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News: BBIN Motor Vehicles Agreement

- Recently, India, Bangladesh and Nepal finalised an enabling memorandum of understanding (MoU) for implementing the long-gestating Bangladesh-Bhutan-India-Nepal (BBIN) Motor Vehicles Agreement (MVA).

BBIN connectivity Project

- The project was conceived after the South Asian Association for Regional Cooperation (SAARC) failed to agree on a regional motor vehicles agreement at a summit in Nepal in 2014, mainly because of opposition from Pakistan.
- The BBIN Motor Vehicle Agreement for the Regulation of Passenger, Personal and Cargo Vehicular Traffic between the 4 countries was signed during a transport ministers' meeting in Thimpu on 15th June 2015.
- Objective: Operationalising the MVA by concluding the Passenger and the Cargo Protocol will help realise the full potential of trade and people to people connectivity between the BBIN countries by fostering greater sub-regional cooperation.

- Bhutan's Reluctance: The BBIN project suffered a setback in 2017 when Bhutan temporarily opted out of it after being unable to get parliamentary approval for the MVA.
- The 3 other countries decided at the time to press ahead with the agreement.
- Foreign Funding: The Asian Development Bank has supported the project as part of its South Asian Subregional Economic Cooperation programme, and has been requested to prioritise about 30 road projects worth billions of dollars.
- The World Bank, which has estimated that the implementation of the MVA will potentially see an increase in traffic-regional trade within South Asia by nearly 60%, has also announced its interest in supporting infrastructure.
- Persisting Issues: There are still some agreements holding up the final protocols, including issues like insurance and bank guarantees, and the size and frequency of freight carriers into each country, which they hope to finalise this year before operationalizing bus and truck movements between them.
- The BBIN Connectivity is an important aspect of Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC).

Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC)

- Former name – BIST–EC (Bangladesh, India, Sri Lanka and Thailand Economic Cooperation) when it was formed on 06th June 1997 as a result of Bangkok declaration.
- Following the inclusion of Myanmar on 22nd December 1997, it was renamed as BIMST –EC (Bangladesh, India, Myanmar, Sri Lanka and Thailand Economic Cooperation. Myanmar and Thailand are the only two ASEAN countries to be included in the BIMSTEC.
- In February 2004, Nepal & Bhutan became its full members.
- 31st July 2004: 1st Summit of the grouping renamed as BIMSTEC (Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation).
- Secretariat of BIMSTEC is located in Dhaka, Bangladesh.
- Combined population of BIMSTEC countries is 1.5 billion, out of which 1.2 billion is living in India.

Sectors of Co-operation

- Trade & Investment, Transport & Communication, Energy, Tourism, Technology, Fisheries, Agriculture, Public Health, Poverty Alleviation,

Counter-Terrorism & Transnational Crime, Environment & Disaster Management, People-to-People Contact, Cultural Cooperation and Climate Change

Summit

- 4th BIMSTEC summit- 30th& 31st August 2018, Kathmandu, Nepal
- 5th BIMSTEC Summit 2022- Colombo, Sri Lanka

India's Importance

- **Kaladan Multi-Model Project-** Links North Eastern States with Port of Kolkata through Sittwe Port in Myanmar.
- Asian Trilateral Highway connecting India and Thailand through Myanmar (Moreh in Manipur to Mae Sot in Thailand). It is funded by **Asian Development Bank**.

Asian Development Bank (ADB)

- Asian Development Bank is a **regional development bank** established in 19th December 1966 with 31 members.
- Headquarters of ADB is located in **Ortigas Center, Manila, Philippines**.

- ADB is also serves as the secretariat of South Asia Subregional Economic Cooperation (SASEC).
- ADB aims to reduce poverty in Asia and the Pacific through Inclusive economic growth, environmentally sustainable growth and regional cooperation
- It aims to promote social and economic development in Asia.
- Although the name implies Asian Development, membership is not confined to Asian countries.
- Currently, there are 68 members in ADB.
- ADB was modeled closely on World Bank, and has a similar weighted voting system where votes are distributed in proportion with members' capital subscription.
- 80% of ADB loans are concentrated on 5 areas: Education; Environment, Climate Change and Disaster Risk Management; Finance Sector Development; Infrastructure and Regional Cooperation and Integration.
- As of December 2016, Japan holds the largest proportion of shares, followed by US, China, India and Australia.
- The bank admits the members of United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP), a regional arm of ECOSOC and non-regional developed countries. It is an official observer of United Nations.

- India is the second largest borrower from ADB after China.
- **Global Wildlife Programme (GWP)** is an initiative led by World Bank and funded by Global Environment Facility (GEF) and Asian Development bank (ADB) that promotes wildlife conservation and sustainable development by combating illicit trafficking in wildlife.
- **Securing Livelihoods, Conservation, Sustainable Use and Restoration of High Range Himalayan Ecosystems project (SECURE Himalayas)**, launched by MoEFCC and UNDP, and is a project under Global Wildlife Programme (GWP).
- ADB releases the Annual report **Asian Development Outlook**.
- Recently, Asian Development Bank (ADB) released a report titled as the "**Key Indicators for Asia and the Pacific 2021**".
- Asian Development Bank publishes the **Social Protection Index (SPI)**, which summarizes the extent of social protection in Asia and Pacific countries.

The Asian Development Bank's development assistance is financed via 4 main channels:

- **Ordinary Capital Resources (OCR)**: Loans offered at near-market terms to better-off borrowing countries.
- The **Asian Development Fund (ADF)**: Offering Loans at very low interest rates and grants to ADB's poorest countries.

- **Technical Assistance** (mostly grants), and;
- **Innovation and Efficiency Initiative** (IEI) which is new financing instruments intended to provide ADB clients and operational teams with additional alternatives to help finance development projects.

World Bank

- With **189 member countries**, the World Bank Group is a unique global partnership of **five institutions working for sustainable solutions that reduce poverty and build shared prosperity in developing countries**.
- The Bank Group works with country governments, the private sector, civil society organizations, regional development banks, think tanks, and other international institutions on issues ranging from climate change, conflict, and food security to education, agriculture, finance, and trade.
- To become a member of the Bank, under the IBRD Articles of Agreement, a country must **first join the International Monetary Fund (IMF)**.
- Membership in IDA, IFC, and MIGA are conditional on membership in IBRD.
- Membership in ICSID is available to IBRD members, and those which are a party to the Statute of the International Court of Justice (ICJ), on the invitation of the ICSID Administrative Council by a vote of two-thirds of its members.

- The World Bank, in October 2019, launched a new global target to **reduce learning poverty by half by 2030**.
- World Bank and International Monetary Fund (IMF) **use GDP in the comparative analysis** of its member nations.
- The World Bank classifies the world's economies into four income groups — **high, upper-middle, lower-middle, and low**.
- This assignment is based on **Gross National Income (GNI) per capita (current US\$)**.
- The classification is **updated each year on July 1st**.
- India and China have both transitioned from **low-income countries to middle-income countries**.
- **India currently falls in the World Bank's lower-middle income category while China currently falls in the upper-middle income category**.

- World Bank along with **Secretariat of the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES); United Nations Office on Drugs and Crime (UNODC); Interpol; and World Customs Organization (WCO)** forms **International Consortium on Combating Wildlife Crime (ICCWC)**.

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- First official Green Bond was released by the World Bank in 2009. The World Bank is a major issuer of Green Bonds.
- The Carbon Pricing Leadership Coalition (CPLC), launched at COP 21, is under the aegis of World Bank.

The World Bank Group has set two goals for the world to achieve by 2030:

- End extreme poverty by decreasing the percentage of people living on less than \$1.90 a day to no more than 3%.
- Promote shared prosperity by fostering the income growth of the bottom 40% for every country.

A Group of Institutions

- Together, the International Bank for Reconstruction and Development (IBRD) and International Development Association (IDA) form the World Bank, which provides financing, policy advice, and technical assistance to governments of developing countries. While the World Bank Group consists of five development institutions.
- **International Bank for Reconstruction and Development (IBRD)** provides loans, credits, and grants. **India is a founding member.**
- **International Development Association (IDA)** provides low- or no-interest loans to low-income countries. **India is a founding member.**
- The **International Finance Corporation (IFC)** provides investment, advice, and asset management to companies and governments. **India is a founding member.**
- The **Multilateral Guarantee Agency (MIGA)** insures lenders and investors against political risk such as war. **India became the member of MIGA in 1994.**
- The **International Centre for the Settlement of Investment Disputes (ICSID)** settles investment-disputes between investors and countries. **India is not a member of ICSID.**
- All of these efforts support the Bank Group's **twin goals of ending extreme poverty by 2030 and boosting shared prosperity of the poorest 40% of the population in all countries.**

Reports / Indices published by World Bank

- **Ease of Doing Business Index:** World Bank recently announced that it would discontinue the practise of issuing "Doing Business Report" following an investigation reported “data irregularities” in its 2018 and 2020 editions (released in 2017 and 2019, respectively) and possible “ethical matters” involving bank staff.

Ease of Doing Business Report

- The Ease of Doing Business report was introduced in 2003 to provide an assessment of objective measures of business regulations and their enforcement across 190 economies on ten parameters affecting a business through its life cycle.
- 10 different parameters namely, Starting a Business, Dealing with Construction permits, Electricity availability, Property registration, Credit availability, Protecting minority Investors, Paying Taxes, Trading across borders, Contracts enforcement, and Resolving Insolvency.
- It ranks countries on the basis of Distance to Frontier (DTF) score that highlights the gap of an economy with respect to the global best practice.

- For example a score of 75 means an economy was 25 percentage points away from the frontier constructed from the best performances across all economies and across time.
- World Development Report, Global Economic Prospect Report, Remittance Report, Ease of Living Index, India Development Update, Universal Health Coverage Index, Service Trade Restriction, Women, Business and the Law Index, Logistics Performance Index, International Debt Statistics Report, Migration and Development Brief and Global Findex Database are also various reports published by World Bank.

World Development Report (WDR)

- WDR is an annual report published since 1978 by World Bank. Each WDR provides in-depth analysis of various topics such as agriculture, youth, equity, and public services delivery, role of the state, transition economies, labour, infrastructure, health, environment, risk management and poverty.