

THIRD SHAKTI SINHA MEMORIAL LECTURE
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FUTURE OF SAARC

A LECTURE BY H. E. MR. MD. GOLAM SARWAR,
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FOR REGIONAL COOPERATION (SAARC)

Dr. Ram Madhav,
President of the India Foundation,
Distinguished Guests, Ladies and Gentlemen,

Good Afternoon.

It is indeed a privilege for me to address this august audience here in New Delhi arranged by the leading Think Tank-India Foundation.

I wish to thank Dr. Ram Madhav, President of the India Foundation for inviting me to deliver the Third Shakti Sinha Memorial lecture on the 'Future of SAARC'. I understand that this memorial lecture is in solemn commemoration and profound reverence to honour the memory of Late Mr. Shakti Sinha, whose indelible legacy continues to inspire the India Foundation and other think tanks in India and beyond.

Distinguished Guests,

As you all are aware that, the increasing globalization of international relations has made the regional cooperation more important than ever before. The success stories of the European Union and ASEAN are the glaring examples of such collaboration and widely acclaimed by the global community. The African Union, Gulf Cooperation Council (GCC) and other organizations are also making strides, underscoring the effectiveness of regional cooperation. Regional cooperation is shaped by the commonality of geography, history, culture, ethnicity and economic complementarity, while the shared political will and firm commitment of the community sustain them. The concrete process of regional cooperation in South Asia started almost four decades ago with the creation of the South Asian Association for Regional Cooperation (SAARC). Since then, besides SAARC, there has also been a robust development of regional and sub-regional organizations involving the South Asian countries.

Established in December 1985, SAARC represents the manifestation of the determination of its Member States to promote peace, stability, amity and progress in the region through strict adherence to the principles of the United Nations Charter and Non-Alignment, particularly respect for the principles of sovereign equality, territorial integrity, national independence, non-use of force and non-interference in the internal affairs of other States and peaceful settlement of disputes. It is based on the premise that in an increasingly interdependent world, the objectives of peace, freedom, social justice and economic prosperity are best achieved in the South Asian region by fostering mutual understanding, good neighbourly relations and meaningful

cooperation among the Member States, which are bound by ties of history and culture. The region has often been characterized as a “civilizational entity” because of its shared culture, norms and social values.

Three distinct phases have marked the evolution of what is today known as SAARC. The initial phase involved the Foreign Secretaries of the region in an effort to agree on a basic framework of regional cooperation. It started with the First Meeting of the Foreign Secretaries in Colombo in April 1981. The convening of the Meeting of the Foreign Ministers in New Delhi in August 1983 marked the beginning of the second phase, which elevated the process from the official to the political level. It witnessed the launching of the Integrated Programme of Action through the declaration of the South Asian Regional Cooperation (SARC) and the resultant commencement of cooperation among the Member States. In the third and final phase, Seven Heads of State or Government met in Dhaka in December 1985 to formally establish SAARC.

SAARC fully recognizes the common problems, interests and aspirations of the peoples of South Asia and the need for joint action and enhanced cooperation. It also recognizes that regional cooperation among the countries of South Asia is mutually beneficial, desirable and necessary not only for attaining national and collective self-reliance, but also for promoting the welfare of its peoples and improving their quality of life.

SAARC is essentially a people-centric organization, created to ameliorate the living standards of its peoples. Though at its initial stage SAARC concentrated on a few areas for regional collaboration, its ambit continued to grow over the years. Today, SAARC encompasses almost every sphere of development activity, having a bearing on the lives and livelihoods of its peoples.

Distinguished Guests,

As South Asia is home to around a quarter of the global population, ensuring food and nutrition security for such a huge population is an enormous challenge. Although dependence on agriculture as a major contributor to GDP has declined in a few Member States, agriculture continues to be the mainstay of the South Asian economies. However, the agricultural sector in the region encounters massive challenges, which include, increasing population, shrinking arable lands and farm sizes, rapid urbanization, climate change and natural disasters, weak value chains, cost of inputs and post-harvest losses.

In this backdrop, ensuring food security and promoting sustainable agriculture constitute a key component of cooperation under the framework of SAARC. The SAARC Agriculture Centre in Dhaka has been successful in addressing the needs of research and development in the field of agriculture. The Centre is also engaged in promoting collaboration with other regional and international organizations to promote sustainable agricultural practices across the region.

The SAARC Leaders’ decision to establish the first ever Regional Centre on Agriculture in 1988 manifests the priority accorded to agriculture. Mechanisms such as the SAARC Food Bank and the SAARC Seed Bank have been created to ensure food security. The SAARC Seed Bank is developing climate-resilient seeds, which will withstand drought, floods and salinity.

Distinguished Audience,

SAARC is committed to increase investment, promote research and development, facilitate technical cooperation and apply innovative, appropriate and reliable technologies in agriculture for enhancing productivity and promoting sustainable farming in order to ensure food and nutritional security. SAARC has also initiated an inter-governmental process to contextualize the Sustainable Development Goals (SDGs) at the regional level.

As you may be aware, SAARC is committed to achieve the South Asian Economic Union (SAEU) in a phased and planned manner through a Free Trade Area, a Customs Union, a Common Market, and a Common Economic and Monetary Union. At the Eighteenth SAARC Summit in November 2014, the SAARC Leaders pronounced a clear roadmap for its eventual realization. Achieving this target will require commitments from the Member States and adherence to mutually agreed decisions and timelines for their implementation.

The SAARC-ADB Study on Regional Economic Integration shows the way forward towards achieving SAEU in a phased manner, as envisioned by the SAARC Leaders. The seven areas identified by the SAARC-ADB Study for implementation are: (i) reduction and/or removal of non-tariff barriers (NTBs) and para-tariff barriers (PTBs); (ii) energy cooperation; (iii) trade facilitation measures; (iv) investment cooperation; (v) reduction of products in sensitive lists; (vi) SAARC Agreement on Trade in Services (SATIS); and (vii) connectivity improvement in rail, road, air and maritime sectors.

It has been recognized for long that free movement of capital and investment within the region, including intra-regional remittances, is a precondition for economic development. This would be even more crucial for realizing the eventual goal of SAEU. The forums of SAARC Finance Ministers, Finance Secretaries and an Inter-Governmental Expert Group on Financial Issues are actively pursuing the goal of regional financial integration. SAARCFINANCE, a grouping of the Central Bank Governors and Secretaries of Finance, has been actively engaged in harmonizing banking practices to promote enhanced financial integration.

There has been some movement on trade facilitation, particularly on Verification Mechanism relating to the Rules of Origin under SAPTA and SAFTA. But more needs to be done. All the Member States have come to an agreement on the basic fields to be incorporated in the Rules of Origin.

Discussions are underway to finalize the SAARC Agreement on Protection and Promotion of Investments. Such an initiative would serve as a crucial tool not only in alleviating the concerns of prospective investors but also in advancing towards the establishment of a unified market.

Ladies and Gentlemen,

Improved intra-regional connectivity is the sine qua non for effective regional integration. Regional Agreements on Motor Vehicles, Railways and Air Services are under consideration. These measures for improving connectivity will undoubtedly promote economic relations, people-to-people contact and intra-regional trade and tourism.

Endowed with vast hydropower, natural gas, solar, wind and bio-fuel resources, South Asia offers tremendous potential for regional cooperation in energy generation, transmission and trade. The SAARC Framework Agreement for Energy Cooperation has been signed. In addition, regional and

sub-regional projects are being identified in the areas of power generation, transmission and trade with a view to meeting the increasing demand for power in the region.

Regional Cooperation in the social sector is one of the priorities of SAARC. The SAARC Social Charter identifies a number of targets to be achieved in a number of areas, including the promotion of health, empowerment of women, development of youth and protection of children, especially the girl child. Other regional instruments that supplement regional cooperation in the social sector include the “Convention on Regional Arrangements for the Promotion of Child Welfare in South Asia”; and the “Convention on Preventing and Combating Trafficking in Women & Children for Prostitution”.

As women constitute almost 50% of South Asia’s population, bringing women into the mainstream of development is a high priority for SAARC, paying focused attention to their socio-economic empowerment. To achieve this end, besides the mechanism of the Ministerial Meeting on Women, a Technical Committee on Women, Youth and Children, and a SAARC Gender Policy Advocacy Group have been activated. Besides, a SAARC Widows’ Charter is under consideration of the Member States. In essence, since its inception, the Association’s focus has been on promoting women’s education; protecting their rights; ensuring that they are free from all sorts of discrimination; and above all, empowering them economically.

Youth represents the region’s future. In order to promote the development of youth across the region, two important regional instruments, namely, the SAARC Youth Charter and the SAARC Action Plan on Youth are under consideration. SAARC Youth Camps promote camaraderie and fellow-feeling among the South Asian youth.

SAARC accords high priority to regional cooperation in addressing challenges arising from the degrading environment and climate change under the framework of the Thimphu Statement on Climate Change. An Inter-governmental Expert Group on Climate Change monitors progress of work in this area.

There have been sustained efforts globally to strengthen collaboration and coordination in disaster risk management. South Asia is no exception to this trend. The “SAARC Agreement on Rapid Response to Natural Disasters” demonstrates Member States’ commitment to facilitate and regulate regional disaster assistance.

Endowed with fascinating natural beauty and cultural diversity, South Asia offers huge potential for regional cooperation to promote both intra-regional and international tourism. Accordingly, efforts are underway to improve air, road and rail connectivity as well as instituting a facilitative visa regime in the region through the SAARC Visa Exemption Scheme. At the Eighteenth SAARC Summit, the SAARC Leaders expressed their resolve for making South Asia an attractive common tourist destination in a sustainable manner through effective implementation of the SAARC Action Plan on Tourism, including through public-private partnership.

SAARC currently has nine observers, namely, Australia, the People's Republic of China, the Islamic Republic of Iran, Japan, the Republic of Korea, Mauritius, the Union of Myanmar, the United States of America, and the European Union. As directed by the SAARC Leaders at the Eighteenth Summit, efforts are underway to engage SAARC’s observers in productive, demand-

driven and objective project-based cooperation in priority areas identified by the Member States, such as communication, connectivity, agriculture, public health, energy, environment and economic cooperation.

A good example of cooperation with SAARC's Observers is the JENESYS Programme with Japan, which facilitates development of South Asian youth.

The Eighteenth SAARC Summit incorporated migration as an agreed area of cooperation within the framework of SAARC. The SAARC Plan of Action on Migration has been finalized, while a Declaration on Migration is under consideration of the Member States. Cooperatives is another new area for regional cooperation as identified by the Eighteenth SAARC Summit. Efforts are being made to finalize a Plan of Action for Cooperation on Matters Relating to Cooperatives.

Blue Economy is a new area of cooperation emanating from the Eighteenth SAARC Summit Declaration. Regional consultations at the experts' level are contemplated to institutionalize collaboration in this sector.

Besides being an Observer at the United Nations, SAARC has formal collaborative arrangements with a number of regional and international organizations, with particular emphasis on project-based collaboration.

In order to pursue effective regional cooperation in specialized areas, SAARC has established four Specialized Bodies, namely, SAARC Development Fund (SDF), [2010, Thimphu]; South Asian University (SAU), [2010, New Delhi]; SAARC Arbitration Council (SARCO), [2010, Islamabad]; and South Asian Regional Standards Organization (SARSO), [2014, Dhaka].

Established in Thimphu, Bhutan, in April 2010, the SAARC Development Fund (SDF) is the umbrella funding mechanism, which finances sub-regional and regional projects under three Windows: Social, Economic and Infrastructure. The Fund is mandated to finance sub-regional and regional projects that are demand-driven, time-bound and aligned with the developmental priorities of the region.

Since its establishment in August 2010 in New Delhi, the South Asian University has been providing quality education to South Asian students at affordable cost. The University offers post-graduate and doctoral programmes in various disciplines, such as, Economics, Computer Science, Biotechnology, Mathematics, Sociology, International Relations and Law.

Based in Islamabad, the SAARC Arbitration Council (SARCO) provides a legal framework within the region for fair and efficient settlement of commercial, industrial, trade, banking, investment, and other such disputes.

Established in Dhaka as a specialized body of SAARC, the South Asian Regional Standards Organization (SARSO) promotes regional cooperation in the fields of standardization and conformity assessment. In particular, it aims at developing harmonized standards for the region to facilitate intra-regional trade and to have access in the global market.

SAARC has four Regional Centres: (i) Agriculture Centre, [1988, Dhaka]; (ii) Tuberculosis and HIV/AIDS Centre, [1994, Kathmandu]; (iii) Energy Centre, [2006, Islamabad]; and Cultural

Centre, [2009, Colombo]. These Centres of Excellence have been actively pursuing project-based regional cooperation in their respective areas. An Interim Unit of the SAARC Disaster Management Centre is operational in Gandhinagar in Gujarat, India.

In order to promote people-to-people contacts and to engage civil society in a fruitful manner, SAARC grants affiliation to civil society groups as its Apex and Recognized Bodies. They supplement inter-governmental efforts in the attainment of the Charter objectives of SAARC.

Distinguished Participants,

The key to success of the SAARC process is effective implementation of the decisions taken by the Member States. Therefore, there has to be a more effective system of implementation, monitoring and evaluation. At the same time, there is a need to strengthen regional cooperation in priority areas identified by the Member States and the programmes should be results-based and implemented in a time bound manner. In other words, a focused approach with emphasis on concrete results is the need of the hour.

Regional cooperation is more of a necessity than a choice for greater prosperity. The cost of lack of cooperation at this hour of need will be much higher than what we have foreseen. We need to seize upon opportunities to promote regional integration by aligning the Vision of Our Leaders with the Aspirations of Our People. Perhaps, the time has come for introspection. Regional cooperation today demands an enhanced paradigm. The customary approach to cooperation and integration, needs focus and realism.

Despite many commonalities in terms of geography, history, civilization, religion and culture, South Asia remains one of the least integrated regions in trade and connectivity compared to other regions. For example, intra-regional trade accounts for 50% of total trade in East Asia and the Pacific and 22% in Sub Saharan Africa, while it accounts for only 5% in South Asia. Unfortunately, recent slowness of SAARC Process has also affected the implementation of SAPTA and SAFTA to their full potentials to boost economic collaboration and integration. Moreover, in order to realize the goal of effective regional integration, it is necessary to have better air, road and rail connectivity.

Given the overwhelming evidence supporting the benefits of increased regional cooperation and the success achieved in other regions, it is important to understand and address the key constraints which have held back greater regional cooperation in South Asia.

Many analysts claim that a vision of SAARC for the future will remain incomplete without reinforcing the Political Commitment of the Member States to move beyond formal proclamations. A fresh and committed approach is required to address challenges which have impeded the progress of SAARC. Initiatives on promoting greater people-to-people contact, the role of key opinion and decision makers like India Foundation and other Think Tanks in the region, and the role of media, in advancing confidence-building measures, need to be reinforced. The spirit of SAARC needs to be sustained by a vibrant civil society throughout South Asia, forging links across national boundaries.

Ladies and Gentlemen,

The future of SAARC holds both challenges and opportunities. Despite its potential to foster regional cooperation, SAARC has faced several obstacles. However, there remains great hope for revitalizing and reimagining the organization to meet the evolving needs of the South Asian region. One potential avenue for the future of SAARC lies in strengthening economic integration and connectivity among the Member States. Initiatives such as trade liberalization, infrastructure development, and investment facilitation could bolster intra-regional trade and stimulate economic growth, benefiting all member countries.

Additionally, addressing common challenges such as poverty, climate change, and public health crises through collaborative efforts could enhance SAARC's relevance and impact. By pooling resources and expertise, member states can work together to mitigate shared risks and promote sustainable development across the region. Furthermore, leveraging digital technologies and innovation could facilitate greater regional cooperation and people-to-people connectivity. Initiatives aimed at enhancing digital infrastructure, promoting digital literacy, and fostering innovation ecosystems could unlock new opportunities for collaboration and economic growth within SAARC.

Ultimately, the future success of SAARC will depend on the collective commitment of the Member States to overcome political differences, prioritize regional cooperation and pursue inclusive and sustainable development. With concerted efforts and a shared vision for a more integrated and prosperous South Asia, I am fully optimistic that SAARC will play the fundamental role in shaping the future of the region.

Thank you.

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