Subregional Capacity Building Workshop and Multi-Stakeholder Dialogue on Supporting policies on low carbon and resilient transport infrastructure and promoting multi-modal connectivity in the BBIN Countries
Shillong and Dawki, Meghalaya, India and online
22-24 November 2023

Summary Report

1. The Subregional Capacity Building Workshop and Multi-Stakeholder Dialogue on “Supporting policies on low carbon and resilient transport infrastructure and promoting multi-modal connectivity in the BBIN Countries” was held in Shillong and Dawki, Meghalaya, India and online on 22-24 November 2023.

2. The events, organized by ESCAP with the support of the Government of Meghalaya, aimed to explore opportunities for the BBIN Subregion in improving its internal multimodal connectivity, oriented on sustainable and resilient transport infrastructure development and policies for optimal utilization of such infrastructure for trade and development. The events were attended by 85 participants including transport officials from BBIN countries, trade and industry officials from various state governments of the NER of India, development partners, think-tanks, connectivity experts and industry associations.

3. Inaugurating the events, H.E. Mr. Conrad Kongkal Sangma, Chief Minister of Meghalaya, emphasized the importance of enhancing trade for improving livelihoods and advancing economic progress. Currently, trade of Meghalaya and other States of the North-East Region are suboptimal and under-reported. Trade and industrial policy approaches should be revisited, including consideration of economic zone-wise implementation of the Act East Policy of India, recognizing the ground realities and priorities of various NER States. Rationalizing product-wise trade restrictions applied at various border points linking BBIN countries is one of the immediate priorities. He stressed on the need for making progress through such small steps, by identifying low handing fruits, that can add up to substantial transformative changes.

4. Day 1 of the workshop was dedicated to assessing the state of the BBIN transport connectivity by road, rail and waterborne transport. Day 2 of the workshop supported a multi-stakeholder discussion on supporting regional and public-private cooperation dialogue and cooperation on sustainable transport and trade logistics. On Day 3, a field visit was organized to Dawki Land Port at the Bangladesh border and dialogue among government representatives, international partners, private sector and local trade associations continued on how to remove barriers and enhance trade at the border.

Part I: Assessing the State of the BBIN Transport Connectivity (22 November 2023)

5. Substantive information sharing and discussions among transport and logistics experts took place on infrastructure and operationalization of international transport connectivity within the purview of the Governments of Bangladesh, Bhutan, India and Nepal.
6. Reaffirming the central role of the road transport in freight and passenger in the region, the participants reviewed the role of the Intergovernmental Agreement on the Asian Highway Network in enhancing BBIN transport connectivity. BBIN countries presented detailed information on infrastructure availability, quality, gaps and shared future development plans to construct and upgrade the Asian Highway routes. Bangladesh reported completion of the Padma and Modhumati bridges along AH 1, as well as upgradation of several key segments of the AH network. Similarly, resurfacing, widening and pavement rehabilitation of AH networks are ongoing in Bhutan and Nepal. In India, many of the important intercity routes covered by the AH network are being developed as modern expressways. Within this context, the Workshop was informed in detail of the study finding on “Supporting the policies on green and resilient transport infrastructure along the Asian Highway Network” project and discussed at length on new design and construction technologies and materials which could strengthen road infrastructure durability, improve climate resilience and reduce environmental footprint.

7. Initiatives are underway to make transport systems more resilient and sustainable. For instance, the Automobile Industry Development Policy (2021) of Bangladesh includes several measures including financial incentives (purchase subsidies, tax waivers etc.) for electric vehicles (EVs), public support for battery recycling industry and charging station networks, establishment of an EV Cell in Bangladesh Road Transport Authority, and the setting up of an "Energy-Efficient Vehicle Manufacturing Fund".

8. The BBIN countries also informed the participants about the current operational status of international road transport for both freight and passengers in the subregion, sharing information pertaining to border crossing requirements, policy challenges, and current policy priorities. This exchange acknowledged that significant operational challenges remain, due to lack of standardization of transport requirements, including the regulations on weights, dimensions and emissions of road vehicles of respective countries, as well as cumbersome border-crossing requirements.

9. Country presentations also flagged digitalization as the way forward in enhancing effective and efficient border-crossing mechanisms, such as electronic cargo tracking system, electronic toll collection system, online permits system, payment of fees and charges, insurance etc.

10. The participants were also informed about the current state of the implementation of the BBIN Motor Vehicle Agreement. India reported key developments including negotiations of the passenger and cargo protocols, conduct of cargo trial runs, and designation of routes for passenger trial runs. A web-based application has been developed for processing permits, and studies have been undertaken on insurance, fees and charges etc. applicable under the MVA. Next Steps in implementing BBIN MVA include finalization of routes, categories of cargo vehicles, traffic volumes to be permitted, and modalities of permits, charges, insurance and claims settlement. The

1 Country presentation on developments in road transport by Mr. Abu Naser, Deputy Secretary, Road Transport and Highways Division Bangladesh
2 Country presentations on developments in road transport by Ms. Sonam Choden, Dy. Executive Engineer, Department of Surface Transport, Bhutan, and Mr. Amrit Mani Rimal, Senior Divisional Engineer, Department of Road, Nepal.
3 Country presentation on developments in road transport by Mr. Abu Naser, Deputy Secretary, Road Transport and Highways Division Bangladesh

4 Country presentation on developments in road transport by Mr. Paresh Kumar Goel, Director (Transport and IC), Ministry of Road Transport and Highways, India.
Workshop participants acknowledged the importance of multimodality in ensuring sustainable, seamless and resilient transport corridors among BBIN countries. Within this context, the participants were informed of projects and initiatives undertaken by Bangladesh, Bhutan, India and Nepal, notably on the development of railways, inland waterways and dry ports in their respective countries. Participants also indicated the existing challenges to railway, inland waterway and multimodal transport connectivity in the BBIN countries and provided a number of proposals on addressing those challenges.

11. Recognizing the importance of integrated multimodal transport network as the means to improve the efficiency and effectiveness of logistics and supply chain network, several important initiatives to link various modes of transport are being undertaken in the BBIN subregion. Opening of the Akhaura-Agartala rail link between India and Bangladesh in November 2023 is a key development in this regard. This new route offers connectivity of North-East Region of India with Chattogram, Mongla and Matabari ports of Bangladesh. Indian Railways is engaged in multiple projects to expand cross-border rail connectivity with Bhutan and Nepal as well.

12. The potential of inland waterways transport (IWT) is also well recognised by the BBIN subregion. Bhutan and Bangladesh signed a Memorandum of Understanding (MoU) on April 18, 2017 for facilitating export-import cargo of Bhutan through IWT routes to be handled at maritime ports of Chittagong and Mongla in Bangladesh. The first consignment of boulders was dispatched from Bhutan to Bangladesh via Dhubri river-port in Assam, India, terminating in Narayanganj port in July 2019. However, services could not be continued due to inadequate infrastructure and poor road transport conditions. The Nepal Shipping Office (NSO) was established in February 2019 with mandate of developing IWT to link with strategic maritime ports of the subregion.

13. Despite steady improvements, development of multimodal transport networks in the subregion continues to be riddled with challenges of suboptimal hard infrastructure and operational complexity. The Workshop identified funding scarcity as one of the main challenges in the development and maintenance of road infrastructure and noted that countries need to engage multiple funding sources, including national funding mechanisms, foreign donor countries, and multilateral development banks.

14. The participants took note of the ongoing and planned investments and initiatives supported by Japan, JICA, US/USAID, World Bank, and policy influencers such as RIS, India. Fostering connectivity within NER and between NER and Southeast Asia is one of the main objectives of the Japan-India Act East Forum (AEF) established in 2017. Investment has been channelled to several key transport infrastructure projects in the BBIN subregion, notably the Matarbari Deep Sea Port in Bangladesh. JICA is leading implementation of many such projects commissioned under Official Development

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5 Country presentations on developments in cross-border multimodal transport networks by Mr. A M Salah Uddin, Joint Director General (Operation), Bangladesh Railway, Bangladesh, and Mr. Priya Ranjan Parhi, Executive Director (Infra)-I, Railway Board, Ministry of Railways, India

6 Country presentation on developments in cross-border multimodal transport networks by Mr. Priya Ranjan Parhi, Executive Director (Infra)-I, Railway Board, Ministry of Railways, India

7 Country presentation on developments in cross-border multimodal transport networks by Ms. Sonam Choden, Dy. Executive Engineer, Department of Surface Transport, Bhutan

8 Country presentation on developments in cross-border multimodal transport networks by Mr. Tulsi Narayan Maharjan, Senior Divisional Engineer, Nepal Shipping Office, Nepal

9 Presentation on Japan’s Cooperation in North Eastern Region of India and Industrial Value Chain by Mr. Jiro Kodera, Counsellor, Economic Section, Embassy of Japan, New Delhi.
Assistance (ODA). Besides cross-border connectivity infrastructure, assistance is also provided for sectoral development focusing on key sectors such as agriculture, forestry, health, MSMEs etc. A data collection survey on issues and potentials of cross-border logistics in South Asia is underway. Similarly, Cross-Border Infrastructure and Connectivity (CBIC) is a focus area for USAID’s development assistance projects in the subregion, including support for improving cross-border connectivity and trade along the India-Myanmar-Thailand Trilateral Highway. RIS commented on the importance of a coherent and concerted approach to regional connectivity using formal regional/subregional platforms, instead of separate negotiations that risk becoming disconnected.

15. Participants shared concerns on challenging topography and environmental sustainability and welcomed the focus on resiliency and environmental sustainability in the support received from their development partners. In this connection, the workshop was apprised of the forthcoming “Inventory of best practices on Resilient and Low Carbon Asian Highways” prepared by ESCAP Transport Division containing recommendations and case-studies of new design and construction technologies and materials which could strengthen road infrastructure durability, improve climate resilience and reduce environmental footprint.

16. The participants concluded that the regional cooperation on transport connectivity among BBIN countries could be further strengthened and agreed on the following recommendations:

a. Noting the significant progress in transport infrastructure connectivity, both domestic and international, the workshop recommended to the BBIN countries to consider expansion of the Asian Highways and the Trans-Asian Railways networks, as well as further development of dry ports in the BBIN countries, reflecting the recently completed infrastructure projects and raising awareness of the persisting missing links and funding needs. It was suggested that BBIN member States may propose changes to existing route configurations in the forthcoming working group meetings on Asian Highways and Trans-Asian Railways networks to be conducted by ESCAP. The workshop also recommended establishing common platforms and/or other tools to measure the progress in the BBIN infrastructure connectivity.

b. The Workshop raised the profile of resiliency and environmental performance in freight and passenger operations and encouraged the national and regional efforts on enhancing quality of transport infrastructure and on decarbonizing transport operations. It welcomed the current and future support of the development actors in this area.

c. Alongside the infrastructure connectivity, the workshop recommended prioritizing the operational connectivity aimed at facilitating and harmonization of cross-border transport requirements. In this connection, the Workshop requested ESCAP and developing partners to continue supporting BBIN countries in implementing regional transport facilitation initiatives, such as the BBIN Motor Vehicle agreement, and in taking up best practices in cross-border transport facilitation mechanisms.

10 Presentation on Enhancing Connectivity in North East India and BBIN by Mr. Hajime Taniguchi, Senior Representative, JICA, New Delhi.
11 Presentation on USAID: Partnering for BBIN Connectivity by Dr. Carrie Antal, General Development Officer, Indo-Pacific Office, USAID, India.
d. To further promote multimodal transport, the workshop recommended Bhutan and Nepal to consider becoming Parties to the Intergovernmental Agreement on Dry Ports and to that end requested the support from ESCAP secretariat and other development actors in assessing and further supporting the dry port development in BBIN countries.

e. The Workshop also recommended BBIN countries to strengthen their cooperation on multimodal transport corridors with the support of the relevant development partners and taking into consideration the success factors and best practices in the corridor management arrangements.

f. The Workshop also requested ESCAP secretariat, in cooperation with relevant authorities, development actors and stakeholders including transporters, to organize “trial runs” along selected corridors in the BBIN subregion to obtain first-hand practical understanding of the challenges hindering seamless connectivity, including bottlenecks at border crossing points. Based on the identified challenges, capacity building projects can be undertaken to address connectivity issues along the selected corridors.

g. The Workshop requested the ESCAP secretariat and the participating development partners to continue supporting the knowledge sharing and human resource development through conducting capacity building events and discussion platforms in the transport and logistics sectors.

Part II: Multi Stakeholder Dialogue on Sustainable Transport and Trade Logistics in BBIN (23 November 2023)

17. Transport and logistics experts were joined by multi-stakeholders from trade and commerce experts, private sector and development actors engaged in business and market development activities to engage in dialogue on enhancing inclusive trade and supply chains.

18. Gender inclusive transport, logistics and supply chain networks amongst BBIN - Based on findings from a three-country ESCAP study on gender and transport and other work by the secretariat on gender and transport, stakeholders exchanged experiences and perspectives of women’s participation and barriers in the transport sector. Workshop participants recognized the importance of gender mainstreaming in the transport sector and encouraged countries to undertake initiatives to promote and implement gender inclusive policies, ensuring equal employment opportunities in the transport sector, as well as safe and equal accessibility to transport services. This would be an important contribution to SDG5: Achieve gender equality and empower all women and girls.

19. Potential for developing trade and supply chain networks amongst BBIN - ESCAP presented findings of a study on trade opportunities in the BBIN subregion, with specific focus on trade potential between border areas of Bangladesh (Sylhet and Brahmanbaria) and NER India (Meghalaya, Mizoram and Tripura). The study reveals immense potential for exports of agricultural products, processed food items, textile and garments etc. from bordering areas of Bangladesh to NER India. Similarly, NER States such as Meghalaya, Mizoram and Tripura have the potential to export a range of products to Bangladesh including mineral fuels and oils, leather, rubber, articles of iron and steel, coffee, tea and spices, seasonal fruits and vegetables, fish and dairy products.

12 Forthcoming ESCAP SSWA Development Paper, Potential of Trade Opportunities between Bangladesh and North-Eastern Region (NER) of India, and Benefits for Bhutan and Nepal, by Rajan S. Ratna and Udit Rana. 
animal fodder etc. Several products of interest for exports of Bhutan and Nepal, utilizing trade corridors linking NER India and Bangladesh, have also been identified by the Study. The study also identified the challenge, including non-tariff measures that are impeding the trade opportunities.

20. Several infrastructure and procedural barriers prevent BBIN countries from taking full advantage of intra-regional trade potential. Through preferential tariff rates under the South Asian Free Trade Area (SAFTA), some of the identified products continue to be included in the sensitive lists, and thereby denying preferential rates to traders. Agricultural items and industrial products are subject to trade standards (SPS and TBT measures), and lack of adequate testing facilities and absence of mutual recognition of product certification increases the compliance cost for traders and thereby act as a major trade barrier.

21. Bangladesh spoke of ongoing negotiations on trade that will take its course over time. In the meantime, informal trade needs to be checked as number of border haats increase. Recognizing the potential of trade and gains for all countries in a region that is considered the least integrated, India highlighted ongoing efforts and developments in trade facilitation, including export promotion schemes, INR settlement and upgradation of infrastructure at border trade points with Bhutan, Nepal and Bangladesh. The Bhutan exporter representative underlined the role of India in regional collaboration given its dominant size and the need to simplify cumbersome certification processes for trade through the North-East Region. BIMSTEC Secretariat underlined the centrality of trade and connectivity for BIMSTEC since it was founded in 1997, citing ongoing negotiations for an FTA (from 2007) and the BBIN Motor Vehicle Agreement. The Maritime Transport Cooperation Agreement has advanced and is expected to be signed at the next BIMSTEC Summit.

22. JNU (Professor Lama) offered insights into contradictions between macro-level policy aspirations for greater BBIN connectivity and trade on the one hand, and ground realities of corridor bottlenecks on the other, stemming from differences of policies, stakeholders and interests between national and local levels. Border issues are not considered in NER state government plans as they are outside their purview although border trade could be vital for the states’ development. Substantive allocations of subsidies that may in effect deter trade could be used to invest in, for example, frontier economic zones that bring production centres closer to border crossing points.

23. Recommendations to address the existing trade barriers emerging from the discussions are as follows:

\[ a. \text{ Improve trade statistics: The official statistics on intra-regional trade in the BBIN, especially figures for exports/imports of NER India, are found to be grossly under-reported. Prevalence of informal trade adds to gaps of data recording and reporting. Steps are needed to improve trade data reporting and statistical systems for enabling informed decision making.} \]

\[ b. \text{ Remove port-wise trade restrictions imposed on tradable products with high potential: Several key products such as articles of rubber, dairy products etc. with high trade demand are currently not allowed to be imported in Bangladesh from certain LCSs, which then is imported through far distanced land customs adding to the import cost of the product which the importer and consumer is to bear. Such restrictions should be lifted for potentially tradable products on a priority basis. Expansion of positive lists to include tradable products by Bangladesh through a} \]
notification by the National Board of Revenue in October 2023 is an encouraging recent development in this regard.

a. *Address non-tariff barriers (NTBs), particularly issues of product testing:* Lack of Mutual Recognition Agreements (MRAs) causes delays in delivery of consignments and results in high compliance costs. Expedited implementation of existing MRAs, such as between the Bureau of Indian Standards (BIS) and Bangladesh Standards and Testing Institution (BSTI) signed on 6 June 2015, is required for ease of conformity assessment. Measures such as allowing self-certification for established exporters, provisional accreditation of designated labs etc. can be considered as immediate policy options.

b. *Improve trade infrastructure and logistics services:* While continued efforts are being made to improve border infrastructure and trade services, including upgradation of land ports and approach roads, enhanced investments are urgently needed to close some of the remaining critical gaps. One of the main priorities is provision of warehousing and cold storage facilities for facilitating trade in perishable farm products.

c. *Enhance digitization of trade procedures:* While respective systems for electronic processing of transport/trade documentation are being deployed by BBIN countries, such as the Indian Customs Electronic Gateway (ICEGATE) and the Automated System for Customs Data (ASYCUDA) in Bangladesh, they are yet to be made available at all land ports and operational interface between national systems is to be improved for ease of paperless trade and single window processing.

d. *Establish industrial zones at border points:* Industrial parks at border areas and key international gateways are highly potent tools for enhancing productive capacities, growth of trade-oriented sectors and improvement of livelihoods of local communities. Joint Venture investments in these parks will be highly effective and create new supply chains between countries.

e. *Involve states and local stakeholders in trade policy formation and development projects in border areas:* Active participation of NER state governments, local administrations and communities would help to formulate policies and projects addressing the specific challenges and needs of border communities. National governments must establish consultative decision-making processes to promote such inclusion.

f. *Expansion of Border Haats:* Border Haats (local markets at remote border localities, enabling local communities to trade local produce) along the India-Bangladesh border have been found to generate positive direct socio-economic outcomes, helping to reestablish the traditional systems of commerce, promoting people-to-people connect and socio-cultural ties among border communities. These is a strong demand for operationalization of more such Haats along the international borders shared by BBIN countries.

24. **Sharing of experiences in developing trade and supply chain networks** - The Government of Meghalaya presented its successful initiatives aimed at building productive capacities and enhanced market access for local producers. The Meghalaya Livelihoods and Access to Markets Project (Megha-LAMP), supported by IFAD (International Fund for Agricultural Development), improves sustainable livelihood opportunities, including through collectivization of farm produce for better trade
prospects. Promotion and Incubation of Market Driven Enterprises (PRIME) is another initiative with the aim of supporting small-scale entrepreneurs to upscale their businesses through capacity building. These projects have generated demonstrable benefits and can provide valuable policy insights for local governments facing similar challenges from across the BBIN subregion and beyond. Asian Confluence called for a leapfrog development of an agri-based economy to transition towards more environmentally sustainable trade from current dependency on extractive commodities. For this, aggregation of products across state boundaries and last-mile connectivity actions are essential.

25. **Concluding session** - The Government of Meghalaya shared its vision for sustainable development, focusing on thrust areas and sectors such as agriculture, tourism, border trade. For instance, the State is spearheading several targeted projects for value chain development, collectivization through co-operatives, and deployment of digital tools for timely monitoring and climate resilient production, for developing the agriculture sector. The State aims to build synergies between multiple flagship projects such as PRIME, CM Elevate, Focus Hubs and Skills Meghalaya for a comprehensive approach to skilling and entrepreneurship promotion. The State aspires to overcome its connectivity constrains through key transport infrastructure projects such as the Samdrup Jongkhar to Dawki corridor (connecting Bhutan, NER India and Bangladesh), the Dhubri – Phulbari Bridge, and the Hilli-Mahendraganj road link, and solicits support from national governments of the BBIN countries, international organisations and development partners in advancing these projects.

26. ESCAP presented a summary of the two-day proceedings on enhancing sustainable and gender-inclusive transport connectivity, trade and supply chains. Workshop participants were enlightened of the many initiatives, efforts and progress made by the collective of governments and partners in promoting BBIN connectivity and the importance of coordination among them. Drawing on the inspiration from the Hon. Chief Minister on the value of reaping ‘low hanging fruits’ and from the vantage point of leaving no one behind in pursuing SDGs, ESCAP called on co-creating conditions for local economic actors and communities across BBIN countries to effectively participate in trade and supply chains and to benefit from enhanced connectivity.

27. The UN Resident Coordinator for India, Mr. Shombi Sharp, appreciated the diverse group of stakeholders bringing clarity to the complex challenge of BBIN connectivity and recognized the huge potential, optimism and dynamism of BBIN countries, with Meghalaya and the Northeast Region of India serving as a hub and conduit for connectivity and growth. Referring to the recent UN Summit where the mid-point stocktaking revealed the grave impact of cascading global shocks on SDG progress, he emphasized the importance of actions at both macro and micro levels to accelerate SDG actions. He underscored the commitment of the UN System to support sustainable development initiatives in India and through the RC network in neighboring countries that can contribute to improved productivity, decent working conditions and inclusive economic growth along the BBIN corridor.

28. ESCAP thanked India, and the Government of Meghalaya for hosting the Workshop, the Governments of Bangladesh, Bhutan and Nepal, donor Member States, development partners, academic and research institutions and private sector for their support, active engagement and contributions during the Workshop physically and online. ESCAP will follow-up with recommendations with concerned institutions.
29. These Conclusions and Recommendations were agreed on 23 November 2023 in Shillong, Meghalaya, India.

**Part III: Multi Stakeholder Dialogue at Dawki Land Port (24 November 2023)**

30. The Multi-Stakeholder Dialogue was co-organized by UNESCAP, the Government of Meghalaya and the Land Ports Authority of India at Dawki Land Port on 24 November 2023. The Dialogue was attended by diverse stakeholders including government officials from Bangladesh, Bhutan, India and Nepal (BBIN countries), BIMSTEC Secretariat, Embassy of Japan, and traders from Bangladesh, Bhutan and India. Key recommendations from the Dialogue are as follows:

a. *Promoting trade diversification* – Traders from Meghalaya highlighted the need for trade diversification, by expanding the current export structure concentrated in limestones and boulders at Dawki. The potential for more exports of agricultural produce (fruits, vegetables, dairy products, bamboo etc.) from North East Region of India to Bangladesh was recognized. Traders from Bangladesh expressed interest in importing these products. Meghalaya private sector expressed interest in import of bricks, fish, textiles and shoes. They also requested Indian side to have testing facility at Dawki ICP.

b. *Achieving balance in bilateral trade* – Traders from the Tamabil area of Bangladesh highlighted the need for achieving better balance in trade, seeking permit of exports of products including seasonal fruits and vegetables such as pineapples to Meghalaya through Dawki. Traders from Meghalaya expressed interest in importing such products, in addition to the abovementioned fish and bricks. Delegates from Bangladesh explained that, as the country is shifting from kiln based earthen bricks to mixed material blocks which are more durable, efficient and cost-effective, restrictions imposed on earthen bricks will be continued. However, removal of restrictions to allow exports of blocks to Meghalaya will be considered on a priority basis.

c. *Promoting exports of agricultural items and gypsum from Bhutan through Dawki-Tamabil border* – A representative from Bhutan Exporters Association expressed the wish to enhance the utilization of Dawki for trade in seasonal fruits such as oranges. Another priority product for Bhutan is gypsum, which faces trade restrictions at present. Bangladesh authorities agreed to consider facilitation imports of products including gypsum from Bhutan by rationalizing import restrictions.

d. *Need for a joint study to identify potential sectors/products for prioritization* – Participants raised the importance of conducting a detailed analysis of products/sectors of critical importance so as to enable reforms for facilitation of such reforms. ESCAP was requested to conduct a study, jointly with other relevant agencies and partners, to assist ministries of commerce and industries of Bangladesh and India in taking informed decision on product-wise removal of export restrictions and other trade barriers. ESCAP recommended representatives of Bangladesh and India to send a request to ESCAP with a clearly defined ToR of the study.

e. *Allowing temporary relaxation of trade restrictions and introduction of pilot initiatives* – Introducing temporary relaxation of trade restrictions imposed on
products with high trade potential was welcomed as an important confidence building measure by all participants. An example is that of allowing trade in agricultural products and export of blocks as building materials from Bangladesh to Meghalaya through Dawki Land Port, which was agreed to be considered on a priority basis. It was suggested that such pilot initiatives may also include quota restrictions initially, to ease the introduction and to monitor developments and adjust accordingly. It was noted that the quota will also allow all stakeholders to assess the opportunities that exist for preparation to enhanced future trade.

f. Resolving issues related to product testing through interim measures – As implementation of Mutual Recognition Agreements (MRAs) for acceptance of product testing certification continues to lag behind in the BBIN subregion, interim measures to address issues related to product testing was suggested. The main recommendation in this regard is to recognize selected local testing facilities and to provide them with provisional accreditation. Guwahati is the closest Indian testing facility from Dawki, but a plant quarantine and testing facility located at Tamabil in Bangladesh about 500 meters away from the border point can be considered for accreditation by Indian authorities as an interim order. The appointment of animal and plant quarantine officers to Dawki can also be immediately undertaken to facilitate and expedite testing and certification in existing facilities. Medium-term, a testing facility at Dawki Land Port may be established as trade volume picks up. However, all participants agreed on the importance of negotiation and implementation of MRAs to resolve trade barriers caused by product testing/certification and quality control measures.

g. Coordinating operational hours at land ports – The Land Port Authorities of Bangladesh and India recognized the importance of coordinating working days and hours to provide traders with uninterrupted services. Both Authorities expressed readiness to provide 24/7 uninterrupted services and agreed to coordinate with each other to implement reforms in consultation with traders, transporters, and other private service providers such as freight forwarders and customs clearing agents. An immediate action agreed by both Authorities is the synchronization of working hours (8:30AM-6:30PM BST / 8AM – 6PM IST).

h. Facilitation of trading in local currencies – While trade in local currencies has been permitted at select border points between India and Bangladesh such as Petrapole-Benapole, it is not currently feasible at majority of the border points including Dawki/Tamabil. Authorities have agreed to take steps to facilitate trade transactions in local currencies at all border points including Dawki-Tamabil through designated banks from both countries such as the Sonali Bank of Bangladesh. Authorities also noted that in the long run it may be better for both countries to trade in local currency as it will ease some pressure on hard currency balance of payment.

i. Resolving trade facilitation issues at port level through regular consultations – It was agreed that many of the outstanding trade facilitation issues can be resolved by regular consultations at port levels. For instance, weighing is done at both sides of the border currently, and by recognizing each other’s weighing measures could reduce delays in land port operations significantly. Such issues can be resolved between local authorities at port levels. It was agreed that regular meetings be
convened between the two land port authorities to resolve issues under their mandates and to report and escalate issues requiring higher-level decision-making including policy reform matters to respective higher authorities.

a. **Adopting a Sylhet to Shillong corridor approach to trade in goods and services** – Many of the services and products required by border communities can be sourced efficiently and economically from nearby markets across the border than otherwise. For instance, access to Sylhet airport can significantly reduce travel cost of international travelers from proximate regions from across the border. Likewise, it is more economical and efficient for local communities to source many products from nearby markets across the border. To facilitate seamless access to such products and services, participants recommended a holistic approach to develop the Sylhet - Shillong corridor.

### Summary of recommendations

#### Short-term measures

- Appoint animal and plant quarantine officers at Dawki Land Port (Meghalaya Government and LPAI)
- Accredit Guwahati testing facility for animal and plant certification and potentially the Bangladesh testing facility in Tamabil (Ministry of Commerce and Industry, Ministry of Agriculture, Animal Husbandry and Dairying of India; for Tamabil facility in collaboration with relevant authorities of Bangladesh)
- Mutually recognize weighing measures undertaken at Dawki or Tamabil to reduce duplication and time (LPAI and BLPA)
- Allow quota based free trade of locally produced agricultural products and bricks/kiln blocks through Dawki/Tamabil as a pilot case (Department of Revenue of Bangladesh and India)
- Initiate regular meetings between Dawki and Tamabil Land Ports (LPAI and BLPA)

#### Medium-term measures

- Enable trade in local currencies at land ports along northeast India and Bangladesh in cooperation with banks operating in area (Ministries of Commerce and Finance)
- Facilitate cross-border passage of local communities and traders to do business and to access international airport in Sylhet
- Establish animal/plant testing facility at Dawki ICP (Ministry of Commerce and Industry, Ministry of Agriculture, Animal Husbandry and Dairying of India)
- Accelerate implementation of Mutual Recognition Agreements (Ministries of Commerce)

31. ESCAP and the participants thanked the Land Ports Authority of India and the Government of Meghalaya for hosting and facilitating the Dialogue.

32. These Conclusions and Recommendations were agreed on 24 November 2023 at Dawki Land Port, Meghalaya, India.

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