

## Launch and Discussion

# Linking Land Borders: India's Integrated Check Posts

## Centre for Social and Economic Progress (CSEP)

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**Welcome Address:**

**Rakesh Mohan** – President and Distinguished Fellow, CSEP

**Special Address:**

**Aditya Mishra** – Chairman, Land Ports Authority of India (LPAI)

**Paper Presentation:**

**Riya Sinha** – Research Associate, CSEP

**Discussion with Panellists:**

**Vikram Doraiswam** – High Commissioner of India to Bangladesh

**Nisha Taneja** – Professor, Indian Council for Research on International Economic Relations (ICRIER)

**Pritam Banerjee** – Logistics Sector Specialist Consultant, Asian Development Bank (ADB)

**Moderator:**

**Constantino Xavier** – Fellow, Foreign Policy and Security Studies at CSEP and Non-Resident Fellow, Foreign Policy Program at the Brookings Institution.

**Read the paper:**

<https://csep.org/working-paper/linkin...>

**Watch the event video here:**

<https://www.youtube.com/watch?v=exv8BVZdwXo>

*The following is an edited and revised transcript from the event. It has been generated by human transcribers and may contain errors. Please check the corresponding video for the original version.*

## PROCEEDINGS

**Rakesh Mohan:** I'm delighted to welcome all the panellists, and also, of course, all the viewers who are logging in to join us for this webinar. This is really a unique study that is being presented by Riya Sinha. And it's a comprehensive study on India's Integrated Check Posts. What is very interesting to me is how hard Riya has worked on this, despite COVID, and from before COVID, actually. That she had detailed interactions with a whole host of stakeholders, including the Ministry of Commerce, Home and External Affairs in India. It's not very easy ever to interact with the Home Ministry. So, I'm delighted that you succeeded in doing that, Riya. She also had ground level experience on the actual borders where these integrated check posts exist; Nepal and Bangladesh. And, of course, a great deal of book research, in a sense, on the literature that covers the comparative cases on border management, in both North America and Europe.

The point really is that one of the very strange things in our region is that we've always been very poorly connected. And it is probably the case that we were better connected before independence, because first of all, India, Bangladesh, Pakistan, were this one country. Second, there were deep relationships with then, Burma, and Sri Lanka. So, what has happened, of course, in the last 70 years, is that for all kinds of issues to do with security, and so on, that the infrastructure has deteriorated, the connections have deteriorated across our current borders. And in some sense, even though we talk about trade policy, foreign policies, strategic policy, etc., we don't often talk about just the normal logistics infrastructure in the region. Because in some sense, if you just have in the extreme open borders, and quick connectivity; whether it's air, sea, land, power, pipelines, etc, then trade will just flow just like it does across states in India. And so, this is, I think, a very, very important area that has been neglected. I had the opportunity to work on this myself in 2012 to 2014.

Then, we were working with National Transport Development Policy report for the Government of India. And we have a chapter actually, on regional connectivity. There's another chapter, in fact, on the Northeast, that's very highly relevant. The Northeast connectivity is highly relevant for connectivity in Bangladesh. So, I'm delighted that this study has been done. And perhaps, it's the beginning, or maybe we can do more work in this area, because it is in my regard, it is a very boring work; you know, what is infrastructure you're talking about, and connectivity, and so on. And actually, it may be much more important than number of delegations from the commerce ministry or the external affairs ministry, going to talk with the counterparts in Bangladesh. So, I hope that with this study, we can start some kind of new momentum with the relationships in our neighbourhood.

I'll also add further that to the extent that the country needs to deepen its relationship beyond Bangladesh, towards the East, for the next two, three decades or further, because that's where all the action is going to be in the world, East Asia, Southeast Asia. And therefore, I think it is important in that respect as well. Let me now just Welcome Mr. Aditya Mishra and thank him very much for joining us, the Chairman of Land Port Authority of India, who's giving us a special address. Mr. Vikram Doraiswami, and old friend from a long time back, High

Commissioner of India, Bangladesh. And then, of course, Pritam Banerjee and Nisha Taneja, who will be discussants. So, over to you, Tino. And of course, I should mention, thank you to Riya Sinha for doing this, and for this presentation. Over to you, Tino.

**Constantino Xavier:** Thank you so much, Dr. Mohan. I'll just take off where you left us and just say that this is very much in line with the work we're doing in the foreign policy and security team at the Centre for Social and Economic Progress. This paper is like Diwali or Christmas for us today, because Riya is really presenting us with a really fine study that is in line with what we really believe in, that beyond all the geostrategic drama, the politics, the security we see playing out in this region, there is really momentum to focus on infrastructural connectivity to bridge those gaps that have kept these countries apart, in and around the subcontinent. And that is, at least, the way we look at pure geostrategy too, in terms of the future interests of India. Riya, I think you have the paper with you, you can quickly maybe, hold it up for us to see. It's printed out. We of course, live in pandemic times – oh, Mr. Doraiswami also has a copy I see, wonderful.

So, we're going to ship these out, but of course, mostly digital for now. It's on our website. And there'll be several different rejoinder pieces and sides sort of, pieces, including on the data and the methodology that Riya has worked on, on those wonderful maps. But thank you, Dr. Mohan for also supporting this work, in line with your own expertise. Also, to Ambassador Shivshankar Menon, our distinguished fellow at CSEP who's been supporting us and guiding us and mentoring us on this this work. I'll just briefly introduce Mr. Mishra for the special address, and we're delighted to welcome you here and honoured to have you with us, Mr. Mishra. Mr. Mishra is an IPS Officer of the 1989 batch of the Uttar Pradesh Cadre. He's been the Chairman of the Land Ports Authority of India since December 2019. He served before as a police officer in Uttar Pradesh and also in border security forces in the Shastra Seema Bal with the Government of India. He holds a postgraduate degree in economics from the Delhi School of Economics. Mr. Mishra, thank you for joining us, over to you.

**Rakesh Mohan:** So, you mean again, economists, policeman also in our country?

**Aditya Mishra:** It could be some exceptions, sir. Thank you very much. Thank you very much, and thank you, CSEP and Riya for inviting me here. Since the focus of the paper was on ICPs, I think it will be my pleasure to give whatever little information I can and the way forward in terms of ICPs and LPA. I would certainly like to share my thoughts on that. Let me first start with the paper. He discussed the paper in detail, and very, very well researched from the ground. A lot of details, which we sitting here in Delhi, don't get to know and thanks to CSEP and Riya, that we were able to get those facts also here. So, some of the thoughts that especially in terms of international comparisons that she's dealt with in a later chapter, are very interesting and give us insight into the way forward also. So, as you all know, the Land Port Authority thought came to the government around 2003. And it was in 2008 and nine, when it was discussed and debated a lot.

And finally in 2012, it came on to the ground. Since then, it's made an effort to first, obviously, the institution building of Land Port Authority and secondly, to look at the land ports at all the borders and some of the more active land ports Riya has studied them in her report. So, that

kind of, shows the way for the rest of the land ports. So, we have 24 land ports which the government has already approved, about nine are already functional, some are under construction and some are under various stages of development. Hopefully in the next two years, the number should increase to at least, 20. So, other than this, there are 66 more smaller transit points with our land neighbours. So, today itself, we had a detailed discussion and the government is looking at providing an umbrella coverage to all the locations. So, hopefully in future, all the 90 transit points over these 15,000 kilometres would be covered under a standard kind of, infrastructure, which would be there to facilitate all types of trade and transit and travel.

So, that is one aspect on which we are working on. The second is, we are also looking at the important corridors, which connect not only us with our neighbours, but also our neighbours to some extent, with each other. And a lot of effort has already gone in to build these corridors. And it's kind of, a multi-agency cooperation where the highways, the railways, the waterways, etc, all come together and we synchronize our activities, so that these corridors are ready in time. And one of the efforts which will very soon show on the ground is the corridor in southern Tripura through sub-Rome, which will connect the Chittagong Port with the rest of the Northeast. So, there, a lot of work has already been put in and very soon, it should be a very important route for Northeast. So, we are very closely working with the Ministry of highways, the waterways authority, and also, other agencies and think tanks like ADB, etc, who are working a lot on formulating these thoughts. And we are hopeful that we'll be able to synchronize with the rest of the development and infrastructure.

But we also started working with the railways, because while the seaports are very well connected with the rail network, the land ports are not. So, three ports, we have already started work, connecting them with the railways, and in the long run, we would be looking at at least, 18 locations. And so, that's another area of focus for LPA. On the technology front, we have also started working on the land port management system, which is essentially a community software involving all the stakeholders. And some of you may be aware that at the central level, the logistics department is looking at creating a unified portal which will connect with the sea port community system, the airport community system and the land port community system, so that all the trade that happens, is tracked. So, we are working very hard on that, and hopefully that also, in near future, should start showing results. Then, this border has this peculiar thing of security, and that's a significant characteristics of land port as compared to other ports.

So, a lot of effort is also made on that. And as you are aware, we have started installing the full body truck scanners and radio activity detection equipment etc. So, we are trying to equip these ports from the security point of view also, so that our borders remain secure; the land borders. So, a lot of thought has gone, and we have been seeking cooperation from all of you for a lot of ground research, and hopefully, that will form important inputs into our future developments. And as I see it, in the next few years, in the short and medium term, we should be able to formulate the important systems which will drive this organization through in the future and a timeline of about seven to 10 years when we should be completely in place, looking after all the points and providing very smooth flow of traffic, especially the trade part

of it. So, that's how I see it, and I'm sure I'll continue interacting with CSEP also and other agencies and getting their inputs and hopefully, the trade and travel part also increases multiple times with all these efforts that the government is making to connect with our neighbourhood. Thank you very much.

**Constantino Xavier:** Thank you very much, Mr. Mishra for getting us started in your really fine comprehensive overview. I think it's important for people to realize also, that the institution that you lead has, what, 10 years around? I think it's been established formally around 10 years ago. So, these are, in some ways, very new efforts in a new context of a great momentum. I think 2000, there was a lot of momentum connectivity, things slowed down a bit with the recession afterwards, maybe, but it's I think, encouraging to see that there's so much of an initiative and a drive in expanding really, the role of the ICPs by multiples, in terms of really getting several of these to, like you say, facilitate the flow of trade and traffic with neighbours. The puzzle really is, why did it take so long? But here we are, and it's I think, heartening to hear that there's a lot of initiative and progress on that front. Riya, over to you, maybe to now freshen our memory in terms of what you found in these 15,000 words, and What kept you busy for the last nine months? I think in eight, nine minutes, you plan to give us a quick overview of your paper. Over to you.

**Riya Sinha:** Thank you, Tino, and thank you, Mr. Mishra for your remarks. I'll just share my screen; I have a presentation on the paper. So, I will be talking about my Working Paper on India's Integrated Check Posts and it forms the basis of this discussion. And I'm thankful to each and every one of us present here who provided me inputs. So, the paper basically covers the role of India's ICPs in South Asia and what it means for regional connectivity. What I tried to do was to look at how these ICPs were formed out, the way institutionalized after the Kargil War, up to the establishment of the first ICP in 2012. I also deep dived into the operational ICPs and look at international comparisons, because very often, we get this question; "How do other countries do it?" So, I mean, just do what you know how, but you need to get the best practices from there. And I finally conclude with looking at what the role of ICPs would be in terms of other regional connectivity infrastructure in the region. And I finally end with policy recommendations at two levels.

Now, the idea for this paper really started with a basic discussion within our team, that we've never seen a good map of water infrastructure and what's present at the border. And then, we try to filter it down on what can we vote on? What is it that really makes it impact to the ground level? And we narrowed it down to ICPs. Of course, our neighbouring countries also need these ICPs they're very important for them. And there have been talks for opening more ICPs during the pandemic, especially last year, few check posts were opened with Bhutan for transfer potentials. In addition to this, the Government of India has been allocating funds for establishment of new ICPs. And this increased momentum, this increased focus on ICPs is driven by several factors, including the rising trade between India and the neighbouring countries, the demand from the smaller South Asian countries to increase connectivity infrastructure. China, as we can see, is also an important player in this whole scheme because of its growing investments in the region, especially after 2005.

And finally, India's international obligations also drive this approach to strengthen infrastructure at the border, especially because of the World Trade Organization, WTO, trade facilitation agreement that was ratified by India in 2016. And before we move further, I want to just take a few seconds to clear the idea of what ICPs really are. So, there are two kinds of border crossing infrastructure. One is, Land Custom Station, which is basically for trade. And then, we have the Immigration Check Posts, which is for movement of passengers. What the Integrated Check Posts do is that they consolidate these agencies, the customs, the Bureau of Immigration and five others into a single facilitation zone. It's important for security, it's important for trade facilitation that all the agencies are present at one zone and nobody's running around on the ground. We also created these maps with all our neighbouring countries, highlighting where the operation and plant ICPs are, where the LCS are, where the ImCPs, Immigration Check Posts are, so that we have a clear idea of where ICPs are needed and how they can connect with other regional connectivity initiatives.

There are nine ICPs that are functional at the moment out of which, seven have been inaugurated including Kartarpur which operates as an ImCP right now. Mr. Mishra said that they're planning to increase it to 24 by 2025. I'm hoping so there's good news that ICP in exchange has been confirmed. And there are 30 more that are planned to be the LCS that have been planned to be upgraded to ICPs. I just want to give an overview of the operational ICPs and why they're important. The first ICP to be inaugurated was between India and Pakistan at Attari. It caters to about 25% of the bilateral trade. Then, we have two ICPs with Bangladesh at Agartala and Petrapole and the corresponding places are the current Benapole. Petrapole-Benapole is one of the most important land ports for our trade with Bangladesh and it caters for the highest amount of cargo movement. With Nepal again, we have two ICPs at Raxaul and Jogbani. Out of Raxaul is very important 60% of Nepal's trade passes through this and 45% of Nepal's trade with India happens through the Raxaul port.

The Jogbani Biratnagar are the recent ICPs with Nepal and they were inaugurated last year. And finally, with Moreh, India-Myanmar have an ICP at Moreh-Tamu. Tamu is the corresponding place in Myanmar, although it still does not cater to as much of the trade it's made. India-Myanmar still trade primarily through sea, but passenger movement takes place through this ICP. Now, we have these ICPs that have been established and there are several benefits that have come with these of upgrading the LCS to the ICPs. First is of course, in terms of the trade and passenger figures, it has increased significantly after inauguration of ICPs. There has been reduction of illegal trade and rerouting of trade through land. We have seen in the case of Pakistan, a lot of trade which was routed through sea were rerouted through the ICP when it was inaugurated. And of course, these ICPs are important gateways for intra and inter-regional connectivity. That said, of course, while these ICPs are a modern form of border management infrastructure that India ideated, there are several challenges that exist at the ground at the government and at the ground level that I try to cover in these reports, including issues like warehousing, parking, and sometimes, all LCS route is used when there's a congestion within the ICP because of the increased traffic.

Having analysed these ICPs, I think two key questions arise. One, that we are increasing the number of ICPs, but are they really facilitating trade? Yes, the numbers say so. And second,

we have a number of regional connectivity infrastructure initiatives in the region. There are waterways, railways, pipelines, and in fact, we also have the Bangladesh, Bhutan, Nepal, India-Nepal motor vehicles agreement, the BBIN and MPA. So, one important point that I'm making the paper is that these ICPs, the future development of these ICPs will have to take cognizance of these regional connectivity infrastructure initiatives, so that they're sort of, all aligned with each other rather than competing with each other for movement of trade and for revenue. And finally, conclude with policy recommendations at two levels. First, is the governmental level, where I suggest that we need to, like I said, we need to develop ICPs in line with other regional connectivity initiatives as well as cooperate with neighbouring countries on infrastructure and technological cooperation. We can also explore the possibility of managing and operating these ICPs on a public-private partnership model like it happens at the seaports and airports. This is going to address the issue of efficiency at the ICPs.

And finally, at the ground level, the implementation of the Land Port Management System is very important for digitization with the ICPs, plus, is also needed to improve the surrounding infrastructure at the ICPs, particularly the bridges and approach roads. They can be facilitation lanes within the ICPs where precleared cargo can move faster than the other kinds of chemical and several customs recommendations that can help improve and strengthen these ICPs. I will end it there. Thank you very much.

**Constantino Xavier:** Thank you, Riya. I need to learn from you how to pack 15,000 words into eight minutes. And I think that's a really good, elegant summary for those who have not yet read the paper. Thank you for that. Of course, Riya, I forgot to introduce Riya properly, I think she's all known to us. But she's a Research Associate at the Center for Social and Economic Progress. Joined us around two, three years ago and is working on the sub band initiative on regional connectivity. It's my great pleasure to initiate the hostilities and the discussion and no one better to do that than Ambassador Doraiswami, who's joining us From Dhaka. Ambassador Doraiswami we're really delighted and honoured you could join us because you look at this from a different perspective of where you're sitting in, of course in Dhaka, but also because of your tremendous experience in many of these issues in your career. Mr. Doraiswami is the High Commissioner of India to Bangladesh.

He previously served at the Ministry of External Affairs and has diplomatic career in many capacities, including as joint secretary and additional secretary in four critical divisions at the Ministry, the SAARC division, the Americas division, the Bangladesh-Myanmar division, and most recently, he actually set up the Indo-Pacific division, which is, of course, very much involved in many of these inter-regional connectivity issues. Prior to Dhaka, he was also the ambassador of India to Uzbekistan and the Republic of Korea. If there's one thing I may recommend all of you joining us to look up is Ambassador Doraiswami's recent, a few months ago, interview to the Daily Star in Bangladesh and also an address he gave to the foreign correspondent's club in Dhaka. I think those are two pieces that really lay out in a very detailed way, the vision for India-Bangladesh relations anchored in greater connectivity. Ambassador Doraiswami, over to you.

**Vikram Doraiswami:** Thank you. The trouble with introductions like that is, one, they are hard encore to follow, and two, it kind of makes you want to look back and wonder whom you're



talking about. But thank you very much for the opportunity to be here and to join a number of friends I already knew. Let me begin by, first of all, congratulating Riya on producing a paper that really does fill in a gap. We have not had adequate recognition of the work that the Land Ports Authority of India has done in trying to bring order, method and harmony to the creation of Integrated Check Posts. With the sense that there needs to be an all of entity approach, so to speak, where you bring customs, immigration, plant and animal quarantine and the overall management facility. I think you got some great points that you made here, I think you're, you know, I don't want to summarize what you've already so pithily put together in your summary.

So, let me focus on a few thoughts that contribute further to the discussion on this paper. I think a very important part of what the land ports do, is actually also move people. And that perhaps needs to come out a bit more, because in the India-Bangladesh context, for instance, this is our biggest visa operation in the world. People sometimes don't recognize that in India or anywhere else in the world. In a pre-COVID era, long ago as that seems, we issued 1.8 million visas in this country. 2.8 million Bangladeshi people travelled to India. And of that, almost 2.5 million used the land route, which is to say they either went by rail or by road. And when they went by road, the vast majority actually went to Petrapole and through Agartala and Akhura. A few, of course, used the other Immigration Checkpoints, ImCP, as you put it on the northern Bengal side and the Assam side. So, that element, I think, is an important point to bring. A second point that I think is critical there is that infrastructure needs, as you correctly said, to be aligned with existing initiatives. But it also needs to have a vision of our larger 360 vision. Now, LPAI, by virtue of the creation of its board, actually does have people from the Foreign Ministry, people from the CBIC. So, other user agencies or other stakeholders are involved with this.

What is necessary, I think, is a greater sense of business integration into this. By business, I don't just mean traders, but I also mean people who actually move people. So, we do need to start considering the railways, bus services, and transporters as part of the larger ecosystem. The fact that you have congestion on all of these arterial roads leading to these land ports, suggests that that is something that has not been addressed. Petrapole is a classic case of infrastructure following behind people's demand. Because Petrapole has long been the main arterial route to the Jessore corridor into Bangladesh, there has long been a need, in fact, sort of, informal initiatives have come in the way of actually being able to create logical infrastructure. So, as Aditya will tell us, if you were to be asked, the huge challenge that we face is that it's impossible to actually widen that road coming in.

So, we now need to really think of new ways in which we can actually get beyond what have now become impossibly large vested interests to actually address these problems. We also need, and that's the third point, to see how we can diversify away from chokepoints. I think, with all the will in the world, with all the effort that LPI will build with an upcoming new, temporary passenger facility that's hopefully being inaugurated in two months' time at Petrapole, and the new passenger terminal building which should be state of the art, there will always be limits to how much you can actually get people and goods up to Petrapole. So, the simple point is, you do need to diversify not just South to Ghojadanga - Bhomra, but also, northwards Gede-Darshana to Hili to Changrabandha and Fulbari.

Many of these, in fact, will need to be extensively modernized to facilitate through trade from Nepal, to Bangladesh, from Bhutan, to Bangladesh; and of course, for India to be the corridor through which this happens. A fourth connected point. Bringing together infrastructure requires a significant amount of thought also about location. There are small issues that can actually hugely undermine the important effort that is made. I refer to in this particular case, to Moreh. The facility that has been built by LPAI is a beautiful facility, it really is state of the art and I encourage friends who are traveling to Manipur to go and visit it, not just from the scenic beauty of Tamu and Moreh which you can see from just across when you sort of get there. For a variety of reasons, the plot of land that was finally given for this facility is on a bend in the river just south of Moreh town. Now, the result of that is that there is no actual bridge for people to cross into Tamu on the other side. Now, until that bridge is built, this facility will never have that kind of utility that it is intended to have.

So, ensuring that all the pieces fit together, is a larger governmental approach and it also needs to bring on board, stakeholders, which is the second point that I tried to make. Beyond that, I think we also need to look at the larger connect between varying forms of modes of transport. As Aditya suggested in his earlier presentation, railways for instance. Railways have been a huge driver of trade in the India-Bangladesh relationship in the last one year. When Petrapole was closed down because of quarantines, etc., rail became the big sort of, movement of food product and other goods for Bangladesh imports and exports into India. Rail-based trade went up 200% in the last one year. And actually, now, the only thing that's stopping rail from doing more is limitations on rail infrastructure. So, we need to start thinking in other words, of transportation infrastructure in a more integrated way. An example that I cited in a previous webinar at some other point was of how you have rail, road and water right next to each other at several points in the India-Bangladesh context. It makes sense to incentivize businesses to come together and put-up transport and handling infrastructure there so that goods can be moved in a more logical form.

So, heavy goods that come in by rail could be moved directly onto inland waterways or vice versa if we could think through a more coherent form of operation. There are policy issues that are significant detriments to the improvement of infrastructure. Our Bangladeshi colleagues are taking significant steps to upgrade land port infrastructure and you'll be glad to know that the point that you make about mirror infrastructure, Bangladesh has committed 763 crore Bangladesh Taka, which is about 700 crore Indian Rupees to upgrading four land ports on their side, which are at Banapole, Ramgarh which is where the Sabroom bridge has just been built, and in Bilonia. Now, we need to have an integrated approach also, of all agencies so that these projects can be fast tracked, and that the two land port authorities can be given clearances by the security agencies, the border guarding forces, so that these projects are allowed to be built through without objections coming through at the last minute and clearances being denied. We need to facilitate the National Board of Revenue and the customs authorities on both sides to simplify and expand the treatment of movement of goods on all of these points so that business can drive the creation of infrastructure.

By this, I mean that there are existing port restrictions that prevent goods from India from coming in from a number of other border ports. Without those port restrictions being lifted,

you will always have choke points. In other words, you are inadvertently creating monopolies with the obvious results that they have for in terms of infrastructure like Petrapole. Reverse movement of goods is also a great idea. If you could utilize empty rakes and parcel vans that are coming in on Indian railway supplies into Bangladesh. For Bangladeshi goods to go out using our railway networks to our ports on the western and the eastern coast, it will help decongest Chittagong and Mongla ports, and facilitate the use of those ports by demanders from India to use those ports for the Northeast. So, I guess the point that I'm trying to make there is, we need to have a more jointed approach, not just within our own governments, but across our governments. And your paper make some of those arguments and I want to commend you for that, in looking at, for instance, joint customs examination of trucks, sharing of information using the Laredo example. Simplification of procedures, so that business can actually do their job, and that governments can provide the regulatory treatment of all of this. I think that covers all of the points that I wanted to make initially. I hope I didn't take too long. Thank you for the opportunity again.

**Constantino Xavier:** Thank you, Ambassador Doraiswami, excellent points, feedback, food for thought. Something else I was remembering now, is also the tremendous growth in Nepali exports last year, despite the pandemic, precisely because of the facilitation of infrastructure and connectivity, including the most recent ICP inaugurated in early 2020, in Biratnagar. So, it's certainly having benefits also for the export interests of these neighbouring countries via India. Let's move on to our next discussant, and it's my pleasure to introduce you to Dr. Nisha Taneja. Nisha Taneja is a professor and project in charge of the Indian Council for Research on International Economic Relations, ICRIER in New Delhi. She's worked extensively on South-Asia, trade, transport facilitation, non-tariff barriers, informal trade. I particularly enjoy the series of research papers she's been publishing on the state of economic relations between India and Pakistan, Nepal, Sri Lanka, Bangladesh, Myanmar. This is a regular work that Dr. Nisha engages in and gives us, I think, a very good perspective on state of infrastructure, on state of bilateral trade, investment relations. And she's of course, played a very important role on pushing the South-Asia free trade association in the past, and above all, she's a great colleague and partner in crime on all things connectivity and South Asia. Nisha, over to you.

**Nisha Taneja:** Thank you, Tino for inviting me, it's great to be here amongst people who I've known for a long time, and on a subject that we've all been working on, so it's always great to connect over a common issue. So, thank you, Tino for that. I really enjoyed reading Riya's paper, and congratulations on your paper. It's a very in-depth study, and you've really put your heart and soul into it, because you've tried to understand all the nuances of what infrastructure means at an ICP. And what I really enjoyed reading was, of course, like the others have also said, the international comparisons that you've drawn, and it draws our attention to the fact how far we are from the international borders in terms of developing infrastructure. So, that's really a very important piece in your work and a very important value addition to your work because not many people have actually looked at the international experience. Thank you for that. I just have a few comments in the first round.

To begin with, I think, you know, we're not very clear about where the infrastructure story fits in into our own vision. And then, the next question is, "What is our vision; connectivity vision?"

And the reason why I talk about this is that I've often picked up this document that I love reading, which is the ASEAN Master Plan for Connectivity. And most of us who have been working on connectivity would have read that document, and it's been around for a long time. So, it was brought out in 2010, and it had three pillars at that time; physical, institutional, and people-to-people linkages. And then, recognizing that there was growth, and there were challenges, and also, the members recognized the disruptive technologies on the digital front, they recognized that there was a need to actually bring out another plan. And so, in 2016, there was yet another plan and taking into account all these new changes, they brought out a plan for 2025. And this was even more sophisticated, because it had five strategic objectives; it had sustainable infrastructure, digital innovation, seamless logistics, regulatory excellence, and people mobility. And this document also lays down the institutional mechanism to monitor, evaluate, and report the progress from time to time on the implementation of the master plan.

So, it shows us how systematically there has been a thought process which the leaders and the members have really worked on. And so, the question then arises, what is our vision? And should we actually have a vision? And what should it be? Because only then can we fit in all the pieces. Like Riya pointed out, we have the BBIN Motor Vehicles Agreement, we have the Inland Waterways, we have so many more initiatives; we've got the multimodal parks that are coming up, the Sagarmala initiative. But what is the grand plan? We don't have it. And we need to fit all these pieces into this plan. And so, there is a need to look at that. And especially now that we're looking at the East Policy, and we're also looking at the Indo-Pacific. So, all the more reason that we need to have the strategy in place. The second issue that I wanted to highlight was, which Riya does touch upon in her paper, and she brings in the trade aspect, whenever she's talking about all the ICPs. But there's a big trade story here, because we'll be talking about infrastructure, we also need to take into account what is the current trade, and what is the potential, and what are the current protocols, and what do they mean for trade and therefore, for infrastructure in the future?

So, on the one hand, we have India-Pakistan. Right now, we don't have any trade, but before that, we had the ICP at Atari, which was the first one that became operational, and it actually has a very good infrastructure. But only 139 items are allowed to be exported through that ICP. So, you know, this grand infrastructure that we have is actually only catering to these 139 items. And just a kilometre away, we have the rail ICP, which allows most commodities except 1,200 items, but the infrastructure is really poor. So, and there is no ICP over there. So, there was always this disconnect, or between trade and the infrastructure requirement. And each border is unique in its own way. So, this was the India-Pakistan story, then, it looks like you know, India, Pakistan would be the most restrictive given the history and the politics behind it. But what we find is that actually, it's India Myanmar land border, which has perhaps been the most restrictive. And for several years until 2015, we had only a list of 62 items that were permitted to be traded across the land border.

And then, we dismantled the policy, which was a great initiative. But what we found was that even the official trade actually moved to unofficial channels. And that's because the formal infrastructure had not been put in place, and the informal structure which was so deeply

embedded, continued to thrive, and it was actually supporting all the formal trade. So, till this infrastructure came in place, which is the ICP at Moreh, there was rampant informal trade, and virtually, no formal trade at all. But I think, again, your paper points out that in 2019, there was a reasonable amount of export through the ICP at Moreh. But the fact remains that there is still a huge volume of informal trade that continues to take place, just a few meters away from the integrated check post. So, we need to understand every border and the trading protocols, guide the trade, and therefore its implications for infrastructure.

Again, we have also, the North-eastern region. And here, you know, we bought Bangladesh and the Northeast; Bangladesh sandwiched between the Northeast and the Hinterland. And, again, we have different trade restrictions for the North-eastern states by Bangladesh, and only a handful of commodities can be exported to Bangladesh. So, again, we're talking about infrastructure in the in Bangladesh, but we need to take into account that there are these restrictions on trade. Then, the other thing that I wanted to talk about was that, "How do we envisage these borders? What would they look like some years from now?" So basically, I think maybe we would have some international gateways, some ICPs would be international gateways, which would mean that they would be transport corridors, which will get transformed into economic corridors. And these would co-exist with smaller ICPs, and with border hearts, which would actually be looking at cross-border trading between communities across the border.

So, that's how we think they might look like, but of course, comments are most welcome on that. The other issue that I wanted to talk about was which Riya, you've mentioned in your paper, and just reiterating the importance of the TIR convention. India's become a signatory to the TIR convention. And on the western side, we've got Pakistan and Afghanistan actually members of the TIR convention, but not none of our Eastern neighbours are members of the TIR convention. And we could actually take the lead here, and collaborate with Bangladesh, Bhutan, and with Myanmar, to become members of the TIR convention if you're looking at an Act East Policy and connecting to the eastern region. Thank you.

**Constantino Xavier:** Thank you, Nisha. I think, very helpful comments on diagnosing the issues, but also concrete solutions ahead, and in particular, TIR convention, right? You would have thought India would have signed on to the TIR convention 10, 15 years ago, but it took much longer. It was three years ago, if I'm not mistaking, around. And simple things like that can work wonders, right? Simple little steps of implementation at the lower level, but also, I think, what comes out I think, both Ambassador Doraiswami, in your point so far, also larger, strategic point of view of aligning, harmonizing different initiatives. I think there's a momentum of excitement in of plurality of initiatives and programs and action. That's good. But maybe also, I think, the word of caution from your side is important that there needs to be a higher level, a strategic approach in terms of harmonizing many of these initiatives.

Let me come to Dr. Pritam Banerjee, our last discussant. Dr. Banerjee is a Logistics Sector Specialist for the Asian Development Bank (ADB), and a consultant for the ADB. Prior to working at the ADB, Dr. Banerjee was Senior Director for Public Policy with the Deutsche Post DHL group responsible for South Asia. He's also served as the head of trade policy at the Confederation of Indian Industry (CII), the trade policy division there, and also, work with the

World Bank in Washington DC. He's involved in many ministerial committees on logistics, transportation, infrastructure. If Mr. Mishra is a police-economist, I think here, we have another scholar practitioner. We have an infrastructure scholar because Dr. Banerjee will also be publishing several academic pieces on these issues. Pritam ji, over to you.

**Pritam Banerjee:** Thank you very much, Tino for having me here. And to CSEP for allowing me to be part of this very illustrious panel. And at the very outset, I would like to extend my congratulations to Riya, for this paper, for one single reason; I think, where he has heard this joke, many times when I say that this land borders that we have in this region are some of the most studied. And, you know, some of the recommendations that we hear, that we are even discussing today have been coming through for the last two decades. And a running joke that I always share with everyone is that, the Benapole-Petrapole border is arguably the world's most studied border. There are more than 17 reports that have been generated on this particular border. And so, in this very crowded and contested space, for Riya to come up with a paper that really adds value, I think it speaks volumes of the amount of work that the guy has done.

So, congratulations to you. What I will try and do is not dwell so much on the paper, but some of the salient points that Riya makes and try to connect it up with the infrastructure and the soft regulatory infrastructure space. I think a very important point that Riya makes is that, the focus of our land borders has been on security. But I would like to argue that's not unique to South Asia. Even if you look at much more facilitated borders like the US-Mexico border, narcotics, illegal immigration and other such issues are extremely important. And security agencies play a very important role in regulating those borders as well. What are the slight differences that what needs to evolve, are the solutions, both procedural and technology based, that while ensuring that those concerns around security and security broadly described in the form of immigration, narcotics etc those are addressed but the facilitation happens. So, you have to find the solution in between, I think, what Land Port Authority of India has done, as Ambassador Doraiswami rightly pointed out that over the last decade, they have tried to find those solutions, they have come a significant way forward. But we need to go a little bit more ahead.

And I will just come to those specific points about how perhaps, and Riya has made some excellent points in that paper as well. I'd like to kind of, build upon them. But before I do that, I have a slight disagreement with this conflation of BBIN, not the neighbourhood that we are talking about now with the wider look Look East policy, and there could even be a reason for that. I think it comes out in the numbers that we have, you know less than 5% of trade with Myanmar is through the land border. Even if you are the most excellent land border, including the Myanmar-Thailand border, and I'm not even talking about the other Southeast Asian countries, will never extend more than 10%. I say this from operational experience from a logistics company, because the economic geography of India is such and the nature of India's trade with ASEAN and is such that it will be done mostly through maritime. So, when we're talking about land connectivity, the focus of it will have to be the BBIN, and again, I'm going to ignore Pakistan, excuse me, for the time being because of other political reasons. And when we are talking about BBIN, the fulcrum of that is India and Bangladesh.

So, it's the bilateral trade between these two countries, as well as the dependency of Nepal and Bhutan, to trade with Bangladesh, they have to transit India. And of course, Bhutan and Bangladesh are dependent on India for their external trading on the Indian ports. So, with that context, I would like to make a few points over here. I think Riya has a focused on, I would say, four pillars of 'challenges.' The first one, is the whole digital aspect of not having the digitalization that is adequate. That, you know, as Mr. Mishra has pointed out, the land community system, the Land Port Community System is being looked at, and there are several other initiatives and logistics division in customs. ADB is working with the PGAs to develop their electronic system. So, a lot of work is happening, which I think, in the next two, three years will address large parts, if not all of it. Right.

But that the domestic reform agenda, but it still begs the question of what happens in the other side, because land border trade is a throughput -it is processed once, every side and on the other end, if there is not matching efficiency on both sides, you will still have some problems. But keep that aside, on the Indian side at least, there are several initiatives that are ongoing. The second is the lack of coordination between the different agencies and since the WTO Bali TFA agreement was signed, and NCTF, National Committee for Trade Facilitation has been formed with the cabinet secretary as the chair. We now have a very robust mechanism for coordination with all the agencies involved in trade, including LPAI, and others. And I think, that is incrementally showing results. And I'm very confident that over the next two, three years, it will show you much more because if we look at the National Trade Facilitation Action Plan, the NTFAP, 2020-2022, several of the points that Riya made are actually part of the NTFAP. So, we will probably see progress.

The third and the fourth points is, no worries about the lack of the partner or participating government agencies other than customs of the border. And the second one is a lack of mechanization; fair points. And here, I would like to say, and I have a little bit of inhabitation and Mr. Mishra will probably excuse me for saying this, that we need to have much greater focus in sequencing our infrastructure investment. And as Aditya ji himself mentioned, that we have some very critical corridors, and they are actually served by about eight to nine of our existing ICPs. And they define 80%, or 85% of the trade. Ambassador Doraiswami's point is very well made, there's a passenger aspect of it, and there are other points that are important. But if I look at this, the cargo aspect, it is eight or nine points ICPs. We need to focus our infrastructure efforts here, instead of spreading it out, I'm sure that he's well aware of this. We'll focus on this eight to nine and make them world class. These eight to nine will define the geography of paving this region as we go forward.

Now, having said this, if you really want to reduce your total congestion at the border and I'm talking about cargoes here, you have to go for off border, and this is a point Riya makes in the paper as well. What do I mean by off border? You do the customs clearance at an inland location in India, take it across the border and then clear it somewhere inland in Bangladesh. Problem is, we don't have motor vehicles agreement. So, we have to trans-ship at the border between trucks, so, that's the best kind of arrangement, but there are three-sequential steps that can be done. Number one, to look at in the short term, that truck going up to a custodian

point inside Bangladesh, the Indian truck, and the customs protocols for that already exists. So, we can look at that.

In the medium term, what I would strongly urge is we look at taking one major corridor and working to make it, you know, what I call a highly facilitated trade corridor. In my mind, the best example of that will be the Kolkata-Dhaka-Akhaura-Agartala corridor. Here, if we can work with Bangladesh, and a few simple things, then we'll have our border clearances, the trucks will go inland and you will know what Riya has mentioned in the paper of the Laredo best case example, joint inspections, the customs comes together and we have a mechanism where we have joint inspections that like Laredo example, and also the Norway, Sweden example that uses about connecting the digital systems for the customers. Now, you will be surprised that there was a project being led by Mr. P. A. Khan, formerly of NIC, who went to UN next and there was a project in 2012 that tried to do this, did not go very far. We need to revive that idea. Once you do that, the duplications will be gone, and you will actually have a very facilitated trade corridor that serves as an example but need to be replicated for the other corridors.

And here, you know ADB already has an enormous amount of work, we need the pilot to transport the BBIN motor vehicles agreement, that we showed that using electronic cargo tracking and RFID e-seals, this whole process of off-border clearances can be done very smooth because it was demonstrated operationally and all you have to do at the border was check the sanctity of the E-seals with the scanner. It takes 20 seconds. So, if we can move to that and we will be probably making a huge amount of progress. So, I would like to end here. Oh, just one last point. In another example, where this ECTS, Electronic Cargo Tracking System worked was, when ADB tried and now its working fine, was a pilot before and now, is regular, is the transit cargo from Vizag port to Nepal; it's now fully ECTS. Last one before I end, you know, I think excellent points by Mr. Mishra and Ambassador Doraiswami. The rail will be a big part of the solution. Of course, as you know, Mr. Mishra pointed out, the Padma bridge, the double glazing of the Bangladeshi tracks, which lead all the way to the Akhaura-Agartala side, work in progress, but will be done maybe in the next three, four years.

From the larger picture, that's not a very long time. And once that Kolkata, Dhaka, Agartala line is ready to operate, it will take up a large chunk of the trade that actually now uses trucks. So, you will probably have much less congestion. So, I am very optimistic things will improve, but again, incremental, small changes in the grand strategy and history of execution in small incremental changes. And I would like to again, end by complimenting Riya for her paper, but also, LPAI for the fantastic work that they have done under very difficult circumstances. I think all of us have been diplomatic when Mr. Mishra or Ambassador Doraiswami talks about for the lack of a better word, non-state actors in places like Petrapole. But despite all of that, the way they run things, kudos and hats off to them. And thank you again, for giving the chance.

**Constantino Xavier:** Thank you, Pritam ji. Fabulous set of points. I think, emphasizing a lot of the recommendations but giving us a little bit of context of what's happening beyond these studies, and the work you're doing. And more importantly, sometimes studies have been done, like you say, and I think this 2012 study you mentioning by the official from NIC would be interesting to look at, right? Many of these ideas have been around, hopefully would now,



I think, the political momentum we're seeing, and also the geostrategic momentum, right? There's certain things those drivers Riya was telling us about, there's really an urgency that, it's not that it was never there, but it's I think, becoming a bit more of a priority. And I may ask you now to maybe, we can go for 15, 20 minutes onwards, till 6:15, 6:30, possibly with your generous time, because we really have a bunch of very interesting more specific questions, I'd like to bring this up in a bit more conversation-style. Vikram, you wanted to come in, please?

**Vikram Doraiswami:** Sorry. Just before we go to Q&A, just a couple of quick further points, if I might just take another minute. I think I wanted to thank Pritam particularly for those excellent points about off border clearances. I think I can say straight up that this can be done quite easily. We already have a situation where in Agartala for instance, bullets that are bringing in LPG from Chittagong go five kilometres across the border to the yard. Linda Bangladesh, which is an oxygen and industrial gas company is bringing in bullets carrying liquid oxygen directly to point in Bangladesh; you can't transcript these things. So, it is actually possible to set up infrastructure off border and actually have this work quite quickly. And some of the effort is already underway to try and create ICDs in some of these places. It should be possible in conversation with Bangladesh to help facilitate some of these. The second quick point, the point about railway I wanted to make again, is that pending an MVA, the rail route is the best way forward. Because with rail, we already have facilities for trans-border movement of wrecks; you don't have to tranship them. Indian goods coming in, go all the way up to point wherever in on the western part of Bangladesh. Bangladeshi goods, even for re-export to Nepal, go right across our border without having to be sort of, you know, stopped and rechecked.

So, since the 70s, we've actually had real facilitation in place and people don't actually recognize that it's a pity because the rail route in many ways, if we can help recreate some of the infrastructure that is needed in Bangladesh, rail is really the game changer for moving goods across. We can then use truck for the last mile delivery, along with say, inland waterway which you can use in tandem with truck. Five out of six of the pre-1965 rail connections across border are in place. The fifth one was opened in December. This is the Chilahati-Haldibari sector. And an SRO has also been issued to start allowing some goods to come across using that rail connection. Kulaura-Shahbajpur should be done. That project is one of our slower ones unfortunately, but that should be done in the next year and a half. Agartala-Akhaura should be done hopefully by the end of this year. That would then give us by the end of next year, seven cross-border rail connections. Bangladesh is working hard with the ADB funding and some of our NOC funding for doubletrack, double-gauging of lines on the eastern segment of Bangladesh. If those projects come up in schedule, even within the next one and a half to two years, this through connectivity will happen. The Padma bridge project will in any case, facilitate a huge shift towards railways.

So, I think we really should look at railways as the big driver of this. And last point, as I mentioned is also pipelines. You mentioned pipeline in the context of Nepal. India-Bangladesh, we have a pipeline coming through from Siliguri to Parvatipur. That too is now progressing very fast. Hopefully, by the middle of next year, this will be able to bring in up to 1.1 million

litters of high-speed diesel, which would again, help decongest stuff away from road. Thank you.

**Constantino Xavier:** No, actually, if I may stay with you, Ambassador Doraiswami, one question before we go to Mr. Mishra on, I think, the geopolitical-political context of this. I've been of the of the line of reasoning that we're seeing the best moments in India-Bangladesh relations, despite tensions, challenges, etc. But I also hear a lot of people saying this is more of the same, connectivity is just a buzzword. No, connectivity is not one way. For these things to happen, that you have laid out today again, and these things are progressing so fast that even Riya is missing on one or the other. So, there's literally every few months, right, we've seen new connectivity initiatives coming up on the India-Bangladesh border. If that's happening, that means that Bangladesh is plugged in into this initiative, is investing financial resources you mentioned, but also political capital, because this was not easy. 15 years ago, 20 years ago, as Pritam was reminding us, many of these initiatives were there and suggestions, but nothing was happening. So, how would you convince naysayers today that we are seeing actual tipping point in terms of the geo-economic transformation of that sort of region you are looking at from Dhaka?

**Vikram Doraiswami:** Look, I mean, as you put it, follow the money. Money is being spent and stuff is actually happening. Who would otherwise have put a bridge up over the Feni River at Sabroom, the southernmost point of Tripura, if this was not a viable and convincing project to actually have goods go across? Look, people do what people do. People are going to have to do business across the borders, people are going to travel across borders, and governments and all the naysayers outside government need to get to the program. It's actually happening. People are going to go ahead and do what they need to do. Border haats case in point again, similarly, the huge demand for being able to actually carry out local level market transactions, it's been a huge driver. There's actually a huge upsurge of demand from all the bordering areas to actually create border hearts in people's districts. Members of Parliament get pressure on both sides saying they want border hearts in these places. Once people see the benefits of better connectivity in terms of more affordable goods, faster movement of your exports, and this is both ways.

Bangladeshi businessmen who have tight orders schedules to meet when it comes to RMGs [ready-made garments], if they find that it's easier to actually send goods by rail, to Kolkata and then by air out, or by rail to Nhava Sheva, and then by sea out to the west coast, why would they want to have goods go, you know, and be transhipped at Port Klang, or Singapore or somewhere else? Everybody is rational actor; we just have to allow economic rationale to take the lead.

**Constantino Xavier:** You didn't happen to graduate in economics too, Ambassador.

**Vikram Doraiswami:** No. Surprisingly enough, no.

**Constantino Xavier:** But I think you sounded very convincing to us, and I think that's at least, what we've been observing too. There's a geo-economic transformation of that region happening. And that's where the political input comes in from, right, that there is in Bangladesh, also the realization that this is in its own interest to connect and to respond to

the demands of greater connectivity for developmental purposes. Mr. Mishra, I'll just come with all of your permission, I'll come with a very specific question so we can really cover a lot of ground with very specific questions we have, but feel free to comment if you want to comment on anything else. But one question I would have for you, Mr. Mishra, is that on this issue of Public Private Partnerships, PPP. I think Riya has mentioned that we see it in seaports, we see it in airports. Is this something that could happen with the ICPs that is being studied or looked at?

**Aditya Mishra:** There are two factors to it. One is of course, the financial viability of it, because airports have always been traditionally been high revenue sector and seaport also, you can certainly have the transshipment, which gives them a lot of edge. So, the financial viability part, we did explore a lot in a recent study in open market, but that's yet to come forth. So, maybe it will take a time till we stabilize. And the second aspect of course, which was a debate which started when this bill was launched into the parliament and there was a lot of concern about security. They specifically discussed this aspect; that can we take it to PPP mode? And then again, lawmakers they thought that no, it's not the right time, let's wait for some more time. So, as and when this time is, you know, the maturity is reached, I'm sure we may shift in that direction. But as of now, I don't see it happening.

**Constantino Xavier:** Thank you, Mr. Mishra. I'll come back to you. I'll continue the round. Riya, if we may come to you. One issue, I think you flag in your paper that didn't come up too much today, which came up in certain euphemisms. But what's the centrality of the Land Ports Authority of India? I found maybe because I did some diplomatic history work, the most fascinating part of your paper; the history of how it was set up, post Kargil, from a security perspective with the government ministerial committee on borders, securing borders, insulating them to keep threats out. And by default, somehow, as a by-product, you had the Land Ports Authority of India emerge and a whole commercial logic that was also coming up post '90s and the reforms in India that you needed to trade and formalize greater openness of trade with your neighbours. But to what extent do you think there's, of course, turf wars in government, different coordination issues, internal external, but what extent is that an obstacle or not? And how can we think of options of endowing these institutions with greater capacity?

**Riya Sinha:** Thank you, Tino. The point I would like to make is, I think there are different ministries, like as Ambassador Doraiswami also alluded to this point that there are different ministries; whether it's external affairs, road transport, highways, customs, that are members of the LPAI. But over the last few years that I've been researching on this sector, I've seen that the focus on the land ports is much lesser from these ministries, A, because of the revenue that the land ports generate is, of course, much lesser; we don't have enough trade with our neighbours, as compared to sea and air ports. As a result, the focus has been much less compared relatively, but there is an increasing momentum for change. There is an increasing momentum, like we were talking about before, for Paju economic aspects of it. The government is looking at slowly changing what happens on the ground and economic is the key driver for it. In the last one decade, things have been moving slowly at the ground, but in the last two years that I would say, things have really gained speed and strengthened.

And I think this is the opportune moment to address the institutional capacities that there are to empower the LPAI more and just strengthen the institution as a whole so that you know, whatever projects that are attached to connecting to economic corridors and several others that we discussed, can come to fruition and making progress from it even further.

**Constantino Xavier:** Thank you, Riya. And I think it's incumbent on all of us, I think, to support this deep thinking that is going on now, right, and this openness. That's why it's wonderful to have Mr. Mishra, here, engaging with us and having been so helpful for your paper. Pritam, another stakeholder that we've not talked about much is the international financial institutions. You're part of the ADB; the World Bank has been active in connectivity issues with several reports and funding streams. What do you see there as a space, whether for engagement, coordination, funding, but is there more to be done there? Has enough been done and we're just reinventing the wheel?

**Pritam Banerjee:** I think in terms of the research and the background work, a lot of work has happened, including I think, for this region, the ADB has the so called, BIMSTEC master plan, which has been done in stages. And that actually looks at the entire gamut of as, Ambassador Doraiswami was mentioning as well, the road, the inland water, the coastal, the rail, all of those, also the airports, it looks at those inter-linkages between modes, as Ambassador Doraiswami was mentioning, the road, the inland water, the rail, the airports, all of those, it looks at the locations where you can have these kinds of intermodal infrastructure. So, that plan exists, it is based on some sort of an economic feasibility as well. So, the locations identified will be commercially viable. The question is then, to what extent can the multilaterals drive the actual development of this infrastructure?

That, of course, is dependent on the appetite and the speed at which these governments move and to what extent they would want assistance from multilaterals or other ADH in the development agencies, or to what extent they are willing to fund it themselves. In many cases, India has itself taken the lead to develop many of the infrastructure in the neighbouring countries as well. So, all of these models for financing exists, some of it can be privately funded, as well as commercially viable. So, the idea would be to have this kind of phasing when you look at those master plans, you look at the locations where infrastructure is needed, the gaps, and what is the best financial modality to do this? Now, all of that work is happening, I think, what needs to happen more is, I think, what Ambassador Doraiswami was also kind of, alluding to, is to bring in the industry into this conversation. Because sometimes, when you design a solution, it might not be the best.

Now, take an example from Ambassador Doraiswami, from what he was mentioning. When I was on the other side of the fence, so, I was in DHL, which is one of the world's largest logistics companies. And we had this real problem at that time, because we had a huge choke point in the Shanghai airport for high value RMGs that had to be exported to Europe. And Kolkata was offering good rates, and good cut-off times. And all we needed to do was, you know, these 300 kilometres of trucking to Kolkata airport and up lift. And we couldn't do it, not because infrastructure didn't allow us, but because the rules and regulations didn't. And it took us a while to get there. Now, it's possible to do this. Once we have BBIN, with all the transshipment, it's going to be even easier without border distance. So, it's a four-part thing, right? The

infrastructure, the sequencing of it, the financing of it, and finally, getting business to come and tell you how best to use the infrastructure.

So, what kind of regulatory ecosystem you need around it. And I think multilaterals have done a lot of work, and even LPAI, and other bodies are doing a lot of work too. And NCTF, I think, is great and I want to really emphasize it. Of course, this is India-specific. We did not have this mapping, working in this area from industry and otherwise for a long time; almost two decades. And I think one thing that was missing was this convening power of some sort, where all the at least, the Indian side of agencies came together, right? The customs, the MHA, the Ministry of Commerce, all the partner government agencies, and agree on a common agenda for change, and the NCTF does that. And that's why I'm so optimistic that all of these things over the next five years will fall into place. Thank you.

**Constantino Xavier:** Thank you, Pritam. You have one more question. Maybe if we have more time towards the end on that political economy factor we had discussed previously on the disruptive effect of BBIN and sequencing, etc. But let me come to Nisha. Nisha, I think one thing we had discussed also in the run up to this event, was that there was a great momentum towards regional connectivity in the 2000s. You were at a career doing a lot of these reports, things slow down for many reasons, not the least, the India-Pakistan relationship post 2008, but also the global recession post 2008. Are we seeing more of the same? Are we seeing something different now? Are you sceptical? Are you convinced that you could walk us through what I think also Ambassador Doraiswami was trying to visit in terms of the changed momentum now, and what explains that new momentum from your perspective?

**Nisha Taneja:** I think already, a lot of discussion has happened around the change momentum and it's most visible between India and Bangladesh. And they rightly, it's been pointed out that so many initiatives have been taken. It's hard to keep track of them, and it's on multiple fronts. It's on road, it's on rail, it's on multimodal, it's on waterways. So, it's galloping. And of course, I think the key here is the changing relationship between India and Bangladesh, and maybe this is the time to capitalize on it, and to just, I mean, we are already doing so much, but whatever we can do at this point, I think we should just make the most of this opportunity that we have. And it's just like when we had a small window for India-Pakistan, we did do something, but we didn't do that much, because that's a different story. But here, I think for India-Bangladesh, we can do a lot more.

And something like Sub-Rome that's been announced, it's an excellent initiative. But my worry is about the Northeast, even though a lot of initiatives have been taken, we don't know at what speed they will be taken, because we just did a study on the Northeast, and we looked at all the land custom stations and ICPs that are in the region. And the region falls way behind the other ICPs. For instance, if you have to look at Petrapole, or if you have to look at even Atari, the region falls behind digitization; there's no digitalization in the Northeast. And the reason is, I mean, poor internet connectivity. So, it's not even within the domain of the Land Port Authority of India if the internet connectivity in the entire region is so poor. Banking facilities are not there. So, it's not just agencies that are housed within the ICP for which LPAI is the coordinator, but there are so many agencies outside of ICP, which need to be coordinated and which have a much larger role. And it impacts the functioning of the ICPs.

So, for instance, in the Northeast, there is not a single Customs House Agent. Northeast is going to be the fulcrum for our Act East Policy, not a single customers' agent. In fact, the customs actually conducted an exam, and not one person cleared the exam. So, we also need to build capacity, so that people can actually be trained to clear the exam. So, we're that far behind, on some aspects. So, all these things actually, pull back the development of the ICPs. The ecosystem around it is also as important. For instance, even though I look at ICP at Agartala, it's a good ICP, but there's no bypass. It's really badly needed; the bypass is really needed, it's virtually in the centre of the city. So, that impacts the functioning of the ICP, similarly, to connectivity to the ICPs is very important. And then, connectivity from the ICP, to across the border, is equally important. So, all of these need to come together for the ICP to function efficiently.

**Constantino Xavier:** Thank you, Nisha. In fact, we look forward to your paper also in the report you bringing out on the Northeast region and the ICPs. That's going to be I'm sure, a tremendous contribution. So, two points there; technocratic capacity and institutional capacity, strategic alignment of different efforts, and I think, coming back to Pritam, what he had said about business and business interest, the private sector. And I'd say not only the Indian private sector and the Bangladeshi private sector, but also if you look at the government of India's plans for refuelling the Indian economy through infrastructure, public investment over the next five to 10 years, there's tremendous I think, potential for us, and of course, investors who are interested in a lot of these aspects, right?

With internet connectivity, Northeast, railways, roads, shipping, ports, certainly, I think much more can be done in terms of developing that. Ambassadors Doraiswami, one question that came in from one of our attendants is the sort of, discussion on bilateral or multilateral. A lot of this is being flushed out of the bilateral level between India and Bangladesh, but is there a role still for SAARC, BIMSTEC, BBIN, what's the cost benefit of working say, bilaterally in Bangladesh and Nepal and Bhutan or trilaterally, quadrilateral? Are people very upset about the Sark stagnation in Dhaka and taking that as a sign of disinterest from India and regional connectivity?

**Vikram Doraiswami:** It is possible to be able to read a book and eat your meal at the same time. You can actually do bilateral and plurilateral and regional initiatives at the same time. BBIN is one such. But there are some things that are also perhaps, best done bilaterally. When the bilateral piece fits in with the regional and the plurilateral piece, that's when it has maximum value. And for that to happen, it's important that all parties are equally seen as demanders of those results. To explain that, it's one thing to improve the Land Port facilitation and the Land Customs Station facilitation at say, Hili or Changraandha or Phulbari. It's another thing if we want to do it, it's another thing if Bangladesh wants it, and Nepal wants it and Bhutan wants it. When it is driven by demand from all partners, then it has a certain sub-regional value.

Take electricity, although we're talking about land ports, but I think it's a case in point. As you've been seeing, there's been a long-standing effort by our companies to look at investing in hydroelectric power opportunities in Nepal, both for utilization of the power in Nepal, but there will be limits to how much can be can be utilized effectively in Nepal. There won't be

that much demand in India since we are except extensively power surplus. But there is demand for clean power in Bangladesh. So, through the creation of the regional electricity market, which has finally come through many, sort of, fits and starts with the guidelines, and now the sort of, rules governing service, the creation of transport, electricity connectivity, you are actually at a point where it needn't be India that drives it, it will actually be driven by demand coming out of our neighbours. I think that's by far, the better way. In a sense, to slightly and respectfully disagree with Nisha. I think, given the history of politics in South Asia, and the complexities of our own historical experience of independence, partition, etc, sometimes grand vision documents are harder to actually implement, than actually having government being sort of, a willing leader from behind.

Sometimes, those things, it's better if it's driven by what people want, what business wants, rather than by what government is sort of, standing on the high roof and saying, "Let's move in that direction".

**Constantino Xavier:** Thank you very much, Ambassador. So, that was a question from Ashok Chogoli, by the way. And I've seen you've been very active in the chat box replying to other questions. Thank you for that. So, let's finish in the last two, three minutes with the last quick round. Dr. Mohan, I assume you'd like to come in maybe for a minute at the end, but let me quickly come to Pritam, after Nisha. Pritam, one issue was this political economy disruptive effect, for example, that sometimes you're being too ambitious in India saying, let's do connectivity with Bhutan, the smaller countries have concerns. And ambition has been that sense a challenge towards practicality. On the motor vehicle agreement, in particular with Bhutan, if you could, in one and a half minutes, if I may ask you to sum up those words of caution to us.

**Pritam Banerjee:** This is my personal opinion and maybe something that I've discussed otherwise also. It's a matter of sequencing and prioritizing. So, when the BBIN and motorways, this is an illustrative example, when the BBIN motor vehicles agreement was being discussed initially and framed, one concern that they would always raise was that do not include non-scheduled passenger vehicles, which is basically taxis in the agreement, equal to scheduled passenger, which is buses and cargo. The reason being, you have very strong vested interest in countries like Nepal and Bhutan on the tourist front. Whether it translates to reality or not, the perception is that a large chunk of the Indian tourists will just come with their own taxes or their own vehicles, which created a backlash. So, a part of the complicated political economy story where in Nepal and Bhutan gave a pushback to this agreement, emerged from issues like that.

So, had we thought this through perhaps and said, okay, let's sequence it. In the first phase, we only do cargo and perhaps, we do passenger services, and we only do it for a few corridors who could have probably inadequacies, assumptions, you know, maybe things would have happened otherwise also. But maybe we could have made more progress more quickly, but, so, that's what I'm saying. That design, often is, as Ambassador Doraiswami very rightly pointed out, it's not the grand scheme of things. Things get stuck in a few clauses in the agreement, or in a small piece of infrastructure, and that's the devils in the details. That's about it.

**Constantino Xavier:** Thank you. Small steps are always particularly in a very difficult and very populated region. We talked about South Asia, which I mean, has a huge population, and a lot of interest in where infrastructure was so bad, right? And we tried to move very quickly, faster than ever and maybe small steps are important in that direction. Mr. Mishra may come to you for closing remarks. Anything you would like to share?

**Aditya Mishra:** Nothing in particular. There is a question that I read about; passenger facilities on the Nepal border. I think I'll just answer it very, very briefly that there is a lot of movement on these borders also, even though they are open borders, and most of it is through these city routes, which are now getting very congested for example, so, now, I think 1000s of Indians and Nepalese cross it every day, but this route is very congested. So, in the new ICPs that we are planning, which is Banbasa or Bithamore, we are provisioning for some kind of an interest ISPT kind of a structure, which will not only take away a lot of crowds from the congested towns, but also, make it very easy and simple for the international passengers to travel. So, suppose somebody is traveling from Delhi to Kathmandu, it will become much simpler for him to cross the border. So, that's one aspect. The other aspect is, of course, we have been discussing BBIN. And if that does take off, then, I think it will be wiser to route it through the ICPs, than through the already congested routes of the city. Thank you.

**Constantino Xavier:** And if I may then, just push my luck and ask you one more question, Mr. Mishra, since you come from the Indian police service, and you come from that background. A big question that we discuss a lot is, to what extent is that debate between security and economics developing in India today? We had recently, the Indian Chief of Army Staff giving a fabulous Lecture A few months ago, at least, I thought it was very interesting because he actually connected, he linked connectivity to security. It was not about keeping out the threats, but it's about development in the border areas that will strengthen the security in Northeast, the stability of the Northeast through development. If you could comment on that, how do you see that balance playing out? Are there still security concerns? We had one question from a participant for example, asking, "If you're developing ICPs on the border, will you also fence the Indian-Nepal border? Will that create more or less security threats?"

**Aditya Mishra:** I'm sure that more and more development, and people getting engaged in these developmental activities, they'll be less of a problem on security front. So, but as I told you on the land borders, there has to be a balance and we always look at that. But at the same time, we try and keep our security efforts very subtle so that the ICPs at least are secure. At the same time, there is no hurdle to smooth movement of goods and passengers.

**Constantino Xavier:** Great. So, you can read the book and eat your meal at the same time. That is, I think, the challenge. Dr. Mohan with your permission, we'll give Riya the last word since she's guilty of bringing us all here today. But over to you, Dr. Mohan.

**Rakesh Mohan:** Thank you very much, Tino. Before thanking everyone, let me just give a couple of what might be off the world comments. One, look, next year is the 75th anniversary of our independence and partition. And to my mind, we are being not ambitious enough in integrating the region. I take Ambassador Doraiswami's point that look, many things happen, sort of, without a big vision, etc. And I've seen that in economic policy sphere and everything,



so, there's clearly a lot of truth to that. However, I think that the country needs to be far more ambitious, in terms of really integrating the region and for the time being that excludes Pakistan, just for obvious reasons, even though I wish that was not the case also, but that is our choice at the moment. To give an example, I first went as a 16-year-old to the UK in 1964. And then travelled around Europe in 1965 and '66. And that was only 20 years after the Second World War.

And in some sense, the bloodshed and animosity and terrible things that happened across Europe far worse than anything that has happened here. But yet, within 20 years, people were traveling, etc. In those countries there were no visas also, but there were borders. Then, of course, movement became completely free over the next 20 years or thereabouts. And for a region which has a whole history of wars, etc. But they could do it. One thing that just as a side, for Ambassador Doraiswami, I went to what is called the International Youth Conference in 1965 in Germany, and this was a process of integrating the whole content, European area. And so, this was small thing, which was, they got students from all countries, all across Europe, including the UK, and I slammed into that group as a British participant. And so, the point to make, I don't think any significant exchanges like this, say, you couldn't think of student conference, Bangladesh, Bhutan, Nepal, etc, Sri Lanka, India, and you know, repeated things, which what it does is that, it just makes people familiar with each other. They'll travel to other countries as they grow older, or they tell their parents to travel etc.

So anyway, this is a very small thing, but make a difference. Also, another vignette, this is just telling how old I am. 1967, I went by bus on an expedition from Delhi to London. You cannot do that today. Then, I could not go to Pakistan, so I had to fly to Afghanistan to join the bus there. But there were 15, 14 buses from British universities, which did that expedition, they came all the way from UK, to India and back. And I'm just saying, look, things don't move linearly. So, today, there's no way in hell that you could go buy a car or buy a bus from India to London across all these Middle Eastern countries, plus Eastern Europe, plus Western Europe, etc. So, all I'm saying is, that we are not being ambitious enough in doing our connectivity. And if High Commissioner Doraiswami can influence his ministry and said, "Look, 75th Year is coming up, we better get moving, and do faster. Everything that's been talked about this evening".

Now, let me just thank all our panellists; Pritam Banerjee, Nisha Taneja, High Commissioner Doraiswami, Aditya Mishra really, for very, very fascinating, and very substantive and meaningful contribution to your side. And each of you, of course, actors in this area. So, I really appreciate that. And finally, of course, to Riya, for doing everything she's done, and reminding me of the many things that our country has not done, and ought to be doing now. And we ought to really be much more ambitious.

**Constantino Xavier:** Thank you, Dr. Mohan. Great ambition, small steps. I think that's the recipe coming out of your area, anything you'd like to share? [crosstalk]

**Rakesh Mohan:** This is the 30th anniversary of economic reforms. Okay. If we believed in small steps, it wouldn't have been done. Okay, July 24, we did a huge number of big steps in one shot. But with lots of preparation.

**Constantino Xavier:** Big steps, then, let's agree on that. And let's be ambitious about this. And quite literally, catch up with time, I think you're reminding us of a lot of the findings we found in the research we've been publishing at CSEP under some brand initiative. When we look at the connectivity initiatives in the '50s and the mobility and the fluidity of the region, and today, so, we're literally catching up with time. Riya.

**Riya Sinha:** I just want to thank everyone for coming here today and commenting on the paper and for this very, very fascinating discussion that we had right now. Thank you, thank you very much, to Tino for moderating and Dr. Rakesh Mohan for your comments, Mr. Aditya Mishra, for you were very helpful during writing of the paper. Ambassador Doraiswami, thank you very much. Dr. Nisha Taneja and Dr. Pritam Banerjee, thank you.