

FOREIGN SERVICE INSTITUTE OF MALDIVES
(1200 HRS.; TUESDAY, 06 AUGUST 2024)

“THE WAY FORWARD FOR SAARC”

TALK BY H. E. MR. MD. GOLAM SARWAR, SECRETARY GENERAL OF SAARC

Excellency Aminath Shabeena, Additional Secretary of the Ministry of Foreign Affairs of the Republic of Maldives and Head of Foreign Service Institute of Maldives (FOSIM),
Excellencies,
Distinguished Diplomats and Dear Colleagues,

Good Afternoon!

It is indeed a great honour for me to address the distinguished audience present at the Foreign Service Institute of Maldives (FOSIM), this afternoon.

I thank the Ministry of Foreign Affairs of the Republic of Maldives for inviting me to deliver a talk on *The Way Forward for SAARC*, during my ongoing Introductory Visit to the Republic of Maldives. I also thank FOSIM for making excellent arrangements for this event.

Distinguished Audience,

As you all are aware, the increasing globalization of international relations has made 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.

SAARC is essentially a people-centric organization, created in December 1985 to uplift the living standards of its peoples. In its initial years, SAARC concentrated on a few areas for regional collaboration but, over the decades, its ambit continued to grow. SAARC today encompasses almost every sphere of development activity, having a direct bearing on the lives and livelihoods of its people.

For example, Agriculture is one of the top priority areas of cooperation under SAARC, which sustains both life and livelihood of our population. However, as South Asia is home to around a quarter of the global population, ensuring food and nutritional security for such a huge population is a tall order in the face of massive challenges, which include, *inter alia*, increasing population,

shrinking arable lands and farm sizes, rapid urbanization, and devastating impacts of climate change and natural disasters.

As the way forward to promote sustainable farming and ensure food and nutritional security in the region, SAARC has created cooperation mechanisms like the Meetings of the SAARC Agriculture Ministers, the SAARC Technical Committee on Agriculture and Rural Development, the SAARC Food Bank, the SAARC Seed Bank and the SAARC CVOs Forum. In addition, the SAARC Agriculture Centre in Dhaka is dedicated to implementing projects to create livelihood of smallholder farmers, and introduce and promote climate-smart agriculture technology in the region. The SAARC Gene Bank, establishment of which is underway, will propel exchange of animal embryos among the Member States.

Excellencies,
Ladies and Gentlemen,

As you are aware, SAARC is committed to achieving the visionary goal of the South Asian Economic Union (SAEU) through a phased and strategic approach. This journey encompasses the establishment of a Free Trade Area, followed by a Customs Union, a Common Market, and Economic and Monetary Union. Needless to mention, realizing the visionary goal of SAEU requires unwavering commitments from all Member States, as well as strict adherence to mutually agreed decisions and timelines for their implementation. The SAARC-ADB Study on Regional Economic Integration shows the way forward for achieving SAEU in a phased and planned manner.

It is widely held 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 and 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 financial integration.

Progress has been made in the area of trade facilitation, specifically concerning the Verification Mechanism related to the Rules of Origin under both the South Asian Preferential Trading Arrangement (SAPTA) and the South Asian Free Trade Area (SAFTA). This mechanism is crucial as it ensures that products truly originate from the member countries, thereby qualifying for preferential treatment. However, further efforts are required to enhance and streamline these processes. Notably, all Member States have reached a consensus on the basic fields that should be included in the Rules of Origin.

Efforts are underway to finalize the SAARC Agreement on Protection and Promotion of Investments. This Agreement is poised to be a pivotal instrument in the region, addressing the concerns of potential investors by providing a more secure and predictable investment environment. By ensuring protection for investments and promoting investors' confidence, the Agreement will play a significant role in attracting foreign and domestic investments. Additionally, this initiative is a crucial step towards establishing a unified market within the

SAARC region. It will facilitate increased economic integration and cooperation among the Member States, fostering a more cohesive and dynamic economic landscape.

Excellencies,
Ladies and Gentlemen,

Poverty alleviation is the overarching goal of SAARC, as declared by the Twelfth SAARC Summit in Islamabad in January 2004. The SAARC Plan of Action on Poverty Alleviation (PAPA)-2004, adopted by the Twelfth Summit underlines a number of internal and external policies aimed at reducing poverty.

At the Eighteenth SAARC Summit in Kathmandu in November 2014, our Leaders reiterated their strong commitment to free South Asia from poverty and directed the Ministerial and Secretary-level mechanisms on poverty alleviation to review the progress and revisit the SAARC Plan of Action on Poverty Alleviation (PAPA) for its effective implementation, also taking into account the Post-2015 Development Agenda. They directed to initiate an Inter-Governmental process to appropriately contextualize the Sustainable Development Goals (SDGs) at the regional level. At the same Summit, the Heads of State or Government “recognized that the Post-2015 Development Agenda, following its adoption at the UN, would present opportunities to complement national and regional efforts on sustainable development”. In line with these Summit directives and subsequent guidance from the Ministerial Meetings, a Consultant is being appointed to provide expert services in contextualizing SDGs and reviewing PAPA-2004. A Meeting of the Inter-Governmental Expert Group will be convened later this year to finalize the Consultant’s outcome document.

In the meanwhile, in order to provide renewed momentum to SAARC’s quest of alleviating poverty, the Fifth Meeting of the SAARC Ministers of Poverty Alleviation, preceded by the Seventh Meeting of Secretaries on Poverty Alleviation, is being contemplated in the near future.

The SAARC Development Fund is an umbrella funding mechanism of SAARC, with three funding windows: social, economic and infrastructure. Currently, SDF is implementing 93 projects in 14 focus areas in the region. SDF is considering funding new projects which will further contribute to socio-economic development of the region.

Distinguished Audience,

Successive SAARC Summits have reiterated the importance of regional cooperation in tourism, culminating in the adoption of the SAARC Action Plan on Promotion of Tourism, in Dhaka in 2006. Effective implementation of the SAARC Plan of Action on Tourism in its letter and spirit, will result in realizing the full potential of tourism in the region.

With a view to supplementing inter-governmental efforts in promoting socio-economic and cultural development in South Asia, SAARC encourages interface and interaction among professional bodies, private corporate sector, civil society groups and creative artists through grant of formal recognition as SAARC’s Apex and Recognized Bodies. Currently, there are six Apex Bodies and eighteen Recognized Bodies.

However, at present, renewal of their recognition is pending in the absence of a regular session of the Standing Committee since March 2016. There is, therefore, an urgent need to revive these Bodies by renewing their affiliative status with SAARC.

Excellencies,
Ladies and Gentlemen,

Six of the eight Member States are located, either partly or fully, in the Himalayas. They are prone to earthquakes. The Maldives and Sri Lanka are the other two Member States, both of which are at 'common but differentiated' risks posed by Climate Change and natural disasters. Incidentally, it is with deep sadness that I recall the 2004 Tsunami that badly affected the Maldives.

Our region is, therefore, most vulnerable to natural disasters. Adverse impacts of Climate Change compound these risks. In order to be able to cope with the adverse impacts of Climate Change, SAARC, in collaboration with ADB, recently organized a Consultation Workshop on Climate Change in Thimphu. A second meeting on Climate Change is being planned for November 2024. Maybe, in the Maldives.

Excellencies,
Ladies and Gentlemen,

Media and information play a crucial role in promoting regional awareness, fraternity and belongingness and in taking SAARC to the people's level. Through active and supportive media, people in the region will receive wider knowledge about the benefits of regional cooperation arrangements like SAARC. A proposal has been made, therefore, to establish a dedicated SAARC Working Group to foster regional collaboration in Information and Media.

Telecommunication and ICT is an important sector of cooperation, which concerns day-to-day life of the common people. At the Eighteenth Summit, the SAARC Leaders emphasized the need for active collaboration and engagement among public authorities and private stakeholders to lower telephone tariff rates for facilitating greater contacts among the people of the region. The SAARC Working Group on Telecommunications and ICT deals with this important area. It is expected that, this Working Group will also come up with recommendations for the SAARC Leaders to consider reducing digital divide as well as implementing modern knowledge of Artificial Intelligence (AI), Data Science, designing and manufacturing Semiconductor etc.

At the Eighteenth Summit, the SAARC Leaders "agreed to collaborate and cooperate on safe, orderly and responsible management of labour migration from South Asia to ensure safety, security and wellbeing of their migrant workers in the destination countries outside the Region". In pursuance of this Summit directive, a SAARC Technical Committee on Labour Migration has been created, a meeting of which is in the pipeline.

Likewise, at the Eighteenth SAARC Summit, the Leaders "recognized the potential of cooperatives in achieving inclusive, broad-based and sustainable economic growth and development, and called for sharing of experiences, expertise and best practices in this sector". A meeting of the Expert Group is being planned to carry forth cooperation in the cooperatives sector.

Our Leaders have directed to engage SAARC's Observers into productive, demand-driven and objective project-based cooperation in seven priority areas: (i) Communication; (ii) Connectivity; (iii) Agriculture; (iv) Public Health; (v) Energy; (vi) Environment; and (vii) Economic Cooperation. We are in correspondence with the Member States to develop sub-regional and regional projects for funding by SAARC's Observers.

Since 2015, the Government of Japan has continued to implement the Youth Exchange Programme named JENESYS (Japan-SAARC Network Programme of People-to-People Exchange) and this has remained as a successful case of engagement with an Observer. About 100 to 150 students and young adults from different sectors visit Japan each year, thereby promoting people-to-people exchange between SAARC and Japan.

Ladies and Gentlemen,

South Asia is one of the fastest-growing regions globally, as confirmed by the World Bank's April 2024 South Asia Development Update. Despite this growth, millions in the region lack access to electricity, face frequent power outages, and are burdened with high energy costs. By 2040, the region's energy consumption is anticipated to increase by 70%, driven by multiple factors such as population growth, expansion of urban areas, industrial development and an upsurge in household incomes. Consequently, swift progress in regional energy cooperation is crucial to meet this growing demand, while safeguarding environmental sustainability and energy security.

The solution lies in fostering regional energy cooperation and integration. Through mutual collaboration, we can harness the immense potential of our diverse and abundant energy resources, such as hydropower, solar, wind, biomass, and more. We can and should optimize the utilization of our existing energy infrastructure, including power plants, transmission lines, pipelines, and grids. Furthermore, we should vie for a regional energy market that encourages competition, reduces costs, and strengthens trade and integration. The SAARC Framework Agreement for Energy Cooperation (Electricity) signed during the Eighteenth SAARC Summit aims at facilitating cross-border electricity trade among the Member States.

The concept of the SAARC Energy Ring envisions promoting and enhancing intra-regional cooperation in energy through collaborative strategies and programmes. Under this concept, the Member States will establish common regional energy highways within and across the region to facilitate the movement of energy commodities and services, within a market-based environment. In order to realize this concept, Expert Groups on Oil and Gas; Electricity; Renewable Energy; and Technology/Knowledge Sharing were formed by the Working Group on Energy.

However, the region still has a long way to go before it can realize the full potential of regional energy cooperation. We face many barriers and challenges that hinder our efforts, such as lack of institutional capacity, regulatory harmonization, financial resources, and public awareness. We need to build confidence and trust among the Member States through dialogue, consultation, and transparency. In this quest, the political will and support will remain the key factor.

Distinguished Audience,

South Asia is one of the least interconnected regions globally. Poor transport connectivity and infrastructure hinder intra-regional trade. They also constrain regional efforts to deepen economic cooperation through tariff liberalisation and implementation of trade facilitation measures.

The Twelfth SAARC Summit underscored that for accelerated and balanced economic growth, it is essential to strengthen transportation, transit and communication links across the region. Subsequently, the SAARC Regional Multimodal Transport Study (SRMTS) was conducted with the assistance of ADB in order to enhance overall connectivity within the region and to promote intra-regional trade and travel. SRMTS covered all modes of transport – road, rail, maritime, inland waterways, and aviation. SRMTS is being updated to reflect all latest developments and possibilities of connectivity in the region.

Some other initiatives that deserve mention are the SAARC Motor Vehicles, SAARC Railways, and Regional Air Services Agreements, which are under active consideration of the Member States. Another such initiative that merits mention is the Feasibility Study on Commercial Viability of Demonstration Run of a Container Train among Bangladesh, India and Nepal, which has been completed.

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 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.

To oversee regional cooperation in the social sector, mechanisms such as the Ministerial Meeting on Women, the Technical Committee on Women, Youth and Children, and the 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, SAARC'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.

Science and Technology is an identified area for regional collaboration. Fostering an environment that supports regional collaboration and knowledge exchange is crucial for the advancement of science and technology. This includes promoting a culture of openness, transparency, and trust among member countries, as well as establishing mechanisms for sharing data, research findings, and best practices. This can be achieved by establishing a SAARC Science and Technology Centre in one of the Member States.

Excellencies,
Ladies and Gentlemen,

The South Asian University (SAU), established in New Delhi in August 2010, serves as a premier educational institution of this region, imparting world-class education to students and scholars from the Member States. By nurturing a shared academic environment, SAU contributes to building mutual understanding and trust among the South Asian students.

As the way forward to make the University more vibrant and robust, it is necessary to expand its curriculum to include interdisciplinary studies that address regional challenges, such as climate change, public health, and economic development, as well as foster collaborative research initiatives in these areas. Secondly, promoting student and faculty mobility across Member States can facilitate cross-cultural understanding and networking. Thirdly, leveraging digital platforms for virtual exchanges and joint research projects can overcome logistical and political constraints, ensuring continuous engagement even during periods of diplomatic strain. By harnessing the intellectual capital of SAU, SAARC can not only promote regional stability and prosperity but also inspire a new generation of South Asian leaders to commit themselves to regional cooperation for collective progress and prosperity.

The SAARC Cultural Centre has been a pivotal institution for fostering regional unity and understanding through cultural exchange. As SAARC continues to navigate geopolitical challenges, the Centre can help promote cultural diplomacy and mutual appreciation among the Member States. By organizing cultural events, exhibitions, and workshops that showcase the rich diversity of the South Asian arts, literature, and traditions, the Centre plays a crucial role in bridging cultural gaps and nurturing a shared sense of identity among the peoples of the region.

Distinguished Audience,

In conclusion, I wish to emphasize that 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.

As a way forward for meaningful regional engagement, enhancing security cooperation remains crucial for fostering stability and resilience across the region. Strengthening information-sharing mechanisms, joint military exercises, and intelligence cooperation among the Member States can bolster regional security frameworks. Moreover, promoting dialogue and confidence-building measures can help mitigate misunderstandings and facilitate peaceful resolution of disputes, thereby ensuring a safer and more stable South Asia. By forging stronger security partnerships and frameworks, SAARC can effectively safeguard the interests and well-being of its member nations in the years to come.

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, we remain fully optimistic that SAARC will play the pivotal role in shaping the future of South Asia in the years to come.

Thank you.
