. *Observer Research Foundation*. Retrieved from <https://www.orfonline.org/research/saarc-vs-bimstec-the-search-for-the-ideal-platform-for-regional-cooperation/>
- Chaudhary, A.B.R., Basu, P., & Bhonsale, M. (2015). Driving across the South Asian Borders: The Motor Vehicle Agreement between Bhutan, Bangladesh, India and Nepal. *Observers Research Foundation*. Retrieved from <https://www.orfonline.org/research/driving-across-the-south-asian-borders-the-motor-vehicle-agreement-between-bhutan-bangladesh-india-and-nepal/>
- Chaudhury, A.B.R., & Nayak, S. (2018). Strengthening Connectivity in the BBIN. In BBIN: Opportunities and Challenges. *Observer Research Foundation*, 11-24
- Chaudhury, A.B.R., Shakya, S, & Nayak, S. (2018). The Role of the BBIN as a sub-region in Asian Politics. In BBIN: Opportunities and Challenges. *Observer Research Foundation*, 41-50

- CUTS International. (2018). Connecting Corridors beyond Borders enabling seamless connectivity in the BBIN region. *CUTS International*. Retrieved from https://cuts-citee.org/pdf/Report-Connecting_Corridors_beyond_Borders.pdf
- CUTS International. (2019). Role of Multi-modal Connectivity in Fostering Value Chains in the BBIN Sub-region. *CUTS International*. Retrieved from <https://cuts-citee.org/pdf/dp-role-multi-modal-connectivity-in-fostering-value-chains-bbin-sub-region.pdf>
- CUTS International. (2019). In search of harmony: Strengthening connectivity among BBIN countries. *Policy Brief on Connectivity*. Retrieved from <https://www.scribd.com/document/454783292/In-search-of-harmony-Strengthening-Connectivity-among-the-BBIN-Countries>
- Dabas, M. (2017, June 22). Here Is All You Should Know About “String of Pearls”, China’s Policy to Encircle India. *IndiaTimes*. Retrieved from <https://www.indiatimes.com/news/india/here-is-all-you-should-know-about-string-of-pearls-china-s-policy-to-encircle-india-324315.html>
- Dash, K. C. (2008). *Regionalism in South Asia*. New York: Routledge.
- De, P. (2015, December 26). Deepening Regional Integration: Bangladesh, Bhutan, India, Nepal Motor Vehicle Agreement. *Economic and Political Weekly*, 50(52), 110-115.
- Falak, J. (2017, June 21). Implacable Failures of the SAARC. *Centre for Strategic and Contemporary Research*. Retrieved from <https://cscr.pk/explore/themes/politics-governance/implacable-failures-of-the-saarc/>
- Ghosh, N. (2016). The New Pathway: Is Sub-Regional BBIN a Role Model for Asian Connectivity. *Observer Research Foundation*, 26–33. Retrieved from <https://www.orfonline.org/research/New%20Pathway:%20Is%20Sub-Regional%20BBIN%20a%20Role%20Model%20for%20Asian%20Connectivity?/>
- Ghosh, N. (2018). Connectivity for Development in South Asia: Why the BBIN Economic Corridor is a preferred option for India. In *BBIN: Opportunities and Challenges*. *Observer Research Foundation*, 25-34
- Ghosh, S. (2017, September 12). BBIN: The goal is noble, but achieving it won't be a cakewalk. *Asian Institute of Diplomacy and International Affairs*. Retrieved from <https://www.aidiaasia.org/research-article/bbin-the-goal-is-noble-but-achieving-it-won-t-be-a-cakewalk>
- Gill, D. M. (2020). Challenges to Regional Cooperation in South Asia: An Overview. *Journal of International Affairs*. Vol. 3, 42-51.

- Gochhayat, A. (2014). Regionalism and sub-regionalism: A theoretical framework with special reference to India. *African Journal of Political Science and International Relations*, 8 (1), 10-26. doi:10.5897/AJPSIR2013.0611
- Hassan, M. (2016). Prospect and so far, development of BBIN Connectivity. *International Journal of Social, Political, and Economic Research*, 1(1), 15-29. Retrieved from <https://ijosper.uk/index.php/i/article/view/11>
- Haran, V. P. (2018). Regional Cooperation in South Asia. *Indian Foreign Affairs Journal*, 13, 195-208. Retrieved from <https://www.questia.com/library/journal/1P4-2183491201/regional-cooperation-in-south-asia>
- Herrera D. M., &Kunaka, C. (2021). *Connecting to Thrive: Challenges and Opportunities of Transport Integration in Eastern South Asia*. International Development on Focus. Washington DC : World Bank.
- Hettne, B. (2005). Beyond the 'new' regionalism. *New Political Economy*, 543-571.
- IAS Parliament. (2017, April 29). Bhutan exits BBIN.Retrieved from <https://www.iasparliament.com/current-affairs/bhutan-exits-bbin>
- Karim, T. (2017). South Asia's Efforts at Regional Reintegration: Fantasy or Feasible? *Asia Pacific Bulletin*. Retrieved from <https://www.eastwestcenter.org/publications/south-asias-efforts-regional-reintegration-fantasy-or-feasible>
- Karim, T., & Balaji, M. S. (2016). BBIN: Paradigm Change in South Asia. *Vivekananda International Foundation*, 2-18. Retrieved from <https://www.vifindia.org/issuebrief/2016/may/10/bbin-paradigm-change-in-south-asia>
- Kathuria, S. (2018). A Glass Half Full: The Promise of Regional Trade in South Asia. *World Bank Group*. Retrieved from <https://openknowledge.worldbank.org/bitstream/handle/10986/30246/9781464812941.pdf?sequence=8>
- KC, S. (2017, December 17). Catalyst for Regional Integration. *Asian Institute of Diplomacy and International Affairs*. Retrieved from <https://www.aidiaasia.org/research-article/catalyst-for-regional-integration>
- Kennedy, J.F. (1971). Address before the Canadian Parliament in Ottawa. Retrieved from <http://www.presidency.ucsb.edu/ws/?pid=8136>

- Kinznag, R. (2021, November 1). Why Bhutan quit the BBIN motor vehicle pact. *South Asia Monitor*. Retrieved from <https://www.southasiamonitor.org/spotlight/why-bhutan-quit-bbin-motor-vehicle-pact>
- Kumar, V. (2017, December 5). Sub-Regionalism in South Asia: A Case Study of the Bangladesh-Bhutan-India-Nepal Motor Vehicles Agreement. *Strategic Analysis*, 1-13. Retrieved from <https://doi.org/10.1080/09700161.2016.1249180>
- Lama, M. (2016, September). BBIN Initiatives: Options for Cross- Border Power Exchange. *The Asia Foundation*. Retrieved from https://www.researchgate.net/publication/327393708_BBIN_Initiatives_Options_for_Cross-Border_Power_Exchange
- Lama, M. (2018, June 13). Nepal and Transit. *The Kathmandu Post*. Retrieved from <https://kathmandupost.com/opinion/2018/06/13/nepal-and-transit>
- Lamsal, M., & Pande, S. J. (2018, August 6). BBIN: Will Sub-regionalism Work? *NewBusiness Age*. Retrieved from <https://www.newbusinessage.com/MagazineArticles/view/2199>
- Madan, T. (2014, November 20). China's Role in SAARC. *Brookings*. Retrieved from <https://www.brookings.edu/research/chinas-role-in-saarc/>
- Mehndiratta, S & Nora, E. (2022, January 24). What will it take to connect the Bangladesh, Bhutan, India, Nepal (BBIN) sub-region? World Bank Blogs. Retrieved from <https://blogs.worldbank.org/endpovertyinsouthasia/what-will-it-take-connect-bangladesh-bhutan-india-nepal-bbin-sub-region>
- Mehta, V. (2020, January 31). The Economic case for South Asian Regionalism. *World Economic Forum*. Retrieved forum <https://www.weforum.org/agenda/2020/01/the-economic-case-for-south-asian-regionalism/>
- Ministry of External Affairs. (2015, January 31). Press Release. Retrieved from <https://www.mea.gov.in/press-releases.htm?dtl/24746/Joint+Press+Release++The+Second+Joint+Working+Group+JWG+Meetings+on+SubRegional+Cooperation+between+Bangladesh+Bhutan+India+and+Nepal+BBIN+in+New+Delhi+January+3031+2015>
- Ministry of External Affairs. (2020, February 08). Press Release. Retrieved from https://mea.gov.in/press-releases.htm?dtl/32383/Joint_Press_Release_on_the_Meeting_of_Bangladesh_Bhutan_India_and_Nepal_on_the_Motor_Vehicles_Agreement_BBIN_MVA

- Ministry of Finance. (2019). Economic Survey 2018/2019. Retrieved from https://mof.gov.np/uploads/document/file/Economic%20Survey%202019_20201125024153.pdf
- Ministry of Information and Communication of Bhutan (2015). BBIN MVA. Retrieved from <http://www.moic.gov.bt/wp-content/uploads/BBIN-MVA-i5.o6.2oi>
- Mohan, C. R. (2002, January 3). SAARC: A slow boat to nowhere. *Ministry of External Affairs, Government of India*. Retrieved from <https://mea.gov.in/articles-in-indian-media.htm?dtl/16043/SAARC+a+slow+boat+to+nowhere>
- Muni, S. D. (1978). *India and Regionalism in South Asia: A Political Perspective*. SAGE Journals, 17. Retrieved from <https://doi.org/https://doi.org/10.1177/002088177801700308>
- Murthy, P. (2008). *SAARC and BIMSTEC- Understanding their Experience in Regional Cooperation*. CUTS International.
- Muzaffar, M., Jathol, I., & Yaseen, Z. (2017, December). SAARC: An Evaluation of its Achievements, Failures, and Compulsion for Cooperation. *Global Political Review*, 2(1), 36-45. doi: 10.31703/gpr.2017(II-I).04
- Naazer, M.A. (2017). SAARC Summit 1985-2016: The Cancellation Phenomenon. *IPRI Journal XVII (1)*, 43-71.
- Nepal Foreign Affairs. (2015, June 15). Full text of BBIN Agreement on Motor Vehicles. Retrieved from <https://nepalforeignaffairs.com/bbin-agreement-on-motor-vehicles-agreement/>
- Nepal in Data (2019). Retrieved from <https://nepalindata.com/insight/road-density-in-nepal-2021/>
- Observer Research Foundation. (2018). BBIN: Opportunities and Challenges. *Observer Research Foundation*. Retrieved from https://www.orfonline.org/wp-content/uploads/2016/03/ORF-Issue-Brief_135.pdf
- Pal, P. (2016). Intra-BBIN Trade: Opportunities and Challenges. *Observer Research Foundation*, 1-7. Retrieved from <https://asiafoundation.org/Intra-BBIN+regional+trade+by+Parthapratim+Pal&cx=015764301987415412313:hex9yftgitw&cof=FORID:10>

- Palit, A. (2010). Sub-regional cooperation under SAARC: An Economic Analysis. In T. E. SAARC, & S. D. Muni (Ed.), *The Emerging dimension of SAARC*, p. 332. Singapore: *Institute of South Asian Studies*. doi:<https://doi.org/10.1017/UPO9788175968615>
- Price, G. (2016, March 30). South Asian integration: prospects and pitfalls. *European Union Institute for Security Studies*. Retrieved from <https://www.iss.europa.eu/content/south-asian-integration-prospects-and-pitfalls>
- Rahman, A. (2004). SAARC: NOT YET A COMMUNITY. *Asia-Pacific Centre for Security studies*, 20, 133-148. Retrieved August from <https://apcss.org/Publications/Edited%20Volumes/RegionalFinal%20chapters/Chapter9Rahman>
- Ramaswamy, S (2015). India and its Eastern Neighbors: Prospects for Sub-regional Cooperation. *ORF Issue Brief*. Retrieved from <https://www.orfonline.org/research/india-and-its-eastern-neighbours-prospects-for-sub-regional-cooperation/>
- SAARC Charter (2020). *Charter of South Asian Association for Regional Cooperation*. Retrieved from <https://www.saarc-sec.org/index.php/about-saarc/saarc-charter>
- Saikia, P, & Basu, P (2018). BBIN: Security Concerns and Risks of Conflict. In BBIN: Opportunities and Challenges. *Observer Research Foundation*, 35-40
- Sharmeen, N. (2017). Regional Cooperation in South Asia and Sustainability of Bangladesh-Bhutan-India-Nepal (BBIN) Transit. *BRAC Institute of Governance and Development (BIGD)*, BRAC University.
- Shrestha, P.M. (2021, September 9). Major road projects announced by Oli likely to lose funding. *The Kathmandu Post*. Retrieved from <https://kathmandupost.com/national/2021/09/09/many-road-projects-announced-by-oli-likely-to-lose-funding>
- Shukla, A. (2019, January 4). Sub-regional Cooperation under the BBIN Framework: An Analysis. *Indian Council of World Affairs*. Retrieved from https://www.icwa.in/show_content.php?lang=1&level=3&ls_id=4817&lid=2833
- Shukla, S. (2019, May 29). Will BIMSTEC replace SAARC in Geo-politics of South Asia? *Devdiscourse*. Retrieved from <https://www.devdiscourse.com/article/business/540441-will-bimstec-replace-saarc-in-geo-politics-of-south-asia>
- Singh, S. (2019). Redefining India's Neighborhood Policy: Modi's BIMSTEC Rationale To Replace SAARC. *Euro Asia Review*. Retrieved from

<https://www.eurasiareview.com/14062019-redefining-indias-neighborhood-policy-modis-bimstec-rationale-to-replace-saarc/>

Sinha, R & Sareen, N. (2020, May 26). India's limited trade connectivity with South Asia. Brookings. Retrieved from <https://www.brookings.edu/research/indias-limited-trade-connectivity-with-south-asia/>

Soderbaum, F. (2016). *Rethinking Regionalism*. New York: Palgrave Macmillan.

South Asia Monitor. (2022, October 29). Power Surplus Nepal asks consumers to use more electricity to avoid wastage. Retrieved from <https://www.southasiamonitor.org/index.php/economybusiness/power-surplus-nepal-asks-consumers-use-more-electricity-avoid-wastage>

South Asia Monitor. (2021, November 3). India comes to Nepal's rescue, allows it to sell surplus power in Indian Energy Exchange. Retrieved from <https://www.southasiamonitor.org/economybusiness/india-comes-nepals-rescue-allows-it-sell-surplus-power-indian-energy-exchange>

South Asia Monitor. (2022, January 20). The China factor in Nepal's power exports to India. Retrieved from <https://www.southasiamonitor.org/nepal-economy-business/china-factor-nepals-power-exports-india#:~:text=India%20will%20not%20buy%20Nepal%E2%80%99s%20surplus%20electricity%20produced,nations%20signed%20a%20landmark%20agreement%20for%20power%20trading.>

Srinivasan, T. (2002). *Trade, finance, and investment in South Asia*. New Delhi: Social Science Press.

Statista. (2020). Share of Intra-ASEAN trade in the ASEAN region 2020, by country. Retrieved from <https://www.statista.com/statistics/1300416/asean-share-of-intra-asean-trade-in-goods-by-country/>

The News. (2020, Aug 04). *Pakistan unveils new political map including Indian-occupied Kashmir*. Retrieved from <https://www.thenews.com.pk/latest/695952-pakistan-rolls-out-new-map-includes-indian-occupied-kashmir>

United Nations Economic and Social Commission for Asia and the Pacific. (2018). Unlocking the Potential of Regional Economic Cooperation and Integration in South Asia. *United Nations Publications*. Retrieved from <https://www.bing.com/search?q=Unlocking+the+Potential+of+Regional+Economic+Cooperation+and+Integration+in+South+Asia+Potential%2C+Challenges+and+the+Way+Fo>

rward&cvid=3a945ea0a88244b1a5d77c599c2ff482&pgl=547&FORM=ANNTA1&PC=DSJS#

- Verma, M., & Jain, K. (2020). Accessing the Future of Regional Cooperation in South Asia through Covid-19 Diplomacy. *NIICE*. Retrieved from <https://niice.org.np/wp-content/uploads/2020/06/Special-Report-1004.pdf>
- Warren, A., & Nag, D. (2016, April 27). Advancing the BBIN Agenda to Promote Sub-Regional Trade. The Asia Foundation. Retrieved from <https://asiafoundation.org/2016/04/27/advancing-the-bbin-agenda-to-promote-sub-regional-trade/>
- Wolf, S. O., Casaca, P., & Flanagan, A. J. (Eds.). (2014). The Merits of Regional Cooperation: The Case of South Asia (1 ed.). *New York: Springer International Publishing*. doi:10.1007/978-3-319-02234-5
- World Bank. (2018). Realizing the promise of Regional Trade in South Asia. Retrieved from <https://www.worldbank.org/en/news/feature/2018/10/09/realizing-the-promise-of-regional-trade-in-south-asia>
- World Bank. (n.d.). World Bank. Our regional strategy to build a stronger South Asia. Retrieved from <https://www.worldbank.org/en/programs/south-asia-regional-integration/overview>
- World Bank Group. (2018). A glass half full: The promise of Regional Trade in South Asia. Retrieved from <https://thedocs.worldbank.org/en/doc/362241549390789705-0310022019/original/CountryOnePagersAGlassHalfFull.pdf>
- Yahya, F. (2006, August 19). BIMSTEC and Emerging Patterns of Asian Regional and Inter-Regional Cooperation. *Australian Journal of Political Science*, 391-410. Retrieved from <https://doi.org/10.1080/10361140500203936>
- Yin, R. K. (2004). *The Case Study Anthology*. New Delhi: Sage Publications.
- Zahid, A. S. (2013). *Regionalism and regional security in South Asia: The role of SAARC*. Surrey: Ashgate Publishing.