

BAY OF BENGAL INITIATIVE FOR MULTI-SECTORAL TECHNICAL AND ECONOMIC COOPERATION (BIMSTEC)

Background

The Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC) was established as an interregional grouping in June 1997 with the Bangkok Declaration to promote free trade within the region, increase cross-border investment and tourism and to promote technical cooperation. It comprises seven countries of South Asia and South East Asia. They are Bangladesh, Bhutan, India, Myanmar, Nepal, Sri Lanka and Thailand. BIMSTEC, thus, can be seen as a unique link between ASEAN and SAARC.

Initially, the economic bloc was formed with four Member States with the acronym 'BIST-EC' (Bangladesh, India, Sri Lanka and Thailand Economic Cooperation). Following the inclusion of Myanmar on 22 December 1997 it was renamed as BIMSTEC. After Nepal and Bhutan joined the organization in 2004, the full name of the grouping was changed to 'Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation' while the acronym remained the same.

The BIMSTEC region is home to around 1.5 billion people which constitute around 22% of the global population with a combined gross domestic product (GDP) of 2.7 trillion. In the last five years, BIMSTEC Member States have been able to sustain an average 6.5% economic growth trajectory despite global financial meltdown.

Aims and Purposes

The aim of BIMSTEC is to strengthen ties between and among nations in various areas of cooperation. According to the Bangkok Declaration on its establishment, the aims and purposes of BIMSTEC are to:

- create an enabling environment for rapid economic development,
- accelerate social progress in the sub-region,
- promote active collaboration and mutual assistance on matters of common interest,
- provide assistance to each other in the form of training and research facilities,
- cooperate more effectively in joint efforts that are supportive of, and complementary to, national development plans of member states,
- maintain close and beneficial cooperation with existing international and regional organizations, and
- cooperate in projects that can be dealt with most productively on a sub-regional basis and which make best use of available synergies

Principles of BIMSTEC

The Founding principles of BIMSTEC are as follows:

- Cooperation within BIMSTEC will be based on respect for the principle of sovereign equality, territorial integrity, political independence, no-interference in internal affairs, peaceful co-existence and mutual benefit.
- Cooperation within BIMSTEC will constitute an addition to and not be a substitute for bilateral, regional or multilateral cooperation involving Member States.

BIMSTEC Mechanism/ Institutional Structure and Arrangements

BIMSTEC holds frequent meetings at various levels. Each type of Meeting is tasked with unique responsibilities although all are closely interrelated to one another. The Country holding the Chairmanship of BIMSTEC is responsible for the conduct of regular meetings e.g. Summit, Ministerial Meeting, Senior Officials' Meeting and BIMSTEC Working Group Meeting. The main working mechanism of BIMSTEC is categorized as follows:

1. Policy Making Body

BIMSTEC Summit: Summit is the highest policy making and decision making body in the BIMSTEC process which is comprised of head of state/government of member states. As per the decision of the 6th BIMSTEC Ministerial Meeting held in Thailand in 2004, the Summit should be held in every two years, as far as possible. Till date only three Summit meetings have been held in 2004, 2008 and 2014.

Ministerial Meetings (MM): Ministerial Meeting is the second apex forum of BIMSTEC next to the Summit Meeting, and the second highest policy-making body attended by the External/Foreign Ministers of Member States. The Ministerial Meeting is preceded by the Senior Official's Meeting and is represented by the Senior Official's (Foreign Secretaries) of the Member States.

Ministerial Meeting is divided into the area of Foreign Affairs (MM) and the area of Trade and Economic Affairs (TEMM). While the Foreign Ministerial Meeting acts as prime mover determining the overall policy as well as recommendations for the Leaders' Summit, Trade and Economic Ministerial Meeting monitors the progress in the Trade and Investment Sector as well as FTA policy.

2. Operational Body

Senior Officials' Meeting (SOM): The Senior Officials Meeting (SOM) precedes the Ministerial Meeting and is represented by the Senior Officials of the Foreign Ministries of the Member States at the Foreign Secretary Level. A representative from the Ministry

of Commerce /Trade is also inducted in the delegation. The SOM helps the Ministerial Meeting in monitoring and providing overall direction to the BIMSTEC activities. It is therefore the most important policy level organ of the BIMSTEC Grouping reporting ultimately to the Ministerial organ. To date, 16 regular SOMs have been held and Nepal, as a chair has to propose the new date for the Seventeenth Session of SOM.

Senior Officials' Meeting (SOM) is also divided into the area of Foreign Affairs (SOM) and the area of Trade and Economic Affairs (Senior Trade/Economic Officials' Meeting - STEOM). Foreign secretaries and the secretaries of trade and economic affairs will be the delegations to their respective forum.

(3) Coordinating Body

BIMSTEC Working Group (BWG)

BIMSTEC Working Group (BWG) is attended by the Ambassadors of BIMSTEC member countries to Bangladesh or their representatives, as well as representatives from other concerned agencies. The Chairman of the BWG rotates along with the Chairmanship of the BIMSTEC. The BWG reports to the Senior Officials Meeting (SOM). The meeting, chaired by Nepal as Chair of BIMSTEC, takes place monthly at the BIMSTEC Secretariat in Dhaka to follow up and push forward progress in each cooperation sector, as well as to study prospects and policies of cooperation.

BIMSTEC Joint Working Group, BIMSTEC Expert Group, BIMSTEC Task Force, BIMSTEC Sub- Group are also formed to take up the issues in different areas of cooperation.

Business Forum and Economic Forum

These two forums under the STEOM allow active participation of the private sector. In the Business Forum, private sector representatives from the BIMSTEC Member States meet and discuss various issues. The outcome from the Business Forum is forwarded to Economic Forum where the private sectors have an opportunity to discuss freely with representatives from the public sector of the Member States. The Economic Forum then reports outcomes of its meetings to the STEOM. The Seventh Meeting of the BIMSTEC Business Forum was held in New Delhi on 21 July 2016.

Secretariat /Secretary General

BIMSTEC secretariat was established in August 2014 in Dhaka Bangladesh. Mr. Sumith Nakandala of Sri Lanka is the first Secretary General of BIMSTEC (Aug 2014- Aug 2017).

BIMSTEC Summits

- **First Summit 2004:** The First Summit Meeting of the Heads of State/Government of the BIMSTEC Member Countries was held in Bangkok, Thailand on 31 July 2004.
- **Second Summit 2008:** The Second Summit was held on 13 November 2008 in New Delhi, India.
- **Third Summit 2014:** The Third BIMSTEC Summit and its related meetings (14th Ministerial Meeting, 16th Senior Officials' Meeting and Second Preparatory Meeting) were held in Nay Pyi Taw, Myanmar from 01 March to 04 March 2014.

During the Third summit, the following BIMSTEC Instruments were signed:

- a. Memorandum of Association on the Establishment of the BIMSTEC Permanent Secretariat
- b. Memorandum of Understanding on the Establishment of the BIMSTEC Cultural Industries Commission (BCIC) and BIMSTEC Cultural Industries Observatory (BCIO)
- c. Memorandum of Association Among BIMSTEC Member Countries Concerning Establishment of a BIMSTEC Centre for Weather and Climate

Myanmar transferred the chairmanship of BIMSTEC to Nepal at the end of the Summit

Chairmanship

BIMSTEC follows the alphabetical order for the rotation of the Chairmanship. The Chairmanship of BIMSTEC has been taken in rotation commencing with Bangladesh (1997 - 1999), India (2000) Myanmar (2001-2002), Sri Lanka (2002 - 2003), Thailand (2003 – 2005), Bangladesh (2005-2006). Bhutan asked for a skip and India took over the Chairmanship in 2006 until 2009. Myanmar assumed the Chair in 2009 and hosted the Third BIMSTEC Summit on 04 March 2014. After the Third BIMSTEC Summit held in Myanmar on 04 March 2014, Nepal has assumed the chairmanship of BIMSTEC.

Areas of Cooperation

There are 14 priority sectors identified by member states. Each sector is led by a member state in a voluntary manner:

S.N.	Areas of Cooperation	Lead Country	Ministry
1	Trade and Investment	Bangladesh	Ministry of Commerce and Supplies

2	Technology	Sri Lanka	Ministry of Environment, Science and Technology
3	Energy	Myanmar	Ministry of Energy
4	Transport and Communications	India	Ministry of Physical Planning and Transportation
5	Tourism	India	Ministry of Culture, Tourism and Civil Aviation
6	Fisheries	Thailand	Ministry of Agriculture Development
7	Agriculture	Myanmar	Ministry of Agriculture
8	Cultural Cooperation	Bhutan	Ministry of Culture, Tourism and Civil Aviation
9	Environment and Disaster Management	India	Ministry of Environment, Science and Technology
10	Public Health	Thailand	Ministry of Health
11	People-to-People Contact	Thailand	Ministry of Culture, Tourism and Civil Aviation
12	Poverty Alleviation	Nepal	National Planning Commission/Ministry of Cooperative and Poverty Alleviation
13	Counter-Terrorism and Transnational Crime	India	Ministry of Home Affairs
14	Climate Change	Bangladesh	Ministry of Environment, Science and Technology

Agreements/Conventions

The BIMSTEC members have signed the following agreements/conventions:

1. Framework Agreement on the BIMSTEC Free Trade Area (FTA) in 2004;
2. BIMSTEC Convention on Cooperation In Combating International Terrorism, Transnational Organized Crime and Illicit Drug Trafficking (2009),
3. Memorandum of Association among the BIMSTEC Member States for the Establishment of BIMSTEC Energy Centre in 2006 (in India).
4. MoA of the Establishment of the BIMSTEC Weather and Climate Centre in India (2014);
5. MOA on the Establishment of the BIMSTEC Permanent Secretariat (2014); and
6. MOU on the Establishment of the BIMSTEC Cultural Industries Commission (BCIC) and BIMSTEC Cultural Industries Observatory in 2014 (BCIO) (in Bhutan)

BIMSTEC Free Trade Agreement (FTA)

The founding objective of the BIMSTEC is to create a free trade area for trade liberalization in the region. Therefore, the Ministerial Meeting held in Thailand signed the Framework Agreement on BIMSTEC FTA on 08 February 2004 which has already been ratified by the member states. The Agreement was amended by the Protocol to the Framework Agreement on BIMSTEC FTA on 25 June 2004. The member states are engaged in negotiation through the BIMSTEC Trade Negotiation Committee (TNC) for the fulfillment of the obligations arising from the Agreement.

Nepal and BIMSTEC

Nepal decided to seek observer status of BIMST-EC in 1997. The second BIMST-EC Ministerial Meeting held in Dhaka on 19 December 1998 welcomed Nepal as an Observer. Subsequently, Nepal expressed its willingness to become a full member of BIMSTEC in 2000. Nepal formally joined BIMSTEC on 08 February 2004.

Since then, Nepal has been actively participating in BIMSTEC activities. Nepal's Prime Minister, Mr. Sher Bahadur Deuba, led the Nepalese delegation to the 1st BIMSTEC Summit, held in Thailand on 31 July 2004. Similarly, Prime Minister, Mr. Pushpa Kamal Dahal "Prachanda" led the Nepalese delegation to the Second Summit held in New Delhi on 13 November 2008 and Prime Minister Mr. Sushil Koirala attended the Third Summit held on 04 March 2014 in Nay Pyi Taw, Myanmar.

Fourth BIMSTEC Summit: Nepal has assumed the chairmanship of BIMSTEC in 2014. As the current chair of BIMSTEC, Nepal has offered to host the Fourth BIMSTEC Summit in Nepal. The date for the Summit will be finalized in consultation with other member states.

Nepal's Engagements

- Nepal has volunteered to act the lead country on **Poverty Alleviation** sector in BIMSTEC.
- Nepal hosted the **2nd BIMSTEC Ministerial Meeting on Poverty Alleviation** in Kathmandu on 15-16 January 2012 which adopted the Kathmandu Declaration and BIMSTEC Poverty Plan of Action (PPA).
- **The Seventeenth Session of the BIMSTEC Senior Officials' Meeting (SOM)** was held in Kathmandu on 7 February 2017. The Meeting was preceded by the Second Preparatory Meeting to the BIMSTEC-SOM and the Seventh Meeting of the Joint Working Group on the Establishment of the BIMSTEC Permanent

Secretariat. This is the first ever Meeting that Nepal convened after assuming the chairmanship of BIMSTEC in 2014.

- Nepal also hosted the meeting of the **5th Joint Working Group on Counter-Terrorism and Transnational Crime (JWJ-CTTC)** on 24-25 November 2011 in Kathmandu.
- Nepal recently hosted **4th Expert Group Meeting on Agriculture Cooperation** in April 2015 in Kathmandu.
- Nepal, along with other BIMSTEC Leaders, attended the **BRICS (Brazil, Russia, India, China and South Africa)-BIMSTEC Outreach Summit** in Goa, India on 16 October 2016 in order to explore the potential areas for cooperation between BRICS and BIMSTEC. The Rt. Hon. Prime Minister Mr. Pushpa Kamal Dahal "Prachanda" lead the Nepali delegation in the Summit.
- **The BIMSTEC Leaders' Retreat**, following the Summit, reviewed the entire gamut of regional cooperation under BIMSTEC and came up with the *Outcome Document* and *16 point Agenda of Action* highlighting the priority areas to be implemented in a speedy manner.