

STATEMENT OF HIS EXCELLENCY DR. SHEEL KANT SHARMA, SECRETARY
GENERAL OF SAARC

INAUGURAL SESSION
SIXTEENTH SAARC SUMMIT
THIMPHU; 28 APRIL 2010

Your Excellency Lyonchhen Jigmi Y. Thinley, Prime Minister, Royal Government of Bhutan and Honourable Chairman of the Sixteenth SAARC Summit;
Excellencies the Honourable Heads of State or Government; distinguished Foreign Ministers of SAARC Member States and the high dignitaries;
Distinguished Representatives from Observer States and Organizations;
Excellencies
Ladies and Gentlemen

1. It is matter of great honour and privilege for me to speak at the Inaugural Session of the Sixteenth SAARC Summit in this picturesque city of Thimphu. Let me begin by expressing our profound gratitude to the Royal Government and people of Bhutan for their warm reception and gracious hospitality extended to us and for the excellent arrangements made for Summit.

2. I would also like to warmly felicitate His Excellency Lyonchhen Jigmi Y. Thinley, the Prime Minister of Bhutan for assuming SAARC's Chair on its Twenty-fifth anniversary year. We are confident that under your dynamic and wise leadership, the Association would move to develop the vistas for enhancing regional cooperation in diverse areas.

3. I would also like to pay grateful tributes to His Excellency President Mahinda Rajapaksa for so ably steering the work of SAARC during Sri Lanka's Chairmanship of the Association. Regional Cooperation in South Asia has deepened and widened under his leadership. SAARC values his deep personal interest and strong commitment to strengthening regional cooperation.

4. I take this opportunity to extend a warm welcome to Honourable Ministers and other senior dignitaries of Observers at the Summit.

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5. The Sixteenth SAARC Summit coincides with the Silver Jubilee of Association's establishment. We derive satisfaction by assessing that in its brief history SAARC has established a substantial normative and legal basis to achieve multifaceted goals of regional cooperation. In the current context, the Association has put stronger than ever emphasis on delivery and implementation including on regional priorities of poverty alleviation; deepening and widening project based cooperation through the SAARC Development Fund; developing strong intra-regional physical and economic connectivity; enlarging the basket of intra-regional trade; ensuring food and energy security; addressing issues in environmental conservation and Climate Change; and addressing the scourge of terrorism.

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6. I am happy to Report that since the Fifteenth Summit, the Association has made sustained progress in a number of crucial areas. I would briefly present them for the Summit's consideration.

7. In the key priority area of project based regional cooperation through the SAARC Development Fund (SDF), the SAARC Secretariat was given the responsibility to revive this

hitherto dormant aspect segment of regional interaction through available funds. I am pleased to submit that Secretariat's relentless pursuit in developing and implementing regional cooperation through sub-regional and regional projects has produced significant results. Project on Women's Empowerment is progressing well; project on Maternal & Child Health is also under implementation. The SDF Board at its last meeting considered several regional projects including in Agriculture and Energy Efficient Technologies, with special focus on Women in SAARC Countries. As of 15 April 2010, The SDF Charter has fully entered into force. Operational modalities for SDF's Permanent Secretariat are complete, and the appointment of Mr. Karma from Bhutan as first CEO has been endorsed by the Council of Ministers. The SDF is a concrete manifestation of Association's activism in moving from norm setting to actual delivery and implementation. I would like to thank our gracious host for facilitating SABAH's representatives of home based women workers to display their wares at the Summit precincts.

8. In regard to priority area of poverty alleviation, the Third Meeting of the Secretaries for Poverty Alleviation, undertook a comprehensive review of overall poverty alleviation efforts. They stressed that due urgency should be given to launch appropriate programmes and projects in order to attain the SAARC Development Goals by 2012. The Regional Poverty Profile (RPP) 2007-2008, with the theme "*Infrastructure Development and Poverty Reduction in South Asia*" has been published. Work has commenced on RPP 2009 on a theme "*Food Security Challenges for the poor and social inclusion*".

9. Our objective of creating a South Asian Free Trade Area through SAFTA for the tariff lines outside the Sensitive Lists is progressing well. Implementation of SAFTA has resulted in substantial regional trade. Eighteen months ago, at the last Summit, I could not report any figures to the Summit on trade under SAFTA. Today, I am glad to mention that based on the information on SAFTA Certificate of Origins, total intra-regional trade under SAFTA till December 2009 is around US\$ 688 million. In addition to positive trade impact of SAFTA, there is substantial welfare effect being generated for the stakeholders across the regional trade chain. What is significant is that trade under SAFTA is not at the expense of existing preferential trading regimes in the region.

10. Several credible regional and international studies, including by international financial institutions, have established that if the framework for intra-regional trade in South Asia was to be liberalized, potential trade in South Asia may be as high as US\$ 85 billion. The SAFTA Ministerial Council has, therefore, particularly prioritized the reduction in the size of the Sensitive Lists under SAFTA to take regional trade cooperation and integration to the next level. To this end, unilateral steps by the Member States to enlarge the preferential intra-regional trade basket are most welcome.

11. I am also happy to Report to the Leaders that with the signing of SAARC Agreement on Trade in Services the Association has imparted an entirely new dimension to regional trade engagement. Given that services are estimated to contribute over 50% of total GDP in South Asia, and considering that countries in SAARC have important stakes in in global trade in services, the Agreement would allow harnessing of regional complementarities in services, and lead to development of national services sector in the SAARC countries. More significantly, it also reflects a growing level of pragmatism in dynamics of regional cooperation.

12. SAARC is also engaged in establishing a friendly trade facilitation regime by removing institutional barriers, especially with regard to harmonization of Customs procedures and regional Standards. This is also being sought to be achieved through sub-regional and regional projects,

especially in the field of Customs. The appointment of Syed Ahmad Sultan as the first Director General of SAARC Arbitration Council in Pakistan is also an important step forward.

13. Another aspect in this context relates to stronger intra-regional infrastructure connectivity which has also been a focus area of regional cooperation. SAARC Transport Ministers at their last meeting have commenced a process of early conclusion of transport and transit agreements. We are also striving to expeditiously implement approved sub-regional and regional infrastructure projects identified by the SAARC Regional Multimodal Transport Study. The decade of 2010-2020 has been declared as decade of SAARC Connectivity. We are looking to fast track connectivity related activities so that their benefits could accrue to other areas of regional cooperation.

14. Environment and Climate Change is at the centre of current priorities in SAARC. The challenges in these areas not only complicate our already stretched developmental efforts, but also threaten to push millions in our region to frontiers of existence. In 2008, the SAARC Ministerial Meeting on Climate Change adopted a SAARC Action Plan for Climate Change. The Action Plan identifies seven thematic areas of cooperation related to: adaptation; mitigation; technology transfer; finance and investment; education and awareness; management of impacts and risks; and capacity building for international negotiations. In 2009, the Environment Ministers adopted the Delhi Statement on Cooperation in Environment which identifies many critical areas that need to be addressed collectively and reaffirms the commitment of Member States towards enhancing regional cooperation. A common SAARC position on Climate Change was presented by SAARC Chair at the COP 15 Conference in Copenhagen in December 2009.

15. The thematic focus of the Summit reflected in the title, *'Climate Change-Towards a Green and Happy South Asia'*, therefore could not be more opportune. The Thimphu Statement on Climate Change outlines vigorous, comprehensive and action oriented steps to translate collective intent into specific deliverables. The SAARC Convention on Cooperation in the field of Environment provides for normative basis to advance regional cooperation.

16. In order to bring together the Youth and Academia of our region, one of the visionary ideas suggested in November 2005 by the Honourable Prime Minister of India, which the Association has accepted, was the establishment of a South Asian University. It is gratifying to report progress about this vision approaching fruition, with scheduled commencement of SAU's first Academic Session in August this year.

17. In the crucial area of Food Security, SAARC has strengthened comprehensive measures in the short and medium term. We have doubled the quantum of food grains to almost half a billion tones to be kept under the SAARC Food Bank. We are also engaged in forging better linkages between Agricultural Research and its outreach to the farmers through five regional projects.

18. In the strategic field of Energy Security, progress reflects completion of SAARC Energy Trade Study. We are working for expeditious approval and time bound implementation of its recommendations. A common template on commercial aspects of electricity grid inter-connectivity is also being developed. Regional Commitment to advance cooperation in the field of Science and Technology is reflected in a decision of the SAARC Science and Technology Ministers to approve SAARC Initiative for Industrial Research and Development (SIRDI). They have also finalized the SAARC Science and Technology Action Plan and work is underway to realize steps included therein.

19. In the Social Sector, the Standard Operating Procedure (SOP) for effective implementation of the Conventions relating to Trafficking in Women and Children and Promotion of Child Welfare has been finalized. Outline for establishing the Regional Uniform Toll-free Helplines for women and child respectively are being developed. Once established, women and child victims or survivors of trafficking across the region can call a regional uniform number to seek help and assistance.

20. This year the SAARC region will also complete the SAARC Decade of the Rights of Child (2001-2010). Assessment Report of the implementation of the Decade indicates that SAARC as a region has moved ahead in conforming to the regional and international norms in protecting the rights of children. The report has highlighted region's progress in setting up institutional mechanisms to promote welfare of children.

21. There are critical areas where implementation is in the national domain. One such key area is fight against terrorism. We are confident the SAARC Ministers for Interior/Home during their meeting to be held in June this year would spur implementation of the SAARC Regional Convention on Suppression of Terrorism and its Additional Protocol and SAARC Convention on Narcotic Drugs and Psychotropic Substances. We also hope for early entry into force of the SAARC Convention on Mutual Assistance in Criminal Matters

22. In our pursuit of agenda for regional cooperation, we have received strong expression of interest from Observers and other International inter-governmental organizations in cooperating with SAARC. We have ensured that project proposals received from different entities for cooperation with SAARC respond to the agreed regional priorities. In addition to ongoing programmes, some of these proposals for cooperation are in the fields of Agriculture and Food Security; Energy; and Public Health.

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23. In its Twenty-fifth year, SAARC's pursuit of a comprehensive agenda of regional cooperation is untiring. The peoples of South Asia are the ultimate stakeholders and direct beneficiaries of Association's activities. As such, their interests guide the deliberations of SAARC mechanisms. We are constantly seeking new ways to extend the fruits of regional cooperation to people on the ground, and there is greater convergence and harmonization of views. As national endeavours are already well underway on most of economic and social agenda in the region, exchange of views on related issues in governance, performance management and delivery, rural development etc engenders greater empathy among development actors in all our countries. The initiative of Cabinet Secretaries meeting has been exceedingly well received in this context. There is discernable interest in keeping up with this track of regional understanding and cooperation. We are confident that the directives from the Summit will only impart greater vigour and dynamism to SAARC's agenda for meeting existing and emerging challenges.

24. Let me also take this opportunity Mr. Chairperson to express sincere gratitude to the Honourable Heads of State or Government for the trust reposed in me and kindness shown to me personally. My colleagues in the Secretariat and I shall continue to endeavour that action and delivery on the ground remain upper most in SAARC activities and programmes.

25. Thank you.
