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Nepal in BIMSTEC: Contribution, Achievements and Future Directions

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Abstract

This paper investigates Nepal's participation in the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC), a key regional organization. Nepal promotes regionalism by adhering to the principles established by the United Nations and actively working to address regional challenges while enhancing opportunities through cooperative initiatives. Since joining BIMSTEC in 2004, Nepal has engaged extensively in the BIMSTEC framework. This study employs qualitative descriptive and analytical methods to examine Nepal's perspective on BIMSTEC and its role in fostering regional cooperation, particularly through the lens of liberal inter-governmentalism. The information is collected from various secondary sources. A thorough analysis of these resources shows that Nepal strongly supports the BIMSTEC initiative, which is clear in its discussions on foreign policy. Nepal views BIMSTEC not as a substitute for other regional bodies, but to enhance cooperation across different sectors within the region. The successful execution of BIMSTEC agreements and collaborative initiatives is a key measure of the likelihood of attaining substantial results within the BIMSTEC region.

Keywords: BIMSTEC, diplomacy, negotiation, regional organization, the Bay of Bengal

Introduction

Regionalism refers to the systematic collaboration of policies among countries through recognized institutions (Mansfield et al., 2010), to attain shared benefits while emphasizing distinct regional traits through collaboration and mutual gain (Baral, 2024). Regionalism is

largely a post-world war phenomenon that was developed in Europe in the late 1940s to address the war devastations and later transferred to different parts of the world. Over the past few decades, there has been a tremendous increase in regional institutions, which shows a huge surge in regionalism in the international system (Mansfield et al., 2010). A new era for regionalism began along with the flourished in Europe after the 1950s and spread to other developing regions in the 1960s. In Asia, regionalism was predominately adopted toward the end of the Cold War, along with the revitalization of regionalism in Europe and its spread to North America. This was because of the realization of the necessity to establish government-level institutions for economic cooperation and coordination in Asia and to cope with changing regional circumstances (Oba, 2019). Another impetus for regionalism was the inception of the Non-Aligned Movement (NAM) in the 1950s. Though NAM itself was not a regional organization, it stimulates third-world countries to get united in addressing common issues of social, economic, and developmental challenges through regional collaboration (Bhattarai, 2021).

As a member of the United Nations and her firm belief in liberal ideology, Nepal places significant importance on regionalism. Nepal acknowledges the importance of regional associations for enriching connectivity, enabling infrastructural and economic growth, and solving common problems. From playing a substantial role in establishing the South Asian Association for Regional Cooperation (SAARC) in 1985, holding its secretariat in Kathmandu to actively participating in the SAARC process (Prasain, 2024), Nepal is a member of BIMSTEC, a member of Asia Cooperation Dialogue (ACD), and a dialogue partner of the Shanghai Cooperation Organization (SCO). Nepal strongly backs regional collaboration, and it is reflected in her foreign policy deliberations (Bhattarai, 2021).

Nepal's involvement in BIMSTEC began in 2004, marking its active participation in this regional organization. Since then, Nepal has pursued collaborative efforts across various sectors aimed at enhancing economic growth and development within the BIMSTEC framework. This regional alliance serves as a crucial platform for Nepal to strengthen its connections, diversify trade opportunities, gain access to deep-sea ports, and secure regional help in areas such as disaster management, climate change, and tourism promotion (Prasain, 2024). The landlocked nations of South Asia, specifically Nepal and Bhutan, face significant economic hurdles, including trade deficits, elevated transportation expenses, and gaps in investment. To tackle these challenges, a regional strategy through BIMSTEC is essential, focusing on negotiations to resolve tariff and non-tariff barriers, expanding market access, improving connectivity, modernizing transportation infrastructure, and enhancing the production and productive capacities across agriculture, manufacturing, and services sectors, as well as addressing financing needs. These measures are crucial for facilitating member states' integration into the regional market (Ojha, 2022). Nepal's participation in BIMSTEC signals a commitment to regionalism, internationalism, and multilateralism, reflecting its geo-economic and normative aspirations. This engagement demonstrates Nepal's intent to capitalize on economic opportunities while reducing reliance on its immediate neighbors and seeking alternative pathways for regional integration (Chand, 2022).

India's Act East policy and its efforts to revitalize BIMSTEC since 2014 (Kumar, 2020) have led to a notable increase in the organization's activities, particularly following the leaders' meeting in Goa in 2016 (Palit et al., 2018). BIMSTEC is emerging as a significant platform for regional collaboration, emphasizing economic growth, connectivity, trade, and cultural relationships among its member countries. As BIMSTEC evolves, Nepal's involvement presents both opportunities and challenges (Prasain, 2024). India's participation in BIMSTEC has been advantageous for member nations, given its status as the world's fifth-largest economy and its development as a technological and digital center (BIMSTEC Business Summit Report, 2024). While much literature has examined India's role in strengthening BIMSTEC, the contributions of Nepal have not received adequate attention. This article seeks to address this oversight by offering insights into Nepal's initiatives aimed at advancing BIMSTEC. The discussion will underscore Nepal's position within BIMSTEC and its regional aspirations.

Concept

BIMSTEC, which was founded in 1997, serves as a regional entity focused on economic collaboration among Bangladesh, India, Myanmar, Sri Lanka, and Thailand. Following Myanmar's accession, the organization was initially referred to as BIMST-EC. In 2004, with the inclusion of Nepal and Bhutan as full members, it adopted the name 'BIMSTEC.' Presently, the organization comprises seven member states from both South and Southeast Asia: Bangladesh, Bhutan, India, Myanmar, Nepal, Sri Lanka, and Thailand. The secretariat of BIMSTEC is located in Bangladesh (Palit et al., 2018 & BIMSTEC Secretariat, 2024). According to the Bangkok Declaration, the primary objective of this organization is to promote economic and social development through enhanced collaboration on shared interests and to effectively tackle issues that align with national development strategies (Palit et al., 2018).

In the last twenty years, the member countries of BIMSTEC have established various opportunities in the region by linking South and Southeast Asia through the Bay of Bengal. Representing more than twenty percent of the global population, BIMSTEC is witnessing considerable expansion in its trade volume with the international market. Since the formation of BIMSTEC, the region has consistently surpassed the global average for GDP growth over the recent decades. The BIMSTEC region attracted 2.78% of the total foreign direct investment from 2001 to 2020, a significant increase from the mere 0.96% recorded between 1981 and 2000. By acknowledging its historical, cultural, and civilizational ties, BIMSTEC has also facilitated greater mobility among its populations. The organization is harnessing its potential to align more closely with advanced economies through the implementation of various agreements, declarations, reconfigurations of cooperative areas, and other institutional reforms (Paudel, 2022). BIMSTEC currently accounts for 4.5% of the global GDP. This region is characterized by a rich variety of flora and fauna, a wealth of minerals, and significant climatic diversity. Furthermore, it is recognized as one of the wealthiest areas in the world, endowed with vast untapped natural resources such as freshwater, oil, natural gas, and seabed minerals. Additionally, BIMSTEC presents substantial opportunities for growth in tourism and trade (Chaudhary & Paudel 2024).

Methodology

The article examines Nepal's perspective on BIMSTEC and its proactive engagement in promoting regional cooperation. It applies the framework of liberal inter-governmental and utilizes a qualitative, descriptive, and analytical methodology. The article employs a qualitative, descriptive, and analytical approach. Data is gathered from primary sources, including the Ministry of Foreign Affairs Nepal (MoFAN) and the BIMSTEC Secretariat. The information for this study was collected through an examination of reports and publications from these entities, along with an analysis of speeches delivered by leaders. Additionally, secondary resources, such as previous studies and news articles, are reviewed to support the analysis.

Literature Review

Nations engage in regional collaboration to improve trade connections, foster political stability, and ensure security within their territories. This cooperation also aims to strengthen the global negotiating power of smaller nations, tackle shared challenges, and promote cultural exchange (Shams, 2002). Located strategically between two major nations in South Asia, Nepal actively takes part in a regional organization aimed at achieving various objectives while focusing on its unique interests. Several theories of regional integration have been developed to analyze the complexities of Nepal's involvement in regionalism. Nepal's participation and collaboration within BIMSTEC have been examined through various lenses, including geo-economic and geo-political viewpoints. However, the narratives around Nepal often overlook its distinct identity and the role it plays as an independent state actor. The existing literature does not provide a comprehensive account of Nepal's specific initiatives and contributions toward advancing BIMSTEC.

In the context of global studies, regionalism and regional organizations have been analyzed through various theoretical lenses within the framework of regional integration, a concept that was initially applied to the European Union (EU). This framework has evolved significantly over time. The foundational idea of regional integration theory can be traced back to Viner's seminal work published in 1950, which provided a framework for assessing the effects of establishing customs unions both within member states and to external entities. Subsequently, in 1960, Lipsey contributed a different perspective on regional integration, suggesting that customs unions do not invariably lead to welfare improvements. Additionally, Krauss (1972) proposed alternative policies concerning regionalism that extend beyond mere free trade among member states (Yeung et al., 2012). In summary, this theory elucidates the processes and motivations through which states in a specific region enhance their interactions across economic, security, political, and socio-cultural dimensions.

The theory of liberal inter-governmentalism in the context of regional integration was articulated by American scholar Andrew Moravcsik in 1993 (Akilatan, 2020). Initially conceived to examine the dynamics of European integration, this framework has since gained prominence in the analysis of international cooperation, particularly through the lens of intergovernmental negotiations where sovereign states play a pivotal role in achieving

specific agreements or policies (Kleine & Pollack, 2018). The fundamental components of liberal inter-governmentalism include state preferences, interdependence, intergovernmental negotiations, individuality, and national interests (Moravcsik, 1993). Given that Nepal's involvement in BIMSTEC has been explored from various perspectives, particularly regarding its significance to Nepal, the application of liberal inter-governmentalism can provide valuable insights into Nepal's stance within BIMSTEC, emphasizing its priorities, political commitments, and contributions to the Bay of Bengal region.

Theoretical Framework

A nation's participation in regional alliances is fundamentally rooted in the principles of political liberalism. Decision-makers are driven by a worldview that prioritizes cooperation and mutual understanding, reflecting a particular conception of human nature. This perspective underscores the potential for human advancement within modern civil societies and capitalist frameworks. Such security and development can be achieved through reciprocal cooperation (Jackson & Sorensen, 2013).

Liberalism posits that the foundational principles of freedom and democracy are essential for forming relationships among states that safeguard individual liberties. Proponents of liberalism assert that both bilateral and multilateral interactions play a significant role in fostering peace and stability. They advocate for increased cooperation among states, which can be realized through the steady and determined development of international institutions and norms. Smaller states in the realm of global politics tend to favour multilateral engagement as a means to safeguard their critical interests (Jessese & Dreyer, 2016).

Liberal inter-governmentalism which emerged in the process of studying integration in the European Union is a common theory for analyzing international cooperation focusing on intergovernmental bargaining where each state is the important factor in attaining certain agreements or policies (Kleine & Pollack, 2018). State preferences, interdependence, intergovernmental negotiations, individuality, national interests, etc. are the key elements of liberal inter-governmentalism (Moravcsik, 1993). Along with the growing influence of regionalism in Europe to Asia in the 1950s, Nepal's entry into international organizations was initiated in 1955 with gaining the membership of the United Nations. Since then, Nepal has been working in various regional and sub-regional forums. Its entry and active engagement in BIMSTEC are one of the best outcomes of liberal thinking.

Data Presentation

Nepal's Political Commitment to BIMSTEC.

In 1997, Nepal attained observer status within the BIMST-EC framework. This status was formally acknowledged during the second BIMST-EC Ministerial Meeting, which took place in Dhaka on December 19, 1998, where Nepal was welcomed as an observer state. Subsequently, on February 8, 2004, Nepal transitioned to full membership in BIMSTEC. Since then, Nepal has been actively involved in the organization's initiatives. The nation has demonstrated its commitment to uphold its participation in alignment with BIMSTEC's objectives and principles, contributing consistently to the organization (Bhattacharjee, 2018)

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& MoFA, 2024). BIMSTEC serves as an essential forum for Nepal, facilitating enhanced regional collaboration in areas such as disaster management, climate change, tourism, and cultural interactions, as well as promoting joint efforts to tackle other shared challenges within the region (Prasain, 2024). In 2018, Nepal effectively organized the fourth summit of the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC), garnering widespread acclaim from both member nations and the global community (Shrestha, 2018 & MoFA 2024). During a visit to Nepal in 2022, Tenzin Lekphell, the Secretary-General of BIMSTEC, remarked that the fourth summit held in Nepal represented a significant milestone that facilitated the reform of BIMSTEC's areas of collaboration and reinforced its institutional framework (BIMSTEC, 2022).

During the fourth summit of BIMSTEC, then Prime Minister KP Sharma Oli articulated that the integration fostered by BIMSTEC represents a cherished aspiration of its populace, one that is further strengthened through interpersonal connections among citizens. He emphasized that the BIMSTEC region transcends mere geographical delineations or the aggregation of individual nations; rather, it embodies a conceptual framework aimed at facilitating economic diversification, addressing the developmental needs of its countries and citizens, and propelling mutual advancement and collaboration. He urged collaborative endeavors to tackle shared challenges, including terrorism, organized crime, drug trafficking, human trafficking, money laundering, and climate change, which are prevalent in the region. Furthermore, he affirmed that, for Nepal, SAARC and BIMSTEC are not alternatives but rather complementary entities, expressing Nepal's dedication to fostering substantial regional cooperation through BIMSTEC (BIMSTEC Secretariat, 2018 & MoFA, Nepal, 2018).

During the fifth summit of BIMSTEC convened in Sri Lanka, then Prime Minister Sher Bahadur Deuba articulated Nepal's dedication to the BIMSTEC Bangkok Declaration. He referenced the fourth summit in Kathmandu as a significant point of renewed commitment towards establishing a robust BIMSTEC framework, alongside Nepal's mandate for negotiating institutional reforms. Deuba informed fellow leaders of Nepal's readiness to implement tourism circuits that would link temples, archaeological sites, and various tourist and adventure destinations, including the Buddhist Circuit within the region. By signing the BIMSTEC Charter, he characterized this moment as a pivotal milestone in the organization's history, marking the transition of BIMSTEC into a new era (BIMSTEC Secretariat & MoFA, Nepal, 2022).

Institutional mechanism and commitment to participate in the BIMSTEC process

The Ministry of Foreign Affairs serves as the principal authority responsible for managing significant international relations. To facilitate activities related to BIMSTEC, a dedicated BIMSTEC section has been established within the Regional Organization Division. This section functions as the National Focal Point (NFP), enabling the communication and coordination of all matters about BIMSTEC between the BIMSTEC Secretariat and the Member States (BIMSTEC Secretariat, 2024). Nepal has been actively engaging through the mechanisms outlined by BIMSTEC.

The BIMSTEC summit

The Prime Minister of Nepal engages in the decision-making processes at the BIMSTEC summit. To date, Nepal has taken part in five BIMSTEC summits, beginning with the inaugural meeting on July 31, 2004, in Bangkok, Thailand. This was followed by the second summit on November 13, 2008, in New Delhi, India; the third summit on March 4, 2014, in Nay Pyi Taw, Myanmar; the fourth summit, which Nepal hosted, on August 30-31, 2018, in Kathmandu; and the fifth summit, held virtually on March 30, 2022, in Colombo, Sri Lanka (Virtual).

Ministerial meeting

The Foreign Minister of Nepal plays a crucial role in the BIMSTEC Ministerial Meetings, promoting cooperation among member countries. This meeting allows Nepal to express its priorities and aid in the region's advancement. The Minister actively participates in discussions on trade, investment, connectivity, energy, and counter-terrorism, ensuring Nepal's viewpoints are integrated into joint strategies. This engagement shapes the BIMSTEC agenda, enhances regional integration, and tackles common challenges. It strengthens Nepal's position within the sub-regional framework and contributes to achieving sustainable development and prosperity for all BIMSTEC member states.

Sectoral ministerial meetings

The BIMSTEC utilizes Sectoral Ministerial Meetings to foster regional cooperation. These meetings bring together ministers from line ministries across member states to review initiatives, identify collaboration opportunities, share best practices, and address emerging challenges. The outcomes of these meetings shape the direction and implementation strategy for each sector, ensuring BIMSTEC's objectives are effectively translated into concrete actions.

The BIMSTEC senior officials' meeting

The BIMSTEC Senior Officials' Meeting is a vital part of the organization, with Nepal's Foreign Secretary playing a crucial role. They track the progress of agreements within the BIMSTEC framework, assess the implementation status of initiatives, and actively prepare for high-level meetings involving Ministers and Heads of State/Government to ensure effective results and contribute to BIMSTEC's overall goals.

Permanent working committee

The Permanent Working Committee (PWC) is a crucial part of BIMSTEC, overseeing administrative and financial aspects of the Secretariat, managing budgetary processes, and ensuring resource allocation. Nepal's Regional Organization head serves as the focal point for the BIMSTEC Senior Officials Meeting, demonstrating Nepal's commitment to effective management and financial transparency.

The sectoral joint working groups/sub-sectoral and ad hoc expert groups

It consists of a network of working groups and expert groups. The Joint Working Group (JWG) and Ad hoc Expert Group are essential for facilitating dialogue, aligning activities, and ensuring that decisions made within the health sector are informed by evidence and expertise. The 17th Ministerial Meeting established a tiered approach to policy harmonization and technical challenges, with each sector addressed by a Joint Working Group at the sectoral level and more nuanced issues by Expert Groups at the sub-sectoral level. Nepal actively participates in these groups, ensuring its interests and perspectives are effectively represented in regional decision-making. Nepal's commitment to BIMSTEC collaboration is evident in the designation of responsible individuals at various levels to engage through diverse mechanisms.

Nepal's Contributions to Enhance Regional Cooperation

Nepal is a key participant in the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC), a trade, connectivity, and economic growth platform. Since 2004, Nepal has actively contributed to the BIMSTEC framework, providing technical and advisory support, leadership in specific projects, and a commitment to the BIMSTEC agenda. Nepal has become the lead country for Poverty Alleviation, demonstrating its commitment to social development and tackling challenges within the BIMSTEC region.

Nepal is actively participating in the BIMSTEC, focusing on Poverty Alleviation and seven key sectors: Security, Trade, Investment and Development, Environment and Climate Change, Agriculture and Food Security, People-to-People Contact, Science, Technology & Innovation, and Connectivity. As the lead country in People-to-People Contact, Nepal emphasises the importance of human interaction and cultural exchange in fostering regional harmony and development. The BIMSTEC Secretariat utilizes seven divisions, each headed by a director, reflecting Nepal's leadership in People-to-People Contact. This leadership role allows Nepal to champion initiatives that promote stronger relationships and shared experiences among BIMSTEC member states, demonstrating its commitment to regional cooperation.

The Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC) sustains its operational costs through member-state contributions and external funding, ensuring financial stability and enabling its objectives. Nepal, an active participant in the regional bloc, contributes annually, demonstrating its commitment to the organization's success. Nepal also hosts BIMSTEC meetings within its borders, taking on administrative and logistical expenses, demonstrating its proactive engagement and willingness to invest in regional cooperation goals, as outlined by the BIMSTEC Secretariat and the Ministry of Foreign Affairs of Nepal in 2024.

In 2023, Nepal's total trade reached US\$11.27 billion, with a significant portion of this amount, US\$9.43 billion, attributed to trade with India. This highlights India's dominance in Nepal's trade relationships within the BIMSTEC region. China, Nepal's second-largest

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trading partner, had a trade volume of around US\$1.77 billion in 2023, but this was less than the combined trade with BIMSTEC nations. This imbalance demonstrates Nepal's significant reliance on its BIMSTEC neighbors for trading activities.

Nepal has entered into various agreements and memoranda of understanding under the framework of BIMSTEC to bolster cooperation across multiple sectors. The Framework Agreement on the BIMSTEC Free Trade Area, established in 2004, seeks to create a free trade zone within the BIMSTEC region. Additionally, the BIMSTEC Convention on Cooperation in Combating International Terrorism, Transnational Organized Crime, and Illicit Drug Trafficking, signed in 2009, along with the BIMSTEC Convention on Mutual Legal Assistance in Criminal Matters, finalized in 2022, aim to enhance collaborative efforts against the rising tide of diverse criminal activities in the region. Furthermore, the Memorandum of Association for the establishment of the BIMSTEC Energy Center (BEC), concluded in 2011, and the Memorandum of Understanding for the establishment of the BIMSTEC Grid Interconnection, signed in 2018, are intended to promote collaboration in the energy sector. Recent developments include the Memorandum of Association on the Establishment of the BIMSTEC Technology Transfer Facility (TTF) in Colombo, concluded in 2022, and the BIMSTEC Master Plan for Transport Connectivity, also signed in 2022, which represent significant advancements in facilitating trade, transportation, and technology transfer within the region (MoFA, Nepal, 2024 & BIMSTEC Secretariat, 2024). Member states, including Nepal, are eager to embrace new initiatives at the forthcoming sixth summit scheduled to take place in Thailand.

Each agreement holds distinct significance and embodies the specific needs of individual member states. Nepal has completed and communicated its internal ratification processes for the implementation of all aforementioned agreements, with the exception of the framework agreement concerning the BIMSTEC Free Trade Agreement (FTA). Several issues, including the modalities for tariff reduction, the extent of the negative list, the criteria for rules of origin, and the mechanisms for dispute resolution, require further clarification, and thus, final approval is still pending (Hossian, 2013). The pursuit of economic integration through BIMSTEC, aimed at establishing a zone of free trade, remains a paramount objective for the member states, with Nepal expressing its commitment to this goal. However, due to existing ambiguities and disagreements on the aforementioned issues, Nepal has yet to provide its final constitutional endorsement. The country contends that the effective implementation of the BIMSTEC FTA should occur only after the rationalization of tariff and non-tariff measures, as this approach could facilitate the development of new value chains and production connections among the member states (Palit et al., 2018).

Nepal, as a member state, effectively hosted the fourth BIMSTEC summit in 2018. The country's timely preparations and active involvement in the summit provided it with extensive experience, which has emerged as a significant national asset for fostering regional cooperation (Shrestha, 2018).

Achievements of the fourth BIMSTEC

The fourth summit of the BIMSTEC represented a pivotal moment, as it was the first inaugural occasion for Nepal to host this assembly of leaders from the member states. The attendance of Heads of State or Government from all participating nations in Kathmandu emphasized the significance and dedication to the regional forum. Convened under the impactful theme, "Towards a Peaceful, Prosperous and Sustainable Bay of Bengal Region," the summit sought to enhance collaboration and stimulate advancement throughout the sub-region. As noted by Shrestha (2018), the event was perceived as a success, fostering optimism and yielding concrete outcomes for future regional partnerships. The accomplishments of the summit inspired aspirations for a more interconnected and prosperous Bay of Bengal region, underscoring the potential benefits of cooperative efforts for mutual growth and development.

Recognizing poverty as a significant regional obstacle to development, the summit redirected the organization's efforts to ensure the successful implementation of the 2030 Agenda for Sustainable Development, while also promoting enhanced multi-dimensional connectivity, trade, and investment within the region. A key outcome of the summit was the establishment of a BIMSTEC Permanent Working Committee (BPWC), designed to manage the administrative and financial affairs of the BIMSTEC Secretariat. Additionally, the summit commenced the drafting of a Charter for BIMSTEC, aimed at clarifying the organization's long-term vision and strategic priorities. Efforts were also made to formulate Rules of Procedure to facilitate the effective operation of BIMSTEC mechanisms, alongside the exploration of the possibility of initiating a BIMSTEC Development Fund (BDF). Furthermore, the summit resolved to increase the number of directors to seven, with one representative from each Member State, adopting a staggered approach, in contrast to the previous structure, which featured only one director (BIMSTEC Secretariat, 2018 & MoFA, Nepal, 2024).

The fourth Summit successfully finalized the Memorandum of Understanding for the establishment of the BIMSTEC Grid Interconnection, thereby facilitating the operationalization of BIMSTEC Energy Centers and enhancing collaboration within the energy sector. Additionally, the summit reached a consensus on promoting tourism across the BIMSTEC region through the development of various initiatives, including the Buddhist Tourist Circuit, Temple Tourist Circuit, Ancient Cities Trail, Eco-Tourism, and Medical Tourism. The summit also established a Working Group focused on information and communications to improve mobile and internet services for the regional populace. Furthermore, an Intergovernmental Expert Group was formed to devise a plan of action aimed at enhancing preparedness and management of natural disasters. Separate inter-governmental Expert Groups were tasked with advancing action plans related to the Mountain Economy and Blue Economy. Another expert group was designated to enhance energy cooperation, particularly in hydro-power and other renewable energy sources. The summit also aimed to finalize the modalities for the BIMSTEC Visa Facilitation and to explore opportunities in inland fisheries. Additionally, there was an agreement to investigate the establishment of appropriate forums for parliamentarians, universities, academia, research institutions, cultural organizations, and the media community to broaden the scope

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of people-to-people interactions, marking significant achievements of the fourth BIMSTEC summit (MoFA, Nepal, 2018).

Nepal's Notable Achievements From BIMSTEC

Nepal, a full member of BIMSTEC since 2004, has consistently shown commitment to the organization's goals and principles (MoFA, Nepal, 2016). The nation has actively participated in all five BIMSTEC summits and supported numerous agreements and Memoranda of Understanding facilitated by the organization. This commitment to regional cooperation has been translated into concrete actions, demonstrating Nepal's enthusiasm for fostering collaborative efforts across diverse sectors and solidifying its role as a proactive partner within the organization (MoFA, Nepal, 2024).

The fourth BIMSTEC Summit, held in Nepal, marked a significant achievement in fostering collaboration across various sectors, including connectivity, trade, tourism investment, cultural exchange, and interpersonal relations. At this summit, Nepal took the lead in suggesting the formulation of the BIMSTEC Charter, which subsequently came into effect on May 20, 2022. Additionally, Nepal advocated for the integration of a Mountain Economy framework aimed at promoting sustainable development in mountainous and hilly regions, while also safeguarding ecosystems and biodiversity during economic endeavors within the BIMSTEC framework (Shrestha, 2018). The Kathmandu declaration, ratified at the summit, emphasized the need for institutional reforms within BIMSTEC. It proposed a BIMSTEC Charter, a Permanent Working Committee, and the establishment of Centers and Entities. It also called for a Development Fund and project financing plans, which increased the organization's international profile (Basu and Ghosh, 2020). Nepal has hosted numerous BIMSTEC meetings and participated in numerous other regional events, demonstrating its commitment to the region. Some of the meetings held by Nepal since the 2010s include those listed below.

From 2011 to 2024, BIMSTEC conducted a series of meetings and workshops under the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation. These gatherings showcased the diverse areas of cooperation within the organization, demonstrating a consistent effort to address critical regional issues. Nepal has not only organized the summit but has also hosted several significant BIMSTEC meetings and actively participated in numerous others conducted by fellow member states. Early meetings, such as the 5th Joint Working Group on Counterterrorism and Transnational Crime in 2011 and the 2nd Ministerial Meeting on Poverty Alleviation in 2012, focused on security and socio-economic challenges. The years 2017 to 2018 were marked by a notable surge in engagements, characterized by multiple convenings of Senior Officials, Ministerial Meetings, and gatherings of expert groups. These forums addressed a broad spectrum of issues, including illicit drug trafficking, legal matters, agricultural concerns, and anti-money laundering efforts. Each meeting serves a distinct purpose which was crucial for addressing challenges faced by member states and enhancing cooperation. They foster dialogue and create actionable plans for improved socio-economic conditions. In 2018, the focus was on legal frameworks and law enforcement cooperation for regional security, while in November, it focused on combating financial crimes. They also help in building trust and

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understanding among diverse cultures represented within BIMSTEC. The BIMSTEC Expert Group held several meetings to promote cooperation and enhance connectivity among member states. The 3rd meeting focused on energy cooperation focusing on sustainable development and regional energy security (on 20 April 2022). The 10th meeting discussed agricultural policies, food security, and collaboration in research (on 18 December 2023). The 2nd meeting aimed to promote tourism cooperation and share best practices. The 2nd meeting focused on cultural cooperation, aiming to strengthen ties between member countries through cultural initiatives (on 18 January and 31 March 2024). The 1st BIMSTEC Business Summit was held from 6-8 August 2024 to foster business collaborations. The 3rd meeting focused on poverty alleviation strategies through cooperative initiatives (on 8 October 2024). The 4th meeting addressed visa facilitation issues, aiming to enhance mobility for citizens across member countries to promote trade and tourism (21 November 2024). These meetings aimed to address various issues and promote cooperation among member states (MoFA, 2016, BIMSTEC Secretariat, 2024).

Nepal, a leading member in the Poverty Alleviation sector since 2006, developed a Plan of Action (PPA) in 2008 for poverty alleviation. The PPA was officially adopted in 2012 at the second BIMSTEC Ministerial Meeting on Poverty Alleviation. In 2022, the initiative was reclassified as a sub-sector within the 'people-to-people contact sector', and Nepal continues to fulfill its leadership role in this domain (BIMSTEC Secretariat, 2024).

The accomplishments achieved during the fourth Summit have instilled considerable optimism regarding the future of BIMSTEC (Bhattacharjee, 2018). The agreements reached at the summit aimed at bolstering collaboration in various sectors, including agriculture, energy, technology, public health, and culture, alongside the signing of a memorandum of understanding (MoU) to create the BIMSTEC Grid Interconnection, represent significant progress for BIMSTEC (Palit et al., 2018). Furthermore, the endorsement of the establishment of a Grid Interconnection Coordination Committee, tasked with overseeing the implementation of the MoU's provisions during the third BIMSTEC Energy Ministers' meeting in Nepal in 2022, is expected to facilitate the completion of the Grid Interconnection Master Plan Study, as well as the development of policies for electricity transmission, trade, exchange, and tariff mechanisms within the BIMSTEC region (BIMSTEC Secretariat, 2024). The Eminent Persons Group (EPG) on the Future Directions of BIMSTEC was established during the 15th ministerial meeting held in Nepal. A senior diplomat was appointed by Nepal to evaluate the BIMSTEC process and suggest future strategies. Following this, the EPG has submitted its report, which is expected to drive meaningful progress in BIMSTEC initiatives. In August 2024, the BIMSTEC Business Summit in New Delhi saw delegates from Nepal suggesting various initiatives to enhance regional collaboration. Key proposals included improving women's access to capital and mentorship, enhancing educational infrastructure, promoting telemedicine and digital health solutions to advance healthcare, and establishing a Micro, Small, and Medium Enterprises (MSME) Development Center. Additionally, there were calls for sustainable practices in managing marine and mountainous resources.

Obstacles within BIMSTEC Members

BIMSTEC, a regional forum, is nearing its third decade of existence, but its progress has been limited. It took two decades to adopt its charter, but it still needs strong political will and institutional management to address political and security concerns. BIMSTEC faces the threat of becoming another regional forum with ceremonial fanfare but little cooperation. In contrast to SAARC, which has faced challenges due to the issues involving its two largest member states, BIMSTEC must adopt proactive leadership and a strong commitment to addressing potential contentious and bilateral matters. It is essential to prioritize the development of institutional capacities in a timely manner (Simkhada, 2018). To fulfill its goals, it is imperative to expedite initiatives aimed at enhancing comprehensive connectivity networks, promoting trade and tourism investments, facilitating cultural exchanges, and fostering connections among people (Prasain, 2024).

BIMSTEC's proposed Free Trade Agreement (FTA) has not yet achieved its goal of establishing a free trade zone. The FTA has the potential to stimulate economic development, but it remains inactive. To effectively implement the FTA, member nations must demonstrate commitment to addressing existing challenges and prioritize improvements in connectivity through infrastructure development like roads, airports, railways, seaports, and riverways etc. (Palit et. al., 2018). A comprehensive examination and implementation of the strategies proposed in the BIMSTEC Trade Facilitation Strategic Framework 2030 may serve as essential instruments for addressing the challenges associated with the enforcement of Free Trade Agreements (FTAs) within the region (Asian Development Bank, 2022).

BIMSTEC faces significant challenges in realizing its potential, primarily due to the absence of a streamlined system for the cross-border movement of people and goods. Despite having a cooperative framework, uneven national regulations hinder effective trade and travel in the region. The establishment of a single window facility is essential, enabling businesses and individuals to submit standardized documents for all necessary requirements across member states, thus reducing transaction costs and facilitating economic integration. Additionally, inadequate infrastructure remains a major barrier, necessitating substantial investments in transport connectivity. For BIMSTEC to thrive, member states must commit to developing long-term strategies and mobilizing resources to improve intra-regional connectivity, ensuring that the benefits of cooperation are fully realized. As Rahman and Kim (2015) highlight, this requires a serious and concerted effort to move beyond rhetoric and truly prioritize the necessary investments and reforms.

While commitment is articulated through various decisions and statements, the success of an organization remains elusive if these commitments are not put into action. Therefore, it is essential for each member state of BIMSTEC to take ownership of the agreements by demonstrating a strong commitment to integrating their national plans and projects with BIMSTEC initiatives. This alignment is crucial for the genuine realization of the promises made during BIMSTEC summits and meetings (Shrestha, 2018). BIMSTEC is progressing, but to maintain this momentum, it is crucial to hold regular summits and strengthen the secretariat's capacity through increased human and financial resources. Member nations

should commit to tangible results from ongoing projects. Additionally, detailed discussion and dialogue are vital for resolving any disputes or differences between members (Bhattacharjee, 2018).

Future Directions for Nepal to Enhance Cooperation in BIMSTEC

BIMSTEC serves as an important platform for fostering connectivity and strengthening cultural and economic ties among its member states, thereby enhancing regional prosperity. Although it shares challenges similar to SAARC (Kumar, 2020) effective engagement through BIMSTEC offers an opportunity for deeper collaboration and addressing shortcomings faced by SAARC (Palit et al., 2018). As a BIMSTEC member, Nepal must fully commit to and collaborate on realizing the organization's vision. The Eminent Persons' Group's report on the Future Directions of BIMSTEC can strategically guide Nepal's upcoming initiatives within this framework.

Nepal's inclination to incorporate China into BIMSTEC has significantly shaped the perspectives surrounding the BIMSTEC Free Trade Agreement (Palit et al., 2018). The formation of BIMSTEC exemplifies the concept of 'reactive regionalism,' which refers to a strategic response to China's growing influence in the Bay region, particularly from India's standpoint, as well as 'proactive regionalism,' which denotes the recognition of the potential benefits of regional collaboration for other member states (Basu and Ghosh, 2020). Nepal should clarify its stance on China-related issues to improve political dynamics within BIMSTEC. Nepal must communicate solutions effectively while being mindful of how its political instability and its strategic positioning between India and China may affect BIMSTEC's effectiveness (Prasain, 2024).

Nepal should engage actively in the regional forum to enhance its economic diplomacy, aiming to create strong governance frameworks and address critical geopolitical challenges through diplomatic means (Prasain, 2024). Nepal's landlocked status hinders market access, but BIMSTEC's goal of enhancing multimodal transportation networks in the region requires investment in road infrastructure. This will facilitate connections with Southeast Asian nations (Sharma et al., 2019). Prioritizing institutional capacity building, establishing research centers, and fostering regional think tanks could further enhance Nepal's capabilities within the BIMSTEC framework (Prasain, 2024). Nepal's diverse commitments, highlighted through agreements and declarations, including its role in the BIMSTEC poverty reduction initiative and efforts in developing cultural and tourism circuits, need to be transformed into meaningful actions. Nepal has significant potential in tourism and should implement top initiatives to lead in this sector. By utilizing its unique assets, Nepal can foster growth and collaboration with other BIMSTEC nations.

Nepal should focus on the Plan of Action for Tourism Development by prioritizing tourist safety, security, and efficient transport connectivity. Given its natural beauty and tourism potential, the country must enhance its efforts to connect with the region through tourism initiatives. Nepal possesses significant potential for hydroelectric power, which could transform its economy by boosting electricity production and supplying neighboring BIMSTEC nations. This would help address regional trade deficits while supporting a green

economy (Prasain, 2024). Moreover, Nepal has opportunities to lead in sectors such as the Mountain Economy and Climate Change, making valuable contributions in these areas.

Discussion

BIMSTEC is a growing regional organization gaining attention through its recent activities, charter adoption, and institutional reforms, enhancing its regional impact. This emergence offers significant opportunities for landlocked nations like Nepal, whose role in supporting BIMSTEC should not be underestimated. Although there is limited literature on Nepal's involvement, it is crucial to recognize its contributions to strengthening this organization. This article explores Nepal's commitment to BIMSTEC, highlighting its political, institutional, and diplomatic contributions to regional cooperation. Nepal's journey from observer status to full membership, coupled with two decades of active engagement, reflects its dedication to realizing BIMSTEC's vision. Nepal's active participation in BIMSTEC meetings underscores its ambitious goals within the regional framework. The country has contributed significantly with insights aimed at improving BIMSTEC's processes, particularly in areas like poverty alleviation, tourism, and enhancing connections between people. Notable initiatives include cultural exchanges and educational partnerships, as well as efforts to strengthen regional connectivity through tourism. Nepal's commitment to cooperation is clear in its signing of various BIMSTEC agreements. Despite domestic political challenges, Nepalese leaders have shown strong will to further BIMSTEC's objectives. Engaging experts, business leaders, and local communities, Nepal emphasizes the collaborative nature of this regional initiative, bridging public, private, and intergovernmental efforts. Thus, Nepal has consistently shown its commitment and contribution to the BIMSTEC process as a member.

Conclusion

Nepal aims to join BIMSTEC to advance regional interests, boost economic development, and strengthen cooperation with South and Southeast Asia neighbors. Its participation is vital in shaping regional strategies and enhancing partnerships for mutual benefits. Nepal focuses on improving economic ties, promoting cross-border interactions, developing infrastructure, and tackling shared challenges like poverty, climate change, and disaster management. The country actively engages in finalizing agreements across various sectors, which revitalizes collaboration among member nations. Nepal actively takes part in developing policies that benefit BIMSTEC nations and showed its commitment by successfully hosting the fourth BIMSTEC summit in 2018. This event resulted in several initiatives aimed at enhancing institutional capacity. Nepal's involvement in many BIMSTEC meetings underscores its dedication to the process. The establishment of a dedicated BIMSTEC division at the Ministry of Foreign Affairs has facilitated better coordination with line ministries and the BIMSTEC Secretariat.

BIMSTEC encounters several challenges that affect its effectiveness, including slow organizational growth, institutional issues, resource imbalances, and difficulties in executing the Free Trade Agreement (FTA) and other agreements. The diverse economic capabilities of member states and various political complications further obstruct its efficiency.

Therefore, Nepal, as a member, should strengthen its contributions to tackle these challenges and foster regional potential. Nepal can inspire member states to implement ratified agreements and drive new decisions within BIMSTEC. By leveraging its strengths—such as enhancing hydropower, promoting sustainable tourism, investing in connectivity, and advocating for climate action—Nepal can play a pivotal role in the BIMSTEC process. To maintain its unique identity and become a model for excellence in the region, Nepal should adopt best practices and policies that address shared regional challenges.

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