

Virtual 16<sup>th</sup> Informal Meeting of the SAARC Finance Ministers,  
5 May 2021, 1.30 pm to 3.30 pm (Manila Time) on the sidelines of 54<sup>th</sup> Annual  
Meeting of Asian Development Bank

STATEMENT BY H. E. MR. ESALA RUWAN WEERAKOON, SECRETARY  
GENERAL OF SAARC

Honourable Chair, Hon. Bishnu Prasad Paudel, Minister of Finance of Nepal,  
Honourable Ministers,  
Heads of Delegation,  
Vice President of the Asian Development Bank, Mr Shixin Chen,  
Distinguished Delegates,

I thank the Hon'ble Chair for giving me the opportunity to address this august forum of SAARC Finance Ministers.

We are thankful to the Hon'ble Chair for his insightful Opening Statement. We are convinced of a successful outcome of this virtual Meeting under your able guidance. I convey sincere gratitude to the Hon'ble Finance Ministers and Heads of Delegation for their valuable presence in this Meeting.

This Meeting is taking place amid an unprecedented situation, triggered by a lethal pandemic. I take this opportunity, to convey heartfelt condolences ,to the esteemed Governments of the Member States over the loss of precious lives of the people.

We congratulate Mr Shixin Chen, Vice President of the Asian Development Bank for his valuable remarks. We hope to benefit from the presentation by Mr Yasuyuki Sawada, Chief Economist of the ADB, on economic recovery from the Pandemic.

I thank ADB for its continued support, in facilitating informal meetings of the SAARC Finance Ministers since the Year 2006. ADB has been a valued partner of SAARC and has provided support in many useful projects. We look forward to further strengthen collaboration with ADB in areas of critical interest at this challenging time.

Excellencies,

The whole Region is witnessing a worrying spike in the number of COVID-19 infections and deaths. Our fight against the deadly virus,has in fact,reached its most intense and critical phase. The Region has already lost many lives and has experienced one of the most severe health crisis and economic contractions in recent history. As a result, unemployment and poverty has increased. Looking ahead, ADB's projected economic revival of 9.5% in 2021 and 6.6% in 2022 for the region, however, is encouraging, though the revivals may not be uniform across countries. Most Member States are again experiencing 2nd or even 3rd waves of the virus, compelling them to initiate difficult measures like, complete or partial shutdown of economic activities, making projected economic revivals more fragile. The hardship faced by vulnerable and informal groups, will likely intensify, as we saw last year, during the first wave. There is, therefore, an urgent need to initiate appropriate measures – nationally and regionally, to protect our most vulnerable people.

Though the region is undergoing unprecedented health challenges, the advent of Covid-19 vaccines is a welcome development. However, the benefit of vaccine would accrue only when mass vaccination is completed across the region. Unfortunately, vaccination remains a big challenge to all countries due to inadequate resources, limited health care facilities and supply bottlenecks. The primary need, is to address the existing bottlenecks and facilitate Member States to universalizing vaccination programmes, in a time bound manner.

It is imperative to make available effective and affordable vaccines to each and every person, as soon as possible. No one is safe, until everyone is safe. South Asia's total expenditure on health as a percentage of GDP is around 2%, which is the lowest across all sub- regions. So, investment in improving health care infrastructure and higher expenditure in human capital will help ensure inclusive growth for the region.

Excellencies,

Taking due cognizance of the pandemic's socio-economic impacts, at the initiative of the Hon'ble Prime Minister of India, the SAARC Leaders convened a Video Conference, as early as on 15 March 2020, to chart out a regional strategy, to combat the further spread of the virus, as well as to mitigate its after-effects. As an immediate response, to address the adverse impacts of the pandemic, the SAARC Leaders responded to the proposal of the Hon Prime Minister of India, to create a SAARC COVID-19 Emergency Fund, to which all the countries have pledged their voluntary contributions.

As a follow-up to the SAARC Leaders' Video Conference, the SAARC Health Ministers' Video Conference, was hosted by Government of Pakistan, in 2020. In October last year, the SAARC Education Ministers Meeting was held virtually, to discuss the Education Sectors response to the Pandemic. In November, the SAARC Planning Ministers, met in virtual mode, to discuss measures, to realign efforts and strategies towards attaining SDGs. Apart from these high-level meetings, senior trade and health officials from the SAARC countries have also met virtually.

Excellencies,

Many experts have pointed out, that the pandemic has the potential, to reorient the functioning of the global economy in fundamental ways. South Asian countries have already made a start by responding swiftly with sizable fiscal commitments and monetary support. However, in order to sustain such efforts, Governments need to ramp up fiscal and monetary policies. Collaboration between Member States and development partners like ADB and World Bank, may perhaps facilitate to a great extent, at this difficult time.

Since we are experiencing an unprecedented crisis, posed by the pandemic, we need to institute a host of innovative and collective measures at the regional level too. Deeper regional integration is, therefore, needed more than ever before, through integration in every sphere, including, of course, economy and finance.

Considering the low volume of intra-regional trade, and to ensure effective economic recoveries across the region, it is necessary to work collectively to bring down tariffs; eliminate Non-Tariff Barriers (NTBs) and Para-Tariff Barriers (PTBs); reduce sensitive lists under SAFTA; enhance energy cooperation; adopt trade facilitation measures, including accepting digital certification; implement the SAARC Agreement in Trade in Services (SATIS); improve regional connectivity by rail, road, air and sea; and harmonize customs procedures and documentation, to facilitate movement of goods and services across the region.

We remain hopeful, that the Region would be able to tackle the ongoing health crisis and economic recession, and are confident, that this Informal Meeting of the SAARC Finance Ministers, will not only pave the way to fight the pandemic led economic recession, but also contribute to building back better.

In conclusion, I wish to thank the ADB for facilitating this Virtual Meeting, and for the excellent technical arrangements made.

I wish the Hon'ble Ministers fruitful deliberations.

Thank you.