

IFPRI-BIMSTEC Dissemination workshop

Working towards a climate-resilient and sustainable food system in the BIMSTEC Region: Evidence and Lessons from a 4- year project focused on agri-food trade

3-4 October 2024 | Bangkok, Thailand

Background

Established in 1997, The Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC) is an intergovernmental regional organization comprising seven Member States (Bangladesh, Bhutan, India, Myanmar, Nepal, Sri Lanka and Thailand) lying in the littoral and adjacent areas of the Bay of Bengal. The organization acts as a bridge between South and South-East Asia and has huge potential for growth and economic integration for development. The BIMSTEC region, home to nearly 1.5 billion people, shares common concerns related to agricultural food system transformation, promoting regional and supra regional trade, and addressing environmental threats such as climate change. Over the years, this regional body has increasingly focused on addressing key challenges such as regional agrifood trade, food security, environmental sustainability, climate change, and agricultural transformation. However, it is constrained by a lack of close integration, mobility, and geostrategic alignment. Despite its rising economic potential and geostrategic significance, the region remains less integrated than it was fifty years ago and often finds itself on the periphery of key global developments.

In 2020 the International Food Policy Research Institute (IFPRI) and partners launched a four-year project titled "Regional Trade and Agricultural Transformation in the Bay of Bengal Countries" funded by the Bill and Melinda Gates Foundation (BMGF). Its aim has been to foster sustainable agricultural transformation and enhance trade linkages to address food security, poverty and climate change across the BIMSTEC region.

IFPRI project on BIMSTEC comprises an integrated approach based on the conceptual framework that was developed for underlying areas of cooperation. The areas of cooperation comprise three main links viz. economic linkage, social linkage, and environment/climate linkage. The bidirectional linkages are conditioned by an enabling environment comprising domestic policies/conditions of member countries as well as external conditions like arrangements other than BIMSTEC or factors like security. Given its population size and levels of development – BIMSTEC comprises one of the most climate vulnerable regions. Structurally BIMSTEC is an arrangement for multi-sectoral economic and technical cooperation. Its objective and goals are also multi-modal. Pivoted on agri-food trade, it requires encompassing all linkages, i.e., economic linkages---social linkages---environmental linkages. With the diverse and interrelated themes for BIMSTEC, the conceptual framework provides the organization for BIMSTEC areas of cooperation.

Drawing from the integrated approach, the project focused on operationalizing and analyzing some of the project activities. It accounted for interlinkages of the constituents' parts—that is, trade and investment, poverty, and food security (inclusiveness), and environment and climate change. Scale effects, composition effects (greener trade) and technique effects (low carbon technology) from trade at different levels was assessed.

Given this background, IFPRI is organizing a project closing and dissemination event to present findings from a 4-year project focused on regional agri-food trade.

Project overview and IFPRI's Collaboration with BIMSTEC Secretariat

In alignment with the goals, IFPRI South Asia has collaborated with BIMSTEC secretariat to contribute towards a sustainable and inclusive agricultural transformation across BIMSTEC member states, including Bangladesh and India. BIMSTEC and IFPRI signed a MoU in March 2023 in Dhaka (the site of BIMSTEC secretariat) to strengthen partnership and collaboration in the areas of mutual interest. The MoU focused on facilitating collaboration, drawing upon both organizations' mandate, competence, and areas of technical expertise. for the work on regional agricultural food trade related issues—including environment and climate change implications of integration , with emphasis on capacity building in India and Bangladesh.

While clearly, there were several areas of engagement, the initial focus was on: regional trade, poverty and food security, and climate change. Agriculture is the largest source of employment in BIMSTEC countries, and the incidence of poverty is the highest among farmers and farm laborers. Poor households in the region spend a large share of their income on food. Food prices, therefore, have a significant impact on poverty and food and nutrition security. Farmers' incomes can rise and the availability and affordability of nutritious foods (pulses, fruits & vegetables) can improve with an increase in regional trade. Increase in trade can also reduce producers' and consumers' vulnerability to weather and price shocks.

Moreover, at the 15th Ministerial Meeting, BIMSTEC countries emphasized the need for enhancing cooperation on poverty alleviation, public health, and agriculture. Member countries agreed to implement a Poverty Plan of Action in line with the United Nations Sustainable Development Goals (SDGs). Given these proactive initiatives, and political commitments from the highest level, there was a clear opportunity for IFPRI and its global partners to make significant contributions as thought partners in realizing the broad BIMSTEC vision, which in turn will contribute to achieving an inclusive transformation.

Therefore, IFPRI proposed to have greater focus on regional trade and investment, and it was commonly understood that in meeting the diverse goals of BIMSTEC in areas of food and agriculture, trade has to play a pivotal role. In terms of trade, BIMSTEC constitutes the least integrated region in the world, with a 5% intra-regional trade which compared to 35% among ASEAN countries and 60% among European Union (EU) members. Moreover, intra-regional trade accounts for about 65% of EU total trade, 51% of NAFTA trade and 25% of ASEAN trade.

In its successive deliberations, BIMSTEC leaders have mainstreamed the importance of reduced trade barriers, dismantling non-tariff barriers and structural impediments to free trade. However, it has proved to be an uphill battle. Inter alia, one of the reasons behind this stylized fact has been the changing nature of trade with value chain integration, interlinked inputs and output trade and greater product differentiation that have not characterized trade of BIMSTEC member states. The discourse has been on low levels of trade rather than on the reasons behind such outcomes. In policy research there has been low investment in data and limited robust analysis at both country and regional level. The analytical gaps beckoned improved capacity and application in understanding, policy making

and cooperation in agri-food trade for BIMSTEC countries. The partnership thus tried to address both data and analytic challenges in lines of research, capacity building and policy engagement. The partnership in these areas was conditioned by a conceptual framework for BIMSTEC that looks at areas of cooperation in an integrated frame.

Objective of the workshop, Key project activities and outputs

The upcoming dissemination event aims to share the knowledge and insights generated from the project, providing a platform for stakeholders to learn from the experiences and achievements over the past four years. It is our hope that the platform will bridge the gap between research and policy, ensuring that data-driven insights contribute to more effective agricultural transformation and policies in BIMSTEC countries. The specific objectives are:

- To share and disseminate the activities and findings from the "Regional Trade and Agricultural Transformation in the Bay of Bengal Countries" project.
- further advancing the understanding of the changing contours of agri-food trade and the need for statistical and research methodologies' innovations
- To expand the reach of the project's knowledge products, making them more accessible and useful to a wider audience.
- To foster collaboration among policymakers, researchers, the private sector, and other stakeholders in the region.
- To improve the utilization of data-driven, evidence-based knowledge for decision-making at both the national and regional levels.

The work in BIMSTEC project has dealt in a wide array of areas that dovetail with BIMSTEC's areas of cooperation. For example, IFPRI along with partners have worked on agri-food trade patterns and trade policy at high frequency and product and country disaggregation to capture the sources of growth, levels of value chain integration and assess the ability for dealing with shocks.

Recognizing the adverse impact on the lives and livelihood of the peoples and the serious threats that it poses to the region, the BIMSTEC Leaders agreed to explore collaborative initiatives and enhance cooperation in environmental protection and sustainable development. Accordingly, Environment and Climate Change (ECC) was identified as one of the seven Sectors of Cooperation with Bhutan as the Lead Member State. IFPRI supported BIMSTEC secretariat in the review of Plan of Action on Environment and Climate change. We constituted a review committee; went through a rigorous process of providing the feedback, a useful exercise in trying to think through the various dimensions of ECC that would facilitate strengthening of cooperation among BIMSTEC members towards taking collective actions related to environment and climate change (ECC).

In terms of policy landscaping, IFPRI has developed a BIMSTEC Agricultural Trade Monitor plus (BATM+) a flagship product that provides real time information on agri-food trade patterns and policies where the domain includes within border policies, infrastructure and institution as well that impinge on trade outcomes. As part of this project, analytical tools were developed for analyzing the different forms of exchange in relation to the planned objectives through collaborative research and mutually agreed areas of capacity building.

During this project, we engaged with diverse stakeholders, including leading think tanks like ICRIER, RIS from India, PRI from Bangladesh, SAWTEE from Nepal, key government agencies, policy makers, Member States, BIMSTEC Secretariat on different areas of research, capacity building and policy engagement. Multiple dissemination platforms were used to get our work out – including our project website, blogs, Twitter and Facebook. IFPRI convened events to promote peer-to-peer exchanges of knowledge and experiences for effective collaboration and e networking among the institutions and actors involved in the food systems. We also invested strongly in capacity building activities.

Project outputs at a glance:

Products

- *BIMSTEC Agricultural Trade Monitor plus (BATM+)* which needs to be mainstreamed as a multi-country policy development and analysis tool providing information on factors and effects in the areas designed for cooperation
 - *Unique in terms of disaggregation*
 - *High frequency*
 - *Can reveal changes and responses to shocks- the true metric of state of trading arrangement*
- **Elements of BATM+**
- *Dynamic dashboard and user-friendly*
- *Toolkit for policy makers and researchers on agri-food trade at disaggregated level data*
- *Aims to measure the extent of trade patterns and trade policies which gives the scope for regulatory decision, policy formulation, evaluation and adjustment process*
- *Identify new products, variety and partners margins*
- *Port wise data to assess all trade costs*

Research works (examples)

- *Assessing the competitiveness of BIMSTEC members in specific value chain- fisheries, edible oil, maize, and coffee*
- *Analyzing and estimating Informal trade in agricultural products including inputs between India and Bangladesh, India, and Nepal*
- *Assess participation of BIMSTEC countries in value chains of agri-food commodities including agricultural inputs like seed, fertilizers, other agrochemicals using 8-digit and port-wise monthly data*
- *Policy study on “risk mitigation of food insecurity in the BIMSTEC region amid climate change: trade policy perspective”*
- *Creating the agriculture trade policy repository for India, Nepal, Bangladesh-four components: (i) principal trade related laws; (ii) agriculture related trade policies; (iii) core or complementary trade policies that affects export and import; (iv) regional trade agreements*

Capacity partnerships

- *Training on policy analysis*
- *Training on CGE modeling*
- *Training on empirical analysis*

- *Training on Environment and Climate Change*
- *Regional outreach event with partners*

Knowledge products and communication

- *Journal articles*
- *Fact sheets and blogs*
- *Policy notes*
- *Policy briefs*
- *Infographics on informal trade and formal trade*
- *BIMSTEC Agriculture Trade Monitor Plus (BATM+) - Dashboard*
- *Stakeholder mapping*

In sync with BIMSTEC priorities

- *Increasing Agricultural Productivity*
- *Promoting Sustainable Agricultural Practices*
- *Enhancing Agricultural Trade and Investment*
- *Promoting Agricultural Research and Development*
- *Improving Food Security and Nutrition*