

Report of the Regional Dialogue

Sustainable Development in South Asia

Exploring Trans-boundary Cooperation in Agriculture, Water and Energy



(Participants at regional dialogue at Hotel Metropolitan, New Delhi on 29th July 2019)

July 29, 2016, New Delhi

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Key Messages

Agriculture

Promote Sustainable Agriculture Practices

- Data collection and dissemination on sustainable agriculture practices
- Capacity building on agriculture practices
- Review the current input subsidy regime
- Advocate for the use of stress-tolerant seed varieties

Foster Regional Agriculture Value Chains

- Strengthen engagements with stakeholders
- Advocate for collaborative structures
- Policy research to improve regional agriculture value chains

Water

Promote Groundwater Resource Management

- Raise issues of national and trans-boundary groundwater in regional forums
- Promote sustainable irrigation policy and practice
- Update database on groundwater availability, withdrawal and recharge

Facilitate Developments in Inland Waterways

- Promote development and rejuvenation of inland waterways
- Promote regulations to conserve the *Chure* region of Nepal
- Promote scaling up Payment of Environment Schemes

Energy

Promote Regional Energy Cooperation

- Develop a regional power market
- Build trust among the governments and relevant stakeholders for regional cooperation
- Promote harmonisation in policy and regulatory framework

Promote Renewable Energy

- Facilitate a discourse on synergy of renewable energy policies and regulations
- Facilitate renewable energy technology transfer and trade
- Share knowledge and experience on renewable energy business models

1. Introduction

- 1.1. A regional dialogue entitled, 'Sustainable Development in South Asia: Exploring Trans-boundary Cooperation in Agriculture, Water and Energy' was organised at Hotel Metropolitan in New Delhi on 29th July, 2016.
- 1.2. The focus of the event was to share CUTS advocacy messages in the domains of agriculture, water and energy with wide group of stakeholders including policy makers, academia, civil society organisations and media from Bangladesh, Bhutan, India, Nepal and Pakistan to deliberate discussion and build consensus on how to bring in trans-boundary cooperation in South Asia to achieve food, water and energy security.
- 1.3. The event was held under the project titled 'Sustainable Development Investment Portfolio: Promoting Water, Food and Energy Security in South Asia' (SDIP) supported by Department of Foreign Affairs and Trade, Australian Government and implemented by CUTS International in India with the cooperation of Unnayan Shamannay in Bangladesh, SNV in Bhutan, South Asia Watch on Trade, Economics and Environment in Nepal, and Sustainable Development Policy Institute in Pakistan, which examined the challenges in agriculture, water and energy in the context of South Asia.
- 1.4. It was attended by more than 60 participants from Bangladesh, Bhutan, India, Nepal and Pakistan comprising representatives from specific government departments, business associations, universities and research institutions, academia, subject experts, non-governmental organisations (NGOs), media, policy champions and diplomats in the domain of agriculture water and energy,
- 1.5. The agenda is enclosed as an annexure to this report.



(From Left to Right: Chris Elstoft, Nitin Desai, Pradeep Mehta, Bipul Chatterjee, Ryan Thew)

1.6. Major observations from the dialogue are delineated below.

2. Opening

- 2.1 Pradeep Mehta, in his welcome address, emphasized that the success of sustainable development goals (SDG) will not be attained only by the actions of civil society and working on specific issue areas, but also by all of our collective efforts. CUTS has been actively contributing through evidence based policy research in achieving the SDGs. He further stressed that, India has all the similar causes like other countries of the region that is why it has a greater responsibility for regional cooperation in agriculture, water and energy.
- 2.2 While appreciating the CUTS work on trade and sustainable development issues for more than two decades, Chris Elstoft said that Australia also faces challenges in water resource management and South Asia could learn key lessons from Australian experience of water management with respect to the Murray-Darling basin management. He also emphasised on the cross-country prospects of future knowledge sharing among South Asian countries and Australia. Trans-boundary cooperation is critical and building the underpinning theory and making a case for regional cooperation is necessary, he added. He also said that he would like to see more cooperation between India and Pakistan on these issues. He also expressed his pleasure on supporting these issues and SDIP from Australia's side.
- 2.3 The keynote address was delivered by Nitin Desai where he highlighted that Sustainable Development Goals and trans-boundary cooperation in South Asia cannot be achieved by working in silos. He further said that, SDGs are highly interconnected and therefore, there is a need to design an integrated program based on decentralized approach. On the issue of regional cooperation he said, there is huge scope for corporation in energy and water and India being a key country has to play an active role. India should take a certain lead for fostering cooperation not just it is big country but also because it will gain from it. He also said that our approach has to focus on connecting the goals and various stakeholders including various government departments. Policies perceived at the top level and their integration at the bottom level implementation should be priority. For this he cited the example of forest management through water in the Indian state of Rajasthan.



(Nitin Desai delivering keynote address titled "Relationship between Food-Water-Energy Security Nexus in South Asia and the Sustainable Development Goals")

3. Knowledge-sharing on Sustainable Agricultural Practices and Exploration of Regional/Sub-regional Agricultural Value Chains

- 3.1 This session focussed on the need for knowledge sharing among South Asian countries with respect to technologies and good practices in sustainable agriculture. To make agriculture sustainable, there should be three components: economic viability, social viability and ecological viability. In the context of scarcity of water and energy resources, technological and policy level interventions can enhance the resource use efficiency without hampering the natural resource base. With the advent of climate change, it is also necessary to develop stress and climate tolerant varieties, and ensure availability of varieties to the farmers on sites at right time. This demands training of farmers so that decentralised seed packaging and processing can be done at farm level, said R. K. Singh.
- 3.2 Veena Vidyadharan in her presentation highlighted that there is a strong need to push for mutual recognition of standards via Mutual Recognition Arrangements (MRA), particularly by utilising the platform created by South Asia Regional Standard Organisation (SARSO) to facilitate trade in agricultural goods within the region. There is also a need to reduce non-tariff barriers through evidence-based multi-level advocacy dialogues and capacity building of stakeholders, both government and non-government, to better understand, interpret and implement standards/quarantine related regulations so as to foster regional agricultural value chains, which will ultimately benefit the farmers of these countries.
- 3.3 Usman Mustafa said that, at a macro level agriculture sustainability in the region can be achieved by regional cooperation in agriculture and water issues. For this exchange of germplasm and seeds is needed. However, this is not happening, because of the prevailing mistrust at political level. A K Enamul Haque said that although there are similar agro-climatic conditions in South Asian countries, yet policies are not similar, thus making cooperation in agriculture the need of hour. He also stressed on making rules and regulations harmonized. Sucha Singh Gill raised the point of making farming viable and linking the farmers to value chains to increase profitability.
- 3.4 A regional South Asian voice will originate only at the expense of resolving trust issues among countries, not only in bilateral country negotiations but also in multilateral negotiations. But to achieve this, the need is to make a matrix of good policies linked with best available technologies and improved institutions, said Sanjeev Chopra. He also highlighted the need to make a matrix of good policies linked with best available technologies and improved institutions. Jeetendra Aryal focussed on the agricultural national plan, state agricultural plan and missing links in national and state policies in agriculture.



(Sanjeev Chopra and participants discussing sustainability issues in South Asian agriculture)

4. Opportunities and Challenges of Trans-boundary Cooperation in Water Resources Management

- 4.1 This session highlighted the need for trans-boundary cooperation in water resource management. A few examples wherein regional cooperation would benefit as observed by CUTS through its work under SDIP included conservation of the *Chure* region (Siwaliks) in Nepal through means of stringent laws as excessive mining has affected the water flow downstream; promotion and scaling up Payment for Environmental Services (PES) in collaboration with communities for the benefit of upstream downstream dwellers and development of inland waterways for trade and transit as an alternate strategy of water cooperation said Aneeta Dutta in her presentation. The significance of bringing in groundwater management in the dialogue on trans-boundary water sharing was also emphasised.
- 4.2 Participants also opined that in the contemporary world trans-boundary cooperation in water has become a necessity; it cannot be taken as only a matter of choice. Thus, negotiations and dialogues at the level of Bangladesh, Bhutan, India and Nepal (BBIN) instead of bilateral level should be conducted to foster regional cooperation in water. Countries in this region have to leave the conventional nationalistic nature of water related policies, said Archana Chatterjee.
- 4.3 Mandakini Surie said that, in this context, the idea of navigation in inland waterways was discussed as being innovative and needs to be explored in detail. CUTS also shared that, in this regard, a project is going to be implemented to analyse better governance of inland waterways with the cooperation of relevant stakeholders in the region.



(Consensus was formed on the issue of trans-boundary cooperation in water resources management)

- 4.4 Another major issue raised by the participants was realisation of benefits from agreements for regional cooperation and their timing. Dhrubesh Chandra Regmi said that, most of the treaties in South Asia are disputed because they were signed at a time when there was political instability in a particular country. Hence, there is a lack of transparency in these treaties. Cooperation in water related issues can not only produce direct benefits such as monetary but also indirect benefits such as religious activities, social and cultural programmes on the banks of rivers such as fairs and annual *puja* festivals etc.. Although cooperation is not an easy game but it can be achieved through networking and collective efforts. But it is also necessary to keep in mind that cooperation cannot happen if it is left only for government without encouraging initiatives by civil society, said Joydeep Gupta while focussing on water diplomacy.

5. Scope for Intra-regional Trade and Investment Opportunities in the Energy Sector

- 5.1 Prithviraj Nath in his presentation said that, South Asia, particularly the BBIN region consisting of Bangladesh, Bhutan, India, Nepal, needs promotion of power sector reforms at national and subnational level (harmonising policy and regulatory framework); given the importance of energy security, there is a strong need to promote trans-boundary energy cooperation through regional electricity grid and market. Our advocacy should be for South Asia Regional Electricity Grid and as there are immense surplus hydropower potentials in Nepal and Bhutan which are closer to major load centres in India (Northern and Eastern grids). It has been found in several studies including by World Bank as well as CUTS that regional cooperation in energy and power can save billions of dollars in this region, which can be used for developmental work. For example, the region will save US\$ 226 billion in its electricity supply costs during the period of 2015-2040; the regional cost savings are five times of the cost of additional capital expenditure for increased interconnection.

- 5.2 Syamal Sarkar said that, main problem in this regard is that South Asian region has uneven distribution of natural resources. Countries in this region must realise that resources are decreasing very rapidly and hence there is a need to diversify their sources of energy demand. He also said that sharing of knowledge is important for regional cooperation in energy and there have been attempts in this regards such as South Asia Regional Initiative for Energy (SARI). He also emphasizes the role of private sector in regional energy trade. Other participants also cited the examples of Indian power and energy companies Reliance and Adani group's activities in other South Asian countries as a way to boost regional cooperation.
- 5.3 M. P. Lama said that although, most of the countries in this region have done power reforms or have started, to materialise cooperation in energy it is also necessary to sensitize about its need. Thus, there is a need to look beyond borders from traditional points of view. In this regard, development of mechanism for energy trade in the BBIN region should be considered as a viable option. He also said that putting energy and electricity related products in South Asia Free Trade Area agreement (SAFTA) list will increase the possibility of cooperation in this segment.
- 5.4 Mollah Amzad Hossain said that there were discussions on projects to import energy from Khulna in Bangladesh to west Bengal in India during the recent visit of India's power minister to Bangladesh. Sucha Singh Gill said that, regional trade and investment in energy and power cannot happen until the trade of energy and power is not considered similar to the trade of other commodities. Apart from it, success stories of eastern side of region (BBIN) should also be replicated on the western side of India (India-Pakistan border) where applicable.



(Mahendra P Lama highlighting the need of regional cooperation in South Asia)

- 5.5 Countries can learn from the examples of cooperation in oil segment between India, Bhutan and Nepal. Cooperation to build pipeline from Bangladesh and Nepal can lead to cooperation in other segment of energy sector, said Barun Barpujari. Participants also discussed the issue of financial constraints, risk analysis and potential profit and role of international organizations such as Asian Development Bank (ADB) in the regional trade of energy.

6. Way Forward

- 6.1 Ryan Thew said that SDIP through its work made a significant intervention in the development sector. He also emphasised on the role of CSOs in providing a platform for cooperation process for government. Furthermore, he congratulated CUTS on creating a policy dialogue on trans-boundary cooperation for agriculture, water and energy. He further said that since development is a challenging work there has to be discussions and work like this and stakeholders should try to mitigate the trust issue, thus role of other actors such as government and academia also becomes vital.
- 6.2 Kyle Cote presented the pathways of change in agriculture, water and energy as envisaged in its advocacy messages explaining the theory of change, change agents and the intended outcomes. These pathways projected the role of different change agents including government, media, civil society and policy makers in the developmental space of agriculture, water and energy in South Asia.
- 6.3 Stressing on these pathways for change for regional cooperation, Bipul Chatterjee concluded the event saying that making cooperation possible and making cooperation happen are two different things. For cooperation to happen there has to be a strong political will, not just among our politicians but at various levels including civil society. This cannot be attained by relying solely on government; there has to be a collective effort from private sector and civil society participation in order to facilitate regional cooperation for the betterment of the society.



(Bipul Chatterjee concluding the event with focus on way forward for future work)

Annexure 1: Agenda of the Regional Dialogue



Sustainable Development in South Asia
Exploring Trans-boundary Cooperation in Agriculture, Water and Energy
Friday, July 29, 2016, Hotel Metropolitan, New Delhi,

Agenda

- 08:45 – 09:15** **Registration**
- 09:15 – 10:00** **Opening**
- 09:15 – 09:25** **Welcome Remarks**
Pradeep S Mehta, Secretary General, CUTS International
- 09:25 – 09:40** **Opening Address**
Chris Elstof, Deputy High Commissioner, Australian High Commission, New Delhi
- 09:40 - 10:00** **Keynote Address – Relationship between Food-Water-Energy Security Nexus in South Asia and the Sustainable Development Goals**
Nitinand Desai, Former Under Secretary-General of the United Nations
- 10:00 – 10:30** **Tea/Coffee**
- 10:30 – 12:00** **Knowledge Sharing on Sustainable Agricultural Practices and Exploration of Regional/Sub-regional Agricultural Value Chains**
Chair: Sanjeev Chopra, Additional Chief Secretary (Agriculture), Government of West Bengal
Presentation: Veena Vidyadharan, Policy Analyst, CUTS International
Speakers
R K Singh, Executive Director, Nand Educational Foundation for Rural Development, Lucknow
Binai Lama, Senior Advisor, SNV (Netherlands Development Organisation), Bhutan
Usman Mustafa, Professor/Head, Department of Business Studies, Pakistan Institute of Development Economics, Pakistan

12:00 – 13:30 Opportunities and Challenges of Trans-boundary Cooperation in Water Resource Management

Chair: Joydeep Gupta, South Asia Director, The Thirdpole

Presentation: Aneeta Dutta, Assistant Director, Rashtriya Gramin Vikas Nidhi, Assam

Speakers

Archana Chatterjee, National Coordinator, International Union for Conservation of Nature, New Delhi

Mandakini Surie, Senior Program Officer, The Asia Foundation

Dhrubesh Chandra Regmi, Programme Director, South Asia Watch on Trade, Economics and Environment, Nepal

Enamul Haque, Professor, East-West University, Bangladesh

13:30 – 14:30 Lunch

14:30 – 16:00 Scope for Intra-regional Trade and Investment Opportunities in the Energy Sector

Chair: Syamal Kumar Sarkar, Distinguished Fellow and Director (Water Resources Division), The Energy and Resource Institute, New Delhi

Presentation: Prithviraj Nath, Policy Analyst, CUTS International

Speakers

Mahendra P Lama, Pro Vice Chancellor, Indira Gandhi National Open University

Mollah Amzad Hossain, Editor, Energy & Power, Bangladesh

Sucha Singh Gill, Professor, South Asia, Centre for Research in Rural and Industrial Development, Chandigarh

Barun Barpujari, Former Executive Director, Digboi Refinery, Assam

16:00 – 16:30 Tea/Coffee

16:30 – 17:15 Way Forward

Presentation: Kyle Cote, Policy Analyst, CUTS International

Speakers

Ryan Thew, First Secretary (Development), Australian High Commission, New Delhi

Bipul Chatterjee, Executive Director, CUTS International