



**BORDER HAATS BETWEEN INDIA AND BANGLADESH AS A  
TOOL TO REDUCE INFORMAL CROSS-BORDER TRADE  
BETWEEN THE TWO COUNTRIES  
PROJECT INCEPTION MEETING AND  
EXPOSURE VISIT**

**January 12-13, 2019, Agartala, Tripura**

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## 1. INTRODUCTION

1.1 The Inception and Project Advisory Committee (PAC) meeting for the India-Bangladesh Border Haats Project supported by the United Kingdom's Department for International Development was organised in Agartala, Tripura on 12<sup>th</sup> January 2019. On the following day, an exposure visit was made to the nearest haat at the Kamalasangar–Tarapur border.

1.2 The purpose of the meeting was to introduce the India-Bangladesh Border Haats project. The meeting acquainted the relevant stakeholders with the project overview and the methodology that would be adopted to carry the project forward. The meeting included the discussion on the roles and responsibilities of the PAC and State Level Monitoring Committee Members (SLMC) and to also receive the feedback from the participants on the overall project implementation plan.

## 2. Day 1: INCEPTION MEETING - OPENING SESSION

**Chair & Moderator:** Bipul Chatterjee, Executive Director, CUTS International

### Speakers

- Kiriti Chakma, Assistant High Commissioner of Bangladesh, Agartala, India
- Monoj Kumar Roy, Former Additional Secretary, Ministry of Commerce, Government of Bangladesh
- Swapna Debnath, Additional Director, Department of Industries and Commerce, Government of Tripura, India.
- Mohit Sippy, Senior Programme & Policy Manager, Asia Regional, DFID, India

2.1 At the start of the session, it was emphasised that the border haats are a way of reversing the partition that divided India and Bangladesh in 1947. The initiative is aimed at reviving the markets for the purpose of people to people connectivity, enhanced economic opportunities, etc, that used to exist before the partition. It was mentioned that one of the key objectives of the border haats has been to help local economic development and provide market access for local produce.

2.2 Furthermore, the haats have also contributed towards empowerment of women by providing them with opportunities to participate in the male-dominated cross-border trade, thereby fostering women entrepreneurship. This has been witnessed in the border haats in the state of Meghalaya. The haats have also aided in improving cross-border relations by building trust and strengthening people to people connection.

2.3 According to the speakers, both the Border Security Force of India and the Border Guard Bangladesh, who guard the areas having these haats, were of the opinion that border haats have had a positive outcome in terms of reduction in crime rate and cases of informal cross-border trade. Thus, as an outcome of the success of the existing border haats, establishment of many new border haats are being proposed by the forces.

2.4 Border haats entail wider implications in the form of socio-economic elevation, educational upgradation and improved health – all of which stem from improved prosperity of vendors. Such experiences can be replicated possibly with other countries that share borders with India, like Myanmar and Pakistan.

2.5 It was mentioned that CUTS had undertaken a study on border haats in 2016-17 which was supported by The World Bank.<sup>1</sup> Relevant recommendations that emerged from the previous work undertaken by CUTS i.e. increase the number of days for trading, increase the transaction amount to US\$200 and also to allow more products for trading, etc., were duly accepted in the revised MoU.<sup>2</sup>

2.6 The current project would deepen the work and focus on analyzing the existing border haats and also undertake a futuristic analysis of the proposed border haats. It would also propose some possible new locations where border haats could be established.

2.7 However, the discussions during the session, revealed certain challenges, as mentioned below:

- Area restriction (people from within 5 km radius can only participate) has been an issue.
- The haats currently operates only once a week. This should be increased to at least two days a week.
- Accessibility also remains an issue as the haats are not open to all and only pre-approved vendors/vendees are allowed. The authorities should find ways to attract more people to these haats.
- Absence of good quality infrastructure and its maintenance at the four existing border haats, particularly for the women is a key issue.

2.8 At the end of the session, it was emphasised that there is a need to implement the project with a long-term vision i.e. where does one foresee the future of border haats in 2030? It was highlighted that there is a need to balance between profit, people and the planet. It was suggested that there is a need to undertake evaluation of sustainability of the border haats at a macro level before implementing the new haats and lastly, it would be interesting to analyse the impact of border haats on outward migration.

### **3. SESSION I: Technical inputs on the project**

3.1 The session commenced with a presentation on the project including the objective and the expected outcomes, by a CUTS representative. The roles of the members of PAC and SLMC were also discussed. Towards, the end of the presentation, it was suggested that given the scope of the project and the required time commitment, composition of the PAC and SLM may be revisited, and two more representatives from each country are added to have deeper insights into the issue.

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<sup>1</sup> [http://www.cuts-citee.org/pdf/Bangladesh-India Border Haats and their Impacts on Poverty Reduction.pdf](http://www.cuts-citee.org/pdf/Bangladesh-India%20Border%20Haats%20and%20their%20Impacts%20on%20Poverty%20Reduction.pdf)

<sup>2</sup> <http://pib.nic.in/newsite/PrintRelease.aspx?relid=180900>

3.2 Given below are the key issues that were discussed and also the recommendations/inputs that the project team received from the participants.

### ***Composition of the PAC and SLMC***

3.3 The project team in consultation with the PAC and SLMC must develop short, medium and long term vision of the project. This would be important in terms of planning for the implementation of the project activities. Regarding the contribution of the thematic viewpoint papers by the PAC members, there is a need to provide more clarity in terms of the issues that would be covered and also the methodology/mode of engagement of the PAC members. It was discussed that the papers could be country specific and/or regional in nature, which will be decided at a later stage.

3.4 An electronic platform in the form of an e-mail group should be put in place to facilitate interaction between CUTS, Unnayan Shamannyay, PAC and SLMs, etc. A meeting of the PAC may be held after the scoping visits and before the questionnaire for the field visits is finalised.

3.5 The participants suggested the following probable candidates for the PAC and SLMC:

- Joyeeta Bhattacharjee, ORF, New Delhi, and one more person, preferably a woman expert from the North East, India to join the PAC
- Mahbuba Nasreen, Sociologist & Professor, Dhaka University and Mr Asjadul Kibria, Financial Express, Dhaka, Bangladesh to join the PAC
- Tania Haque, Professor, Dhaka University and Mr. Ruhul Amin Rasel, Bangladesh Protidin to join the SLMCs

3.6 It was suggested that while collecting the feedback from relevant stakeholders, the study team must, directly and/or indirectly, consult some of the following groups and/or organisations:

- Representatives from the Chittagong Hill tracks and Chakma District Council in Mizoram
- Associations of vendors, if any
- Concerned district administrations

### ***Locations for scoping visits***

3.7 While the study will involve field visits in all the existing or proposed haats, it was suggested that locations with no haats (either existing or proposed) should also be covered by the project team. This is true for those spots which have poor connectivity within their own country but have good connectivity across the border.

3.8 In those places, it would be important to analyse local consumption patterns and if the prices across the border vary significantly, then a case for Informal Cross-Border Trade (ICBT) and need for border haats could be proposed.

3.9 Border points which experience significant informal trade should also be surveyed. This is pertinent because the previous study on border haats undertaken by CUTS revealed that crimes and informal trade have decreased in locations where border markets exist.

3.10 It was suggested that the project implementing team should first draft a detailed ToR for the purpose of the writing the research report and the same should be finalised on the basis of the inputs received from the scoping visit. The draft ToR would also provide clarity on the purpose of undertaking the visit and also asking the right questions. The ToR will be a draft which will be finalised on the basis of the inputs received during the scoping visit.

3.11 Furthermore, it was also advised that the project team should plan and visit one existing border haat and one proposed (both sides), tentatively in the second the week of February, 2019. After the scoping visit, the team should prepare a report and circulate among the PAC and SLM members to receive their feedback.

3.12 It is also pertinent for the team undertake a quick estimation of informal cross-border trade in the proposed ones (identifying the items). The project team needs to analyse whether those products are being traded in the existing haats or not. On the basis of a structured questionnaire, survey of relevant stakeholders and its findings the team can undertake estimation of the ICBT.

3.13 Moreover, the locations with potential but with no haats (either existing or proposed) which have poor connectivity with the rest of the country but good connectivity across the borders should also be explored. This should be done along with the proposed locations. Local consumption can be looked at as if the prices across the border are different then there is a high chance for ICBT.

### ***Sample size and methodology***

3.14 During the discussion, it was suggested that the focus on commodities will need to be determined for the study and one should not restrict analyzing agricultural commodities only. The selection should be made based on effective local demand and areas where supplies create their own demand. There should be a negative list approach, and a study is also required to be carried out on the demand side.

3.15 It was suggested that information collected from the ground should be shared with the PAC and SLMC for determining the methodology. It would be useful to take into account complementarities while determining the locations and successful examples in the Greater Mekong Sub-region would need to be analysed.

3.16 An important suggestion was proposed i.e. impact of border haats on outward migration for the villages would need to be analysed. This is because primarily it is men who migrate and there is an increasing feminisation of these economies which is positive as the well as negative.

3.17 It was also highlighted that the study undertaken by CUTS earlier reflected that the ICBT has come down in all the four haats. Thus, the team needs to understand the ICBT not by using any sophisticated sample analysis but by securing relevant anecdotal evidence and also on the basis of case studies. However, in order to undertake this approach, it is important to map relevant stakeholders, on the basis of previous work/experience. However, in the new locations, the team would need to identify their counterparts in the new haats and engage with them on the basis of a structured questionnaire, in order to gain understanding about the ICBT and how haats will impact ICBT.

3.18 Stakeholder mapping should also be done considering the following points:

- The team may estimate consumer benefits of the haats. For this the team will have to revisit the existing four haats and undertake the survey based on a structured questionnaire, followed by quantitative analysis, so as to understand what benefits that consumers and traders are deriving from the border haats.
- While the study will focus on the gainers and the benefits of border haats, welfare losses due to this initiative should also be analysed. The team would need to develop certain measurable indicators and undertake quantitative analysis to assess the effects before and after the existence of haats.
- The study should also assess to what extent border haats can replace formal trade since it is a major concern for the customs on both sides of the border.
- Also mapping of best practices adopted by other borders in similar situations could be considered.

3.19 The project may also analyse how various connectivity and integration initiatives can be aligned with the border haats. It is important to look at agreements that lift restrictions on people's movements across borders and ease visa issues. It was also suggested that the team will need to look at the demand side in the selected locations.

3.20 This can be done through:

- Visiting the local retail shops to understand what is in demand
- A brief household perception survey to assess the demand of aspirational products

3.21 In both cases the team may need to get information on the price differential across the border and undertake quantitative analysis which would assist in substantiating the qualitative findings.

3.22 In the next stage, the team would need to estimate consumer benefits of the border haats. For this purpose, the team would need to visit the existing four haats and implement a questionnaire-based survey followed by a quantitative analysis to understand what benefits accrue to consumers and traders.

3.23 Furthermore, the nearest LCS should be visited to see what products are traded and that list should be compared with the list of products in haats. For the products traded through LCS, there will be additional cost however such is not the case for haats.

3.24 If there are such products that are common in both lists, the team needs to see the extra cost of trading the product through LCS and transporting it to the vicinity of the haat. Then the team can estimate why the haats can replace formal trade. This will address the fear of customs on both the sides.

### ***Monitoring and evaluation***

3.25 It was suggested that there is a need to undertake regular monitoring with periodic evaluation. Thus, it is important for the project team to develop a clear logical framework based on IAIOI (Inputs, activities, outputs, outcomes and Impacts). The team can finalise the preliminary indicators of the logical framework after scoping visits as it will help in assessing the information availability, quality and other issues. CUTS will prepare a logical framework with inputs from and in consultation with the project partner.

### ***Dissemination and outreach***

3.26 It was discussed that dissemination and outreach will have the following elements:

- General dissemination of the findings of the project
- Dissemination of outputs from specific stakeholders
- Strategic dissemination in Dhaka and New Delhi and concerned state capitals

3.27 It was also discussed that there is a need to devise a communication strategy. This could entail the following: regular media appearances; publication of Opeds, TV interviews, social media outreach, use of videos of local level visits and dissemination on You Tube, twitter, etc. The team also needs to feed these stories to DFID on a regular basis.

3.28 Subir Bhowmick, one of the PAC members was requested to write the first Op-ed on the topic.

## **4. CONCLUSION**

4.1 At the end of the day all the participants converged on the point that the present study on border haats was not merely to offer cosmetic changes like enhancing transaction cost from US\$ 50 to US\$ 200, but to contribute to a larger growth story of the two countries. Two pictures of Asia continue to loom large simultaneously – one that is vibrant and pulsating, the other lagging and mal-integrated.

4.2 Border haats are not just about trade but also about development and growth, inclusion and stability. It holds the promise of a brighter future for the people and in aspiring for economic gains and social benefits one has to conceive of a balance between people, economy and ecology.

4.3 The meeting ended with Bipul Chatterjee thanking all the participants for their engagement and also acknowledged the support of DFID.

## SUMMARY OF ACTION POINTS AT THE END OF DAY 1

The following table indicates the major action points that emerged in connection with **specific issues** discussed in the meeting.

<b>Action Points</b>	<b>Tentative Deadlines</b>
<b>Revision of the Project Advisory Committee (PAC) and the list of State-Level Mentors (SLMs)</b>	January 25, 2019
<b>Preparation of Monitoring &amp; Evaluation Logical Framework</b>	January 31, 2019
<b>Recasting the project objectives and preparation of the revised Terms of Reference (ToR)</b>	February 7, 2019
<b>Carry out scoping visits</b>	Starting February 15, 2019
<b>Preparation of the dissemination strategy</b>	March 7, 2019
<b>Review of the findings of the scoping visits with the PAC members and the SLMs</b>	March 15, 2019
<b>Finalisation of the survey methodology</b>	April 8, 2019
<b>Field survey</b>	April 15, 2019
<b>Finalisation of themes of the viewpoint papers; preparation of ToRs thereof</b>	May 7, 2019
<b>Preparation of the report</b>	July 15, 2019
<b>Obtaining feedback of the PAC members and the SLMs</b>	August 16, 2019

## Day 2: EXPOSURE VISIT TO THE KAMALASAGAR BORDER HAAT



1. An exposure visit to the Kamalasar-Tarapur Border Haat was arranged for the entire team. The team had a brief interactive session with Sudhakar Shinde, the Sub-Divisional Magistrate of Bishalgarh, under whose jurisdiction this border haat falls.
2. The session was attended by representatives of the Border Security Force from the Indian side and from the Border Guard Bangladesh. There was also representation from the local business communities. It was evident that vendors from both sides of the border were happy to be able to interact in such proximity on a regular basis. Although border haats have provided marginalised communities with a permanent institutional space for connecting and prospering, there are several issues that need to be addressed.
3. One vendor explained how the business at the border haat was becoming less profitable due to the paucity of visitors. He further added that while the haats have several benefits the area restriction (within 5 km radius) has emerged as a major issue. This is because while the Bangladesh side is significantly populated, the Indian side mostly has tea and rubber plantations and is sparsely populated. This reduces business for the Bangladeshi vendors. Unless the inflow of buyers increases substantially, some vendors were of the opinion that they may be compelled to wind up their businesses at the border haat.
4. The SDM informed that under the present terms of agreement between the two countries, items permissible for trade at border haats may be revised/ expanded on the basis of mutual consent of representatives in charge of haat management. However, some Bangladeshi vendors complained that although there is a demand for fish on the Indian side, they are forbidden to carry fresh fish to the border haat.
5. The team also interacted with several vendors from both sides of the border. What seemed to transpire was that although border haats in general may have certain common features, there are certain location-specific issues in respect of particular border haats, which will need to be addressed in order to cater to the needs of the people of the region. For instance, the existing list of vendors at the Kamalasar Haat is almost conspicuous by the absence of female vendors. One could, therefore, consider ways through which female participation can be increased at this haat.

## ANNEXURE: LIST OF PARTICIPANTS

1. **H E Kiriti Chakma**, Assistant High Commissioner, Bangladesh Asstt High Commission at Agartala
2. **Md Zakir Hossain Bhuiyan**, First Secretary, Bangladesh Assistant High Commission at Agartala
3. **Mohit Sippy**, Senior Programme and Policy Manager, Asia Regional at DFID, New Delhi
4. **Pritam Banerjee**, Logistics Sector Specialist, Asian Development Bank
5. **Subir Bhoumik**, South Asia Correspondent & Senior Editor, BD News24
6. **Sabyasachi Dutta**, Founder Director, Asian Confluence, Shillong, Meghalaya
7. **Bipul Chatterjee**, Executive Director, CUTS International
8. **Udai Singh Mehta**, Deputy Executive Director, CUTS International
9. **Indranil Bose**, Consultant, CUTS International
10. **Swapna Debnath**, Addl Director, Dept of Industries & Commerce, Govt of Tripura
11. **Biswambhara Mishra**, Dept of Economics, North-Eastern Hill University Shillong
12. **Ashish Nath**, Professor, Department, Department of Economics, Tripura University
13. **Sujit Chakraborty**, Bureau Chief, IANS, Agartala, Tripura
14. **Biswajit Das**, General Secretary, FOCIN, Siliguri, West Bengal
15. **Dr. Nazneen Ahmed**, Sr Research Fellow, Bangladesh Institute of Development Studies (BIDS)
16. **Tarek Mahmud**, Sector Specialist at BRAC, Bangladesh
17. **Monoj Roy**, Fmr Additional Secretary (FTA), Ministry of Commerce, Government of Bangladesh
18. **Shaheen Ul Alam**, Project Coordinator, Unnayan Shamannay, Bangladesh
19. **Robert Shuvro Guda**, Sr. Research Associate, Unnayan Shamannay
20. **Raisul Saikat**, Sr. Research Associate, Unnayan Shamannay
21. **Md. Mahabub Hasan**, Senior Research Associate, Unnayan Shamannay
22. **Swapan Mitra**, Manager, Department of Industries & Commerce, Govt of Tripura
23. **M L Debnath**, President, Tripura Chamber of Commerce
24. **Bratindra Bhattacharya**, Director, CUTS International
25. **Debolina Mukherjee**, Policy Analyst, CUTS International
26. **Sumanta Biswas**, Senior Programme Officer, CUTS International