

SENIOR OFFICIALS' MEETING
ELEVENTH SESSION

8 AUGUST 2006, NEW DELHI

THE REPORT

I. Opening of the Meeting

1. The Eleventh BIMSTEC Senior Officials' Meeting (SOM) was held in New Delhi, India on 8 August 2006. Delegates from Bangladesh, Bhutan, India, Myanmar, Nepal, Sri Lanka and Thailand attended the Meeting. The list of participants is at **Annex-I**.
2. The meeting was opened by H.E. Mr. A.H.M. Moniruzzaman, Secretary (Multilateral), Ministry of Foreign Affairs, Government of Bangladesh, who before handing over the Chair made an opening statement which is at **Annex-II**. The Eleventh BIMSTEC SOM was chaired by His Excellency Mr. Rajiv Sikri, Secretary (East), Ministry of External Affairs, Government of India. The text of his opening remarks is at **Annex-III**.

II. Adoption of the Agenda

3. The Agenda as adopted by the Meeting is at **Annex-IV**.

III. Business Arrangement

4. The meeting took note of the schedules and business arrangements for the 11th SOM.

IV. Report of the Chairman of the BIMSTEC Working Group (BWG)

5. The Report of the Chairman of the BIMSTEC Working Group (BWG) was presented by H.E. Mr. Shahed Akhtar, Ambassador of Bangladesh to Thailand and is at **Annex V**.
6. The Meeting noted the Report with appreciation. The SOM commended the BWG for its valuable coordinating role in furthering the work of the

BIMSTEC and expressed appreciation for the support provided by Thailand.

VI. Report of the Lead Countries on the thirteen priority sectors

7. The Lead Countries presented progress reports on the sectoral activities:

- (a) Trade and Investment
 - TNC
- (b) Transport and Communications
- (c) Tourism
- (d) Energy
- (e) Technology
- (f) Fisheries
- (g) Poverty Alleviation
- (h) Agriculture
- (i) Cultural Cooperation
- (j) Counter-Terrorism and Transnational Crimes
- (k) Environment and Disaster Management
- (l) Public Health
- (m) People-to-People Contacts

Trade and Investment

8. The SOM agreed that finalizing the BIMSTEC Free Trade Area Agreement on Trade in Goods is an important priority as it would be a significant achievement that could be realized before the 2nd BIMSTEC Summit. It welcomed the progress made at the Trade Negotiating Committee (TNC) meeting in Colombo on 25-28 July 2006 towards finalizing the text and reaching agreement on the Dispute Settlement Mechanism and urged the TNC to make a special effort to achieve consensus on the outstanding issues such as product coverage and Rules of Origin at their next meeting in Myanmar in September 2006. The respective delegations to the TNC should have the necessary mandate to be pragmatic and flexible in order to attain the consensus required for full trade liberalization. We underlined the importance of regular Senior Trade/Economic Officials Meetings as well as the meetings of the Trade/Economic Ministers. We suggested that consideration be given to the early convening of the next round of these meetings. We also emphasized the importance of an early decision on the recommendations of the Task Force that has been mandated to examine the restructuring of the trade and investment sector.

9. The Task Force on review of sectors and sub-sectors had recommended restructuring of the sub-sectors. Pending implementation of the recommendation, it was noted that there was no activity at the level of sub-sectors.

Transport and Communications

10. The SOM took note of progress in cooperation in the form of meetings, training programmes, studies and exchange of experts relating to different aspects including standardization and harmonization of technologies.

11. The SOM noted the ADB supported BIMSTEC Transport and Logistics Study (BTLS). The Study should take into account synergies with similar studies undertaken in the region. Several bilateral and trilateral cooperative activities already initiated, would need to be integrated to give shape to BIMSTEC projects in this sector that will further promote trade and investment, people-to-people contacts and a sense of belonging to a common region, taking advantage of geographic contiguity of the member countries.

Tourism

12. The SOM agreed that tourism, with its multiplier effect, can be a significant vehicle for economic growth, that needs to be fully exploited. The outcomes of the 1st Round Table and Workshop of the BIMSTEC Tourism Ministers need to be translated into action. The 2nd Round Table and Workshop of the BIMSTEC Tourism Ministers to be held in Kathmandu on 28-29 August 2006 provides an opportunity to formally adopt the proposed plan of action and to proceed to implement it with timelines and commitments. It suggested that the member countries should not only promote tourism within the region but also arrivals from outside the region to BIMSTEC countries, particularly by focusing on the Buddhist sites by developing an attractive package that would interest investors as well as tourists. The establishment of a Tourism Information Centre and a BIMSTEC Tourism Fund could help coordinate activities and provide resources in this sector.

Energy

13. The SOM welcomed the numerous activities undertaken in this sector, which underline the importance that all member countries attach to the sector. The Trans-BIMSTEC Gas Pipeline(s) project, the BIMSTEC Trans-Power Exchange and Development project and the Energy Centre to be established in India are major activities that have seen considerable progress. The SOM welcomed India's offer to host another meeting that would finalize the Memorandum of Association of the Energy Centre ahead of the 2nd Energy Ministers Conference. The 2nd Energy Ministers Conference to be held in Thailand in October 2006 would provide the forum to review progress made and to take decisions regarding all aspects necessary to operationalize the mature proposals. SOM welcomed the suggestion that the foundation stone for the Energy Centre could be laid during the 2nd BIMSTEC Summit. The area of non-conventional energy cooperation requires further impetus, in the context of spiraling energy costs. A promising area in this regard is bio fuel production, such as promoting technology for extracting fuels from plants like *jatropha*.

Technology

14. The SOM noted the proposal for establishing a BIMSTEC Technology Transfer Exchange Facility and welcomed Sri Lanka's offer to circulate a concept paper and organize an Experts Group meeting in this regard. The Experts Group meeting will also discuss database on technical capabilities, training programmes and exchange of experts. The meeting noted efforts by Sri Lanka at organizing a Working Group meeting on Intellectual Property dimension in biodiversity and associated knowledge with the facilitation of WIPO during this year in Colombo. The SOM also agreed to explore further possible involvement of ADB in developing a cooperative programme in the ICT sector within the BIMSTEC framework.

Fisheries

15. The SOM took note of important proposals for cooperation in the Fisheries sector. These include, the project on Ecosystem-Based Fishery Management in the Bay of Bengal, the study of Impact of Offshore Oil and Gas Drilling on the Marine Fisheries resources in the Bay of Bengal, Fisheries Stock Assessment, Management and Development of New Fisheries in the Bay of Bengal and cooperation in inland fisheries. It welcomed the Workshop on Fisheries Cooperation to be hosted by Thailand towards the end of 2006, that will provide the occasion for implementing the mature proposals. A suggestion that arrangements for 'contract fishing' be explored would need further careful consideration, taking into account all dimensions including economic, security and environmental aspects.

Poverty Alleviation

16. The SOM noted that there are no volunteers to serve as Lead country for this sector. It encouraged all member countries to provide country reports to Bangladesh at the earliest so that dates for a Ministerial Meeting on Poverty Alleviation could be firmed up.

Agriculture

17. The SOM welcomed the offer of Myanmar to be the Lead country for this new sector. The meetings to be organized in Thailand and Myanmar later this year would help formulate specific projects in this sector.

Cultural Cooperation

18. The SOM welcomed the Paro Initiative of the 1st BIMSTEC Ministerial Meeting on Culture to establish the BIMSTEC Cultural Industries Commission and the BIMSTEC Cultural Industries Observatory on the basis of the recommendations of the BIMSTEC Culture Secretaries/Experts meeting. It further welcomed the offer of Bhutan to host the

BIMSTEC Cultural Industries Observatory and India's offer to host an Experts Group meeting on the operational aspects of the Initiative.

19. The SOM also welcomed the offer of Bangladesh to host the 2nd Ministerial Meeting on Culture in April 2007, preceded by a BIMSTEC Cultural Festival to showcase the rich traditions, vibrant cultural diversity and shared heritage of the BIMSTEC region. It hoped that the 2nd Ministerial Meeting would come up with concrete projects, taking into account synergies between this sector as well as the sectors on people-to-people contact and tourism.

Counter-Terrorism and Transnational Crimes

20. The SOM took note of the progress made at the 2nd Joint Working Group on Counter Terrorism and Transnational Crimes (CTTC) and at the meetings of the 4 Sub-Groups on Intelligence Sharing, Legal & Law Enforcement Issues, Combating the Financing of Terrorism and Prevention of Illicit Trafficking in Narcotic Drugs, Psychotropic Substances and Precursor Chemicals. It welcomed the offer of Myanmar to host the 3rd Meeting of the Joint Working Group, which is expected to make recommendations to the Ministerial Meeting for concrete action at the 2nd Summit. It was briefed that, as each Sub-Group has a Lead Shepherd for coordinating its activities, the country hosting the Joint Working Group could provide the overall coordination, in the absence of any designated Lead country for the sector.

Environment and Disaster Management

21. The SOM welcomed India's offer to be the Lead country for this new sector and the offer to host a workshop on the subject. It agreed that this is a very important sector as the region is afflicted by natural disasters with severe human and environmental costs. There is a need for adopting a comprehensive approach to disaster management by enhancing national and regional capacities and developing a Disaster Management Roadmap and to ensure rapid response at the regional level through adequate networking and stand-by arrangements. In this context, the Centre for Weather and Climate is a welcome addition to the resources in the region. There should also be effective networking among regional centres engaged in disaster preparedness, early warning systems and related activities.

Public Health

22. The SOM welcomed the offer of Thailand to be the Lead country for this new and important sector of cooperation which would involve networking of national centres of excellence in traditional medicines and sharing of experiences in dealing with public health issues such as avian influenza and other emerging infectious diseases. The meeting also welcomed the offer of Thailand to organize a meeting on the issues on 29-31 August 2006 in Bangkok and emphasize the need to generate greater awareness in utilizing the scholarships offered by Thailand and India in this sector.

People-to-People Contacts

23. The SOM noted with appreciation the numerous activities including sporting events, exploration of cultural ties, BIMSTEC Young Ambassadors Programme, exchange of visits of Parliamentarians, film festivals, etc. that have been implemented and are being planned to enhance people-to-people contacts. It encouraged the continuation of such activities and sought ideas from all member countries to further enhance cooperation in the sector.

VIII BIMSTEC Website

24. The SOM agreed that the official website of BIMSTEC has room for improvement. The website could have a part which is in the public domain that includes documents from Summit, Ministerial Meetings and Senior Officials Meetings, besides Press Releases, public versions of outcomes of sectoral meetings, a monthly newsletter from the BIMSTEC Working Group on meetings held as well as announcement of forthcoming events. The BIMSTEC Working Group would authorize the documents to be uploaded on the website. The possibility of having a section of the website secured/password protected in a manner to limit access to a small number of authorized officials among the member countries and a section on archive of activities could also be explored. The BIMSTEC Working Group was also asked to take steps to have all the documentation relating to BIMSTEC activities compiled on a CD-ROM for internal use by the officials of BIMSTEC member countries.

BIMSTEC Centre on Weather and Climate

25. The SOM welcomed India's offer to host another meeting that would finalize the Memorandum of Association of the BIMSTEC Centre for Weather and Climate.

26. It was agreed that all preparatory work for the establishment of the Centre would be finalized before the 2nd BIMSTEC Summit.

IX BIMSTEC Secretariat

27. The SOM, while thanking Thailand for providing all support to the Bangkok Working Group, agreed that with increasing activities, BIMSTEC requires a Secretariat soon, if not immediately. Such a Secretariat should not be very large and should not cause excessive financial burden on the member countries. It authorized the Inter-Governmental Experts Group which has met once to consider various options to hold additional meetings, at a higher level, if necessary, and submit its recommendations to the Senior Officials to enable a decision to be taken at the 2nd BIMSTEC Summit.

X 2nd BIMSTEC Summit

28. The SOM took note of the preparations underway for the hosting of the 2nd BIMSTEC Summit in New Delhi on 8 February 2007, to be preceded by the Ministerial Meeting on 7 February and Senior Officials Meeting on 6 February.

XI Discussions on the Ministerial Meeting

29. The SOM recommended adoption of the provisional agenda of the Ministerial Meeting which is at **Annex VI**.

XII Any other matter

30. The SOM discussed the issues of mandates, procedures, financial provision etc. for the BIMSTEC sectoral centres that would be established. It was agreed that, ideally, the sectoral centres should, as far as possible, be spread across the region. The need for comprehensive discussion by relevant inter-Governmental groups of all basic documents for the establishment of these sectoral centres, such as Memoranda of Association, was also recognized.

31. The SOM recalled earlier decisions regarding financing of projects, as far as possible, from resources of BIMSTEC member countries and to consider resources from outside on a case by case basis. The SOM agreed to keep under discussion this matter and any related proposals, such as possible Development Partners, that might arise.

XII Consideration and adoption of SOM Report

32. The SOM adopted by consensus the report of the Eleventh BIMSTEC Senior Officials' Meeting, as above.
