



**INSTITUTE OF FOREIGN AFFAIRS (IFA), NEPAL**

# **Report on a Regional Seminar on South Asia-Republic of Korea Partnerships: Future Prospects**

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South Asia-Republic of Korea Partnerships:  
Future Prospects**



**Organized by  
Institute of Foreign Affairs (IFA), Nepal**

**Co-organized by  
Embassy of the Republic of Korea to Nepal**

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*Views expressed in this presentation papers of this report do  
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## Editorial

South Asian Association for Regional Cooperation (SAARC) has matured and evolved into a viable platform for meaningful engagement and collaboration in order to promote the welfare of the peoples of South Asia and to improve their quality of life, to promote peace and progress and to enhance mutual trust in South Asia since its establishment in 1985. SAARC member states have been pursuing their mutual cooperation and support at a regional level despite raising their concerns on lack of progress in trade and investment within the region. SAARC, since its inception period, has worked continuously to build and strengthen the commitment and collaboration to promote its regional agendas for overall development of the region and has adopted various soft and hard laws applicable to its member states. The notable Conventions include the Convention on Narcotic Drugs and Psychotropic Substance, Regional Arrangements for Promotion of Child Welfare, Preventing and Combating Trafficking in Women and Children for Prostitution, Suppression of Terrorism and its Protocol and Declarations.

One of the key objectives of SAARC as envisaged by the Charter is to accelerate economic growth, social progress and cultural development in the region and provide all individuals equal opportunity to live with dignity and realize their full potentiality. However, this objective is yet to be realized fully. SAARC Summits from the First SAARC Summit of Dhaka 1985 to the fifteenth SAARC Summit of Colombo 2008 have expressed a serious concern over failure to achieve economic growth in South Asian region. Majority of the countries in South Asian region are undergoing economic crisis and facing various problems, such as the limited market access, lack of adequate foreign direct investment and transfer of technology, external debt, and existence of inequalities of financial and monetary systems. Amidst these circumstances, SAARC Social Charter and Agreement on SAARC Free Trade Area (SAFTA), a development on SAARC Preferential Trade Arrangement (SAPTA) are expected to pave way for the establishment and operation of South Asian Custom Union by 2012 and an Economic Union by 2020. There are major issues to deal with through regional cooperation and collaboration and the economic growth is one of the priorities.

The participation of the countries including China, Japan, the EU, USA and Republic of Korea as observers in SAARC can be seen as a positive development. Against this background, participation of the Republic of Korea in SAARC has more meaning and the cooperation provided by it since 2007 is encouraging. It is obviously to be expanded and strengthened in the days to come.

One Day regional Seminar on “South Asia-RoK Partnership: Future Prospects” was organized by the Institute of Foreign Affairs in collaboration with the Embassy of Republic of Korea in Kathmandu, Nepal on November 18, 2010. Participants of the Seminar were represented from Ministry of Foreign Affairs, Nepal, SAARC Secretariat, Embassy of Republic of Korea, Ministry of Foreign Affairs and trade, RoK; Embassy of Bangladesh, Royal Privy Council of Bhutan, Apex International, IMF, OHCHR, UNICEF, UNFPA, UNRCPD and media. The seminar provided a common platform to discuss about a diverse range of areas for cooperation and collaboration. Thus, it was a step forward to the achievement of overall progress and prosperity of South Asia, and was aimed to deliberate over the existing cooperation between the RoK and South Asia so that crucial but missing areas with considerable scope could be revealed, identified and consolidated. Since the thirteenth SAARC Summit 2005 it has started to welcome eight countries and one organization (EU) as observers for engagement in collaborative endeavors. RoK is one of the prominent observers, which has been providing professional training to government officials of all SAARC member countries in several areas. It may be expected to expand and strengthen cooperation and support of RoK identifying extremely useful and valuable areas within SAARC region in the days to come. Over the years, RoK as an observer to the SAARC has provided fresh impetus to build even greater cooperation in terms of trade and economic growth. RoK’s initiative in co-organizing this seminar was a testimonial to improve effectively its aid effectiveness by involving all stakeholders to find the most effective support mechanism. RoK has become a role model of economic development and since the establishment of diplomatic relations in 1974, Nepal and RoK have enjoyed cordial relations.

In response to the Republic of Korea’s desire, as an observer, to seek new areas of cooperation with SAARC countries’ members SAARC’s representative outlined the possibility of cooperating with it through existing mechanisms as per SAARC Charter and guidelines with respect to observer states. The existence of SAARC Development Fund, SAFTA, SAARC Food Bank was cited for further cooperation with RoK.

The Government of Nepal’s view, as expressed by the Deputy Prime Minister and Foreign Minister, pointed the need for involvement of RoK through bilateral as well as regional channels. Bangladesh representative highlighted the need to look into poverty alleviation besides labor employment by RoK. Nepali expert also lent its support for poverty alleviation as one of the critical issues requiring RoK attention. Nepali senior official stressed on the opportunity that South Asia provided with its young and economically active population (almost one tenth of world population) that can fill the demand caused by

aging in most countries. The RoK expert was of the view that RoK's support to SAARC was based on seeing early industrialization of each member country of SAARC. He also floated the idea of hosting KOREA-SAARC Summit and within its formation of coordinating committees for providing institutional support. The expert from Bhutan also laid emphasis on poverty alleviation and social development and the need for natural resources management. Another Nepali expert viewed that SAARC would benefit from RoK's development experience. He further saw the need for articulated vision and strategic plan for realizing development and believed that for resource management through resource development clusters would be appropriate. Yet another Nepali expert opined that countries like Nepal needed ODA in grant form than other assistance as it could not attract FDI owing to weak infrastructure and lack of market. Stating that 'FDI was natural and automatic' he also questioned the current rationale of too much reliance on NGOs and INGOs for development cooperation.

The members of the editorial board wish to thank Mr. Tika Jung Thapa, Executive Director and Ms. Anjan Shakya, Deputy Executive Director of the Institute of Foreign Affairs for their guidance and support in the preparation of this report. The Board also wishes to thank the staff of IFA and the Embassy of the RoK for their invaluable support.

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**January 2011**

**Kathmandu**

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# Part-I

## Preliminary

### 1.1 Background

A day long regional seminar was organized by IFA in collaboration with the Embassy of the Republic of Korea on November 18, 2010 with an objective to have a rigorous exercise on the prospect of RoK partnership with South Asia. The seminar discussed chiefly on 'RoK partnership with South Asia and its future prospects. It is a matter of contentment to each member state of SAARC that South Asian region has attracted the attention of the world, both neighbors and allies, and this region has gained many partners for all development and the avenues of cooperation and collaboration are being searched and also expanding in the passage of time. In this regard, it is opted that with the cooperation of RoK, there could be ample of opportunities for growth and investment in this region.

It is noteworthy to mention here that the volume of trade between Korea and South Asia has increased drastically despite the global economic crisis. In a similar fashion, Korean investment in South Asia and high-level exchanges at government and people to people level has also witnessed steady increase. The Republic of Korea has also been providing professional training to government officials of all SAARC member countries in various ways including information technology, ICT for meteorological services, solid waste management, road construction and transportation technology. In addition to this, there could be more avenues for cooperation between Rok and SAARC at first instance and secondly Rok and member states of South Asia. The Republic of Korea has extensive relations with most SAARC members. The Republic of Korea recently signed two MOUs with India (a SAARC member) for a five year period of defense cooperation for sharing military expertise and technology. From such highly sophisticated security cooperation, on a completely different end, the Republic of Korea got engaged with Nepal in supporting capacity building for poverty reduction and environmentally sustainable economic growth. SAARC Development Goals (SDGs) have been launched and implemented to reduce poverty, provide food security, guarantee livelihood, improve health care, ensure quality education and enhance environmental security. The SDGs

comprise of 22 goals that come under the four broad headings of livelihood, health, education and environment. Progress towards achieving the SDGs will determine the region's success in combating poverty.

Likewise, RoK has been able to establish large and medium size joint industrial ventures in fields such as telecommunication, electronics, polyester fiber, chemical industry, automobile and construction projects in Pakistan. In Bangladesh, RoK has been imparting disaster risk training to Bhutanese authorities. The Republic of Korea has also been offering training programs under "Korea's Cooperative Projects to SAARC" over a three-year period (2008-2010) in the areas of Agriculture and Rural Development, ICT, Energy, Health and Population, Women, Youth and Children, Intellectual Property Rights, Environment and Forestry, Science, Technology and Meteorology, HRD and Transportation. It is evident that the Republic of Korea is slowly increasing its presence and involvement in South Asian developing countries.

In this backdrop, the seminar provided a common platform to discuss about a diverse range of areas for cooperation and collaboration such as agriculture and rural development, trade, environment, energy, science and technology, biotechnology, poverty alleviation, social development, culture, HRD, ICT and tourism. Thus, it was a step forward to the achievement of overall progress and prosperity of South Asia, and was aimed to deliberate over the existing cooperation between the Republic of Korea and South Asia so that crucial but missing areas with considerable scope could be revealed, identified and consolidated.

## **1.2 Objectives of the Seminar**

- (1) Experts, independent participants and representatives of institutions were expected to deliberate on the existing cooperation and collaboration between RoK and South Asian countries and measure the scope together with the extent of effectiveness.
- (2) Another objective was to identify new areas of economic cooperation and/or consolidation of existing economic connectivity and trade activities between RoK and South Asian countries, singly or jointly for achieving overall progress and prosperity of South Asia.

## **1.3 Expected outcome of the Seminar:**

- (i) A seminar report outlining additional areas of cooperation between RoK South Asian countries will be created. (ii) It will also contain need for further meetings on specific areas as identified and necessary.

#### **1.4 Participants in the Seminar:**

Altogether 117 participants\* participated in the Seminar representing Ministry of Foreign Affairs, Nepal, SAARC Secretariat, Embassy of the Republic of Korea, RoK private sector representatives, Embassy of Bangladesh, Royal Privy Council of Bhutan, Apex International, IMF, OHCHR, UNICEF, UNFPA, UNRCPD, The Rising Nepal, Voice Nepal, NTV, Avenues TV, HTV, ABC TV, Kantipur TV, Sagarmatha TV, RSS.

The seminar witnessed the presentation on pertinent issues from the delegates from South Asia and Republic of Korea which included:

1. Presentation by His Excellency Neem Chandra Bhowmik, Ambassador of Bangladesh
2. Presentation by Prof. Dr. Mohan Prasad Lohani, Former Nepali Ambassador and SAARC expert
3. Presentation by Mr. Sun Nahm-Kook, Director, Southwest Asia & Pacific Division, Ministry of Foreign Affairs and Trade-Korea
4. Presentation by Mr. Hari Kumar Shrestha, Joint Secretary, Ministry of Foreign Affairs
5. Presentation by Dr. Cho Choongjae, Korean Institute for International Economic Policy
6. Presentation by Lyonpo Chenkyab Dorji, Chairman, Royal Privy Council, Bhutan
7. Presentation by Dr. Chiranjibi Nepal, Economist and Advisor to DPM and FM of Nepal
8. Presentation by Mr. Binod Bista, Advisor, IFA

#### **1.5 Organization of the Seminar:**

The Seminar was divided into three sessions viz. inauguration session, paper presentation and discussion session (sessions I-V) and concluding session.

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\* Names of participants have been provided in the subsequent Appendix -1

# Part-II

## Inauguration Session

### Welcome Address

**Mr. Tika Jung Thapa, Executive Director of IFA, Nepal**

Honorable Deputy Prime Minister and Minister for Foreign Affairs, Distinguished Advisor to the Foreign Minister, And other senior officials of the Government of Nepal, Ambassadors and Other distinguished guests and participants,

I am delighted to welcome you all at this seminar organized jointly by the Institute of Foreign Affairs and the Embassy of the Republic of Korea. The topic chosen for this seminar is timely, relevant and useful to the entire Asian community. In this regard, let me take this opportunity to express the gratitude of IFA, and the entire Nepali community to the people and government of the Republic of Korea for taking this important initiative. We all are aware that RoK stands tall among Asian nations for its success in transforming a poor developing country into a developed one within a short period by sheer hard work and effort of its citizens. Just last year it became a member of DAC of OECD adding to its responsibility. Since RoK has a firsthand experience of development in similar environment it can effectively contribute to the ongoing efforts of developing countries of SAARC.

This seminar is a testimony of ROK's ongoing efforts aimed at improving its aid effectiveness by involving the stakeholders in its search for arriving at a best system and supporting mechanism. The organizers expect that this seminar would be able to identify a few elements required to improve the current system applied by ROK or to find new ones. I am confident that the distinguished speakers would spare no efforts left from their side to achieve our common goal.

Last, but not the least, I wish to express our gratitude to the Hon'ble Deputy Prime Minister and Minister for Foreign affairs for her gracious presence at

this seminar. My thanks are also due to senior officials of the Government of Nepal, distinguished Ambassadors and other guests for finding time to attend this function. I wish to thank the Embassy of the Republic of Korea and its studious staff for providing close and sincere cooperation to IFA during the preparations leading to this seminar. Of special mention are Deputy Chief of Mission Mr. Yoo Sung-gul and Mr. Amrit Rai, researcher and editor.

**Thank You.**

## Keynote Address

# **Honorable Deputy Prime Minister and Foreign Minister, Madam Sujata Koirala**

Mr. Chairman, Executive Director of the Institute of Foreign Affairs Mr. Tika Jung Thapa, His Excellency Dr. Sheel Kant Sharma, Secretary General of SAARC, His Excellency the Ambassador of the Republic of Korea, Excellencies, Distinguished Participants, Ladies and Gentlemen,

It is my pleasure to have this opportunity to share my thoughts with prominent dignitaries attending this important seminar on “Republic of Korea and South Asia Partnerships: Future Prospects” organized by the Institute of Foreign Affairs in collaboration with the Embassy of the Republic of Korea in Kathmandu. I express appreciation to the Executive Director of the Institute, Mr. Tika Jung Thapa, for taking the initiative to organize this program today. I hope that you will have stimulating discussions and broadening sustainable partnerships between Republic of Korea and South Asia, both at bilateral and regional levels.

Promotion of global understanding, solidarity and partnership remains a cornerstone of pragmatic international relations among nations. As world today is facing complex and unpredictable challenges, collective wisdom, vision and cooperative actions among the nations are critical to promote international peace, stability and prosperity. In an interdependent world, we need to work together to address the challenges and to bringing prosperity for all. Only through sustained dialogue and partnership at every level – bilateral, regional and international, we will be able to address the myriad of challenges before us.

South Asia has a strong potential to emerge as a vibrant and dynamic region in the world. The collective vision and commitment of SAARC is to realize the objective of South Asian identity, harmony and prosperity through deepening and broadening SAARC process. As an active member of SAARC since its inception, Nepal is committed to the objectives of SAARC to promote the welfare of the people and to accelerate economic growth and social progress

in the region.

### **Ladies and Gentlemen,**

South Asian region, a home to one-fifth of the world population is pursuing active collaboration and mutual cooperation in the economic, social, cultural, technical and scientific fields to realize the objectives of improving the quality of life of the people in the region. In this context, it is significant to note that in its 25 years of journey, SAARC has made significant strides to enhance regional cooperation in South Asian. It is also significant that in recent years, SAARC has been intensifying its dialogue process with its observers. The Republic of Korea, after becoming an observer to SAARC in 2007, has shown keen interest to enhance cooperation within the SAARC framework.

As we all know, Republic of Korea, through dint of hardworking and enterprising Korean people has been a role model of economic development. It has been one of the fastest growing economies and booming markets. Its continued focus on export-led growth has proved that trade works as an engine for growth. Emerging from the 1997 Asian Financial Crisis, the Korean economy has proven its resilience and survived through the 2008 Global Economic and Financial Crisis. With its export led growth, knowledge based economy and digital technology, coupled with skillful management, Republic of Korea has been a leading driver of regional economic growth and financial stability in Asia.

South Asian countries enjoy good relationship with Republic of Korea, which has been an important partner to build business linkages, develop entrepreneurship, and stimulate technological development and innovation across South Asia. There is tremendous prospect for enhanced cooperation in many fields such as trade, investment, tourism, technology transfer, cultural cooperation, etc.

In this ever-changing world, environmental problems are threatening the long-term sustainability of development achievements and intensifying dangers of climatic vulnerabilities. To face these challenges, we need to promote green growth that is environmentally sound and technologically within our reach. Therefore, the importance of future engagement among nations necessitates close partnerships and common approaches to address climate change and disaster risks. Sharing of knowledge and techniques as well as technological and financial means is critical to address the environmental challenges that we are facing now in the region.

It is equally necessary to enable the private sector take the lead in stimulating growth in many of the least developed South Asian countries. The private

sector needs to excel competitive strength by developing quality products and bringing efficiency in business operation while keeping an eye on the regional and international trade dynamics. In view of the deepening and ever-growing relationship among countries of South Asia and Republic of Korea, I see that we have every prospect for sustained partnership to meet the needs and expectations of our peoples.

### **Ladies and Gentlemen,**

Ever since the establishment of diplomatic relations in 1974, Nepal and Republic of Korea have enjoyed cordial relations marked by mutual trust, cooperation and understanding. We cherish the value of world peace, harmony, democracy and development. Our two countries have fostered the cultural bonds from the teachings of Lord Buddha. We have broadened our area of cooperation in trade and investment, culture and tourism, by encouraging joint ventures and promoting cultural interactions, and through employment opportunities and technical cooperation to Nepal.

One of the fundamental national objectives of the Government is to promote socio-economic development and growth. Nepal values that the spirit of private-public partnership could be instrumental in deepening intra-regional business linkages. The Government has undertaken measures to liberalize the economy and encouraged the private sector to take the lead in tapping potentials for growth and development. Nepal welcomes foreign investment in all major sectors of the economy including in hydropower, tourism, agro-based industries, and infrastructure among others. We are observing Nepal Tourism Year 2001 in our drive to welcome more tourists to Nepal. The Ministry of Foreign Affairs has been employing the tool of economic diplomacy in order to attract investment, promote export trade, increase tourist arrivals and expand foreign employment opportunities.

The real progress in these areas would go hand in hand with the success of our peace process, political stability and good governance for which we are striving for broad political consensus among political parties. At this time, Nepal's peace process has entered a crucial stage. We wish to see the emergence of peaceful, united and prosperous Nepal as envisioned by our visionary leader like Girija Prasad Koirala. The Government of Nepal is committed to meaningfully conclude the peace process so as to expand new opportunities and unleash development momentum in the coming years.

Indeed, Nepal faces many constraints and challenges in its development endeavors. We are in the need of upgrading basic infrastructure, build energy sector, boost tourism potentials, and most urgently adapt to irreversible impacts of climate change. We need consistent support and cooperation

from the international community. Within the SAARC, we are committed to reinvigorating partnership by fully utilizing the avenues of cooperation available in the region and beyond the region. In this context, we are keen to broaden cooperation through mutual partnership with the Republic of Korea.

**Ladies and Gentlemen,**

Nepal, like other South Asian countries and Republic of Korea, is committed to the promotion of international peace, security and global partnerships for development. Nepal has unflinching faith in the purposes and principles of the UN and multilateral efforts in tackling common problems. As the current chair of the group of 49 Least Developed Countries (LDCs), Nepal seeks active support of the international community for the meaningful outcome of the forthcoming UN Conference on LDCs to be held in Turkey in 2011.

Before I close, let me once again express my gratitude to the Institute of Foreign Affairs and appreciate your active participation. I hope that ensuring presentations and discussions in this seminar would greatly contribute to the ideas and prospects for enhanced bilateral and intra-regional partnership in our common pursuit of prosperity in South Asia.

**I thank you all for your kind attention.**

## Statement

### **Dr. Sheel Kant Sharma, SAARC Secretary General**

Hon'ble Sujata Koirala, Deputy Prime Minister and Minister for Foreign Affairs of Nepal, Ambassador Hong Sungmong, Ambassador of the Republic of Korea to Nepal, Mr. Tika Jung Thapa, Executive Director, Institute of Foreign Affairs of Nepal,

I also recognize my most distinguished predecessor as SAARC Secretary General H.E. Lyonpo Dorji, Distinguished Participants,,Ladies and Gentlemen, It gives me great pleasure to address the inaugural session of this seminar on South Asia – Republic of Korea Partnership: Future Prospects. I thank the organizers for the invitation and am pleased to note the high-level participation in this seminar from the region.

The Republic of Korea is an important observer to SAARC and has been keen to make its engagement with SAARC meaningful and substantive. Ever since its admission as an observer to SAARC, Republic of Korea has participated in the Fourteenth, Fifteenth and recently the Sixteenth SAARC Summit held in Thimpu in April 2010. Indeed, the high level participation by Korea at these Summits is a reflection of the importance attached by Korea to SAARC which is greatly appreciated by all Member States.

I am encouraged by the professional manner with which the government of Republic of Korea has approached its association with SAARC and the seriousness with which this seminar is being organized in collaboration with the IFA of Nepal. The IFA of Nepal is very familiar with the evolution of the SAARC and has a number of eminent former Nepalese diplomats as members who have been instrumental in bringing the SAARC Secretariat to Kathmandu. I would like to state that SAARC Secretariat has always received the unstinted support and cooperation of the Government of Nepal for which we remain most grateful.

The SAARC process has evolved over the years to focus on implementation and project based collaboration. This evolution has been deliberate and since the

Thirteenth Summit, the leaders of SAARC have underscored the imperative to ensure that collaborative endeavors being pursued by the Association bring about meaningful and tangible benefits to the people of the region. In this regard, SAARC has made notable progress in many of the areas of cooperation such as the establishment of a SAARC Development Fund (SDF) under which a number of social projects are being implemented while others are under consideration. Likewise, the operationalization of the South Asian University, the steady increase in the volume of trade in goods under SAFTA, the establishment of a SAARC Food Bank and the growing body of legal framework and action plans in many areas have been positive developments to enhance and strengthen regional cooperation and integration under SAARC.

Since 2005, a number of countries and organizations have expressed their interest to establish formal ties with SAARC as observers. This noteworthy development bears testimony to the importance to South Asia as a region. Indeed, the imperative to engage more substantively with SAARC is quite clear in view of the vast potential and opportunities afforded by the region. With its huge market and considerable resources, South Asia has become an important region for many countries, international and regional organizations and multinational companies.

Today, there are nine observers to SAARC including the European Union. The admission of observers to SAARC is a new and positive development in the history of the Association and will enable SAARC to learn and benefit from such external linkages particularly in the context of an increasingly globalized world. Pursuant to this development, SAARC has adopted guidelines and procedures to facilitate cooperation with Observers and a number of collaborative endeavors are under implementation with some observers. SAARC's cooperation with the observers and international organizations as well as other regional associations like ASEAN reflects the open regionalism of it Members.

Since its admission as an observer to SAARC in November 2005, the RoK has endeavored to enhance its relations and engagement with SAARC. A three year training program with a budget of USD 1.8 million offered by Korea has been under implementation since 2008 in the areas of agriculture, rural development, ICT, health and population and forestry, HED, transportation, energy and intellectual property rights. These trainings have enabled participants from Member States of SAARC to enhance their professional capabilities and have been most useful.

As this seminar endeavors to deliberate on the prospects and possibilities of cooperation between the Republic of Korea and South Asia, I would like to

state that the focus and priorities of SAARC are contained in the Declarations of SAARC Summits adopted by the Heads of State or Government. As the key outcome document of a Summit, the Declaration is fairly comprehensive and contains several directives on all important areas of cooperation being pursued by SAARC. It provides a good account of what the Association is doing to further enhance and strengthen regional cooperation.

The agenda of cooperation under SAARC is diverse and is a reflection of the priorities of the region. Regional cooperation under SAARC is facilitated and guided by a number of mechanisms such as the regular meetings of the SAARC Charter Bodies, Ministerial processes in thematic areas supported by technical committees, working groups and experts. The Annual Summits take the process to the highest level in SAARC member states and guidance from them steers the entire mechanism.

In exploring possible areas of cooperation between the RoK and South Asia, I would like to underline the need to focus on project based collaboration that brings about tangible results. At the same time, it is also important to be mindful of the SAARC Charter as well as the guidelines and procedures of SAARC with respect to cooperation with Observers.

To conclude, I wish the deliberation of this seminar every success. I am confident that the collective wisdom and experiences of the distinguished participants along with the support and guidance of the IFA of Nepal will guide the deliberations of this seminar to a fruitful conclusion.

**Thank You**

## Statement

### **H.E. Ambassador Mr. Hong Sungmog of RoK to Nepal**

Honorable Deputy Prime Minister and Foreign Minister, Madam Sujata Koirala, SAARC Secretary General, Dr. Sheel Kanta Sharma, Executive Director of the Institute of Foreign Affairs, Mr. Tika Jung Thapa, Excellencies, Participants and Distinguished Guests,, Good Morning,

Since Korea joined the SAARC as an observer in 2007, it has been pursuing considerations to have cooperation in substance rather than in name. This forum is the result of such considerations – how to get the substance?

Actually, there are two considerations. First, we understand that in the coming years – or even decades – our cooperation will be centered on development cooperation. But when we consider past examples, especially the fact that donor countries have been pouring over 500 billion USD in the past sixty years, we need to think about the results. What are the results? Are we satisfied with the results? If not, what has gone wrong? I am not saying that Koreans will be smarter than other donor countries' people but if we apply the same strategies, they results will be the same. Thus, we may need second thought about all of this. My conclusion is that we may not have really tapped the wisdom of the people on the receiving side. If we can mobilize the wisdom of the people who need the development cooperation, we may bring about better results.

**I would say that we are doing this, actually, to pick your brains.**

Now, for the second consideration, let me go back to 50 years ago in Korea .At that time, the Korean government was trying to have economic development and thought the priority should be on road building and supplying power. But when it wanted to construct new roads or expand existing roads or build pavements, it did not have enough money. But the landowners continued to ask for more and more compensation. Then, there was someone in the government who had a good idea. He said – “Okay. The government will not pay for all of this. We will ask each local villager to come up with ideas. If they come up with some land or offer some free labor, the government will match

their offer with some material. If there is land and labor, the government will finance the construction of new roads or expanding of existing road or building of pavements.” In this way, with limited budget, the government was able to have new roads or expand existing roads ten to twenty times more than it could have had without the plan. This gave the government the idea that it is very important to involve the people. At the time, the central government believed that it was supposed to do everything. But it changed its mind and realized that the best policy is to involve the local communities. This was the beginning of the so-called new community movement in Korea.

An important thing is that Korea is now extending its ODA budget by 4-5 times the previous amounts in the coming ten years. As the budget for ODA is increasing, the people in the government will have an idea similar to what they had in the past. In the past, when we mobilized the people, the plans were successful. When we implement our ODA policies, we have to mobilize the wisdom of the people in the receiving side. This policy will be implemented very soon.

As a Korean ambassador to this part of Asia, my expectation is that by having this type of dialogue, we can come up with better ideas and will have a bigger budget of ODA coming from Korea. That was the motivation of my embassy in taking initiative to have this forum. My embassy asked the Institute of Foreign Affairs to take the job and thankfully Mr Thapa and his institute pulled it off.

I hope you will help us in coming up with some tangible ideas. But I do not mean that we can have big tangible results from just a one-time session like this. I hope this process will be continued and this will be the beginning of an ongoing process. If not this time, I hope next time or in the coming years, you will give us ideas to improve our development cooperation.

**Thank you very much**

## **Part-III**

# **Paper Presentation and Discussion Session**

## **Presentation**

**His Excellency Ambassador Neem Chandra Bhowmik of Bangladesh to Nepal**

**Mr. President, Ladies and Gentlemen, Best wishes to all of you,**

We are very happy that a seminar has been arranged on the topic of SAARC and the Republic of Korea. From Bangladesh, Mr Wali-ur-Rahman was supposed to come here but could not make it because of illness. So, first of all I want to present an abstract from his paper. After that I want to say something regarding the topic. I hope that due to this seminar and due to the interactions held here, co-operation between South Asia and RoK will be enhanced because we need co-operation in different fields to ensure development, stability and peace. Already, we, especially Bangladesh, have been co-operating with RoK in the fields of economy, trade, education and culture. RoK is one of the major trading partners of Bangladesh and there are scopes to enhance co-operation between RoK and Bangladesh as well as the rest of South Asia. Now, I want to read out the abstract of Mr Wali-ur-Rahman's paper:

“The Republic of Korea has drawn attention of the whole world for its phenomenal economic growth. Once upon a time, Korean policy makers came to East Pakistan (back then there were two wings of Pakistan, East and West) to understand how Pakistan formulated its budget. At present RoK's GDP is about 900 billion dollars and per capita income is over 19000 dollars. Today, RoK is producing cars, cellular phones, computer chips and so on. In one sentence, it has taken its place at the apex in the field of technology. In terms of consumption of oil and gas, it is sixth or seventh in the world. Its creativity and innovation has put RoK in the first rank of world economy supplying goods and services to the whole world. So it is very obvious that South Korea has been welcomed to the family of SAARC countries as an observer member in 2007. The Korean peninsula was divided in the early 50s. North Korea is a dictatorial country with nuclear arsenal in its possession; thus, it poses a serious threat not only to South Korea but also to the whole world. It has violated all Security Council resolutions and the charter of the UN. In the context of the above information, RoK can play an important role in assisting the South Asian countries in every possible area of development. Happily for us, RoK is one of the biggest investors in all the SAARC countries

including Bangladesh. As a gesture of our mutually beneficial relationship, RoK has signed an agreement with Bangladesh soft loan of two hundred million dollars. RoK has also given a sizable amount as grant to Bangladesh. It is good news for all the SAARC countries to have South Korea as a friendly country. Strategically, the RoK is located in an area which falls into the configuration of VUCA (Volatility, Uncertainty, Complexity and Ambiguity). Strategically, its importance cannot be overestimated. RoK is a testimony to the world of growth and development. It is an ideal state that can be an example to all South Asian countries to be emulated.”

I think he mentioned almost all sides. We know that recently, RoK became the first Asian and non-GA host of the G20 conference, the discussion of the 20 most industrialized and largest economies of the world. Only a few decades ago, RoK was poorer than North Korea. But now it has become Asia’s 4<sup>th</sup> largest economy and is held as a role model for economic growth for developing nations. South Korean economy was seen to be growing by 6% this year. It was a historical event for a country which rose from the ashes of war and colonial occupation to be able to provide the setting from the discussions of global economic policy. RoK also showed leadership by mitigating and fine tuning conflicting issues between neighboring countries. So, RoK must use the momentum to dramatically broaden our nations’ diplomatic reach

I have already mentioned that the relation between RoK and South Asia is very important for us. If we consider the economy, trade, culture and education, these fields are strengthening day by day. A large number of our skilled and unskilled laborers are working in Korea. In different fields, especially IT, renewable energy and exploration of natural resources, they are playing a very important role. In the opening session it was mentioned that 1/5<sup>th</sup> of the population resides in South Asia. So we want peace, prosperity, development. I hope that co-operation between South Asia and RoK will be helpful for us and this seminar will be useful in giving us a new direction and a new dimension for co-operation.

**Thanks to all of you once again.**

# Presentation

**Prof. Dr. Mohan Prasad Lohani**

Thank you, Mr. Moderator, H.E. the Ambassador of Bangladesh to Nepal, and all other distinguished participants representing different walks of life,

Let me begin by thanking IFA for inviting me to share some of my views and thoughts on this important topic - "South Asia and the Republic of Korea Partnership: Future Prospects." Of course, I am not going to concentrate on South Korea partnership in the context of Nepal because I have noticed that there will be three presentation from Nepal today by Mr. Hari Kumar Shrestha, Joint Secretary of MoFA, Dr. Chiranjivi Nepal, a well-known economist and Mr. Binod P Bista, advisor to IFA. So, I know that they are going to throw much light on partnership between South Asia and RoK with special focus on Nepal.

The moderator introduced me as one who has attended SAARC summits. In fact I was the member of the delegation to the first SAARC summit when it was launched in Dhaka in 1985. I also attended the 2<sup>nd</sup>, 3<sup>rd</sup>, 4<sup>th</sup> and the 5<sup>th</sup> summit in Male which was held in 1990. I have been following the developments since then, particularly the evolution of the SAARC. Only few months ago, Thimpu held the 16<sup>th</sup> SAARC Summit, which was termed as the "Thimpu Silver Jubilee Declaration". This year in 2010, we are celebrating SAARC in its silver jubilee year. Now, I am going to give you an overview of the evolution of SAARC in the past 25 years.

During the last 25 years of its existence, the association has established itself as an effective, dynamic and resilient forum for debating and discussing all issues of regional cooperation. The initial years of SAARC were the years of exploration and consolidation. Precisely speaking, SAARC has moved from the symbolic phase to the substantive phase. By substantive phase, I mean that SAARC has adopted some important measures in trade, finance and poverty alleviation. As all of us are familiar, SAARC has already moved from SAPTA to SAFTA. I think this is a significant achievement. Of course, much needs to be done to implement this agreement when it becomes fully operational. By 2012, SAARC has visualized the launching of South Asia Customs Union and there is also an idea of developing SAARC as an economic union by 2020. If SAARC is able to implement all the decisions and declarations adopted at different summits, I think it will be in a position to achieve its goals and targets.

The South Asian leaders have underscored at each summit the relevance and importance of regional co-operation. There is no going back on enhanced

co-operation now. The only alternative of confrontation and conflict is co-operation. What is remarkable about these 16 summits is the firm political commitment of the leaders in redoubling collective efforts in order to accomplish the objectives inscribed in the charter of this association. I repeat the word “political”. When all these SAARC leaders assemble in the same forum, nobody fails to reiterate this political commitment. All SAARC member states are firmly committed to the principles, programs and actions that SAARC has adopted over the years, despite bilateral tension between some member states. The Thimpu Summit this year emphasized the need to develop a region statement. For the first time in the Thimpu declaration, there is reference to this Region Statement. This is a very big step forward. In this context, the agreement to form a South Asia Forum for the exchange of ideas on South Asia and its future development is extremely encouraging and is a positive step forward to give concrete support to the forward looking goals of the association. It may be pertinent just to quote a paragraph in which the South Asia Forum and its composition are defined, along with its objectives:

“The Forum will consist of eminent personalities of diverse backgrounds (So it is not only the government representatives that will be represented in this forum. This is a significant breakthrough). The Forum would provide inputs based on a comprehensive understanding for charting out the future course of SAARC in the short, medium and long runs. This forum would recommend, if necessary, improvements in the present mechanisms.”

So I think much importance must be attached to the formation of this South Asia Forum which gives concrete shape to the vision of the association. Moreover, this proposed forum will enlist the support and co-operation of all stake holders. It is enlisted to seek and gain “multiple inputs”, not only from the government but from all sections with a view to shaping the future course of the association. Despite important milestones achieved by SAARC, there is a general feeling particularly among experts and the civilian society that SAARC lacks the vitality and vision to evolve into a South Asian community; that it is yet to become a South Asian community. Potential does exist in the region for the generation of friendships, good-will and trust through interaction between the people. This interaction is vital in promoting community culture and fostering harmonious relations at the community level. This approach cannot be disputed.

PM Manmohan Singh of India, at the 14<sup>th</sup> Summit hosted by New Delhi, came up with the idea of connectivity. This was a very important proposal. This emphasis on connectivity was not only reiterated at the 15<sup>th</sup> summit but also at the Thimpu summit. The leaders at the 16<sup>th</sup> summit reiterated “the centrality of connectivity to further deepen and consolidate regional integration.” It is

heartening to know that recognizing the need to make collaborative efforts to achieve greater intra-regional connectivity; the Thimpu Summit has endorsed the recommendation to declare this decade, 2010-2020, as the decade of intra-regional connectivity in SAARC. In this context, the 16<sup>th</sup> summit has recommended the convening of an inter-governmental meeting to recommend specific measures to “enhance multimodal connectivity including air, sea and surface transport.” Since most of the SAARC capitals are still not linked by air, so this is very important. I think Kathmandu-Dhaka, Kathmandu-New Delhi air connection exists but still there is no Kathmandu-Colombo, Kathmandu-Islamabad, Kathmandu-Male air connection. Only 2 or 3 SAARC capitals are linked by air, let along road transport, surface transport and Nepal being a land-locked country, the question of sea-route transport does not arise.

Talking about India’s role in SAARC, the centrality of India in SAARC has by now become an accepted reality. Only recently, American President Obama described India as an important country which is not just a rising country but one that has already risen in the world stage. That is a high complement by a global power to one of our SAARC member states. So, India can certainly play a crucial and vital role in further promoting regional cooperation within the SAARC framework. It is generally accepted that regional cooperation in south Asia cannot make progress in achieving its objectives unless serious efforts are made to promote mutual trust, understanding and good will, good neighboring relations, relieving tensions and building confidence. India’s contribution will go a long way in helping SAARC evolve into a dynamic and vibrant regional association capable of coping with multiple challenges facing not only SAARC countries but mankind as a whole in the second decade of the third millennium.

So, I think now I come to the readiness, willingness and the desire of RoK as one of the 9 observers to promote partnership between South Asia and RoK. I think that this is a very a significant initiative. I am sure other papers will throw more light on the concrete measures required to promote this partnership between South Asia, including Nepal, and RoK.

With this I would like to close. I am sure my paper is not complete and would appreciate further inputs from the floor.

**Thank You**

## Queries and Comments

Questions covered a wide variety of issues including the topics of presentations as follows:

We have spent about a quarter of a century doing experiments with the SAARC. The time has come when the people will start asking for the real dividends – the outcome. During every summit, the leaders reiterate their commitment to the SAARC saying that they do not want to falter and deviate from the regional arrangements which are un-editable. But the question still remains - who will bell the cat? As noted in the speech, SAARC is Indo-centric. India does enjoy a prominent position in SAARC. Unless and until India and Pakistan, two regional heavyweights, improve their understanding, the game will revolve around the musical chairs. Since there have been some innovative steps in Thimpu, let us be hopeful. Can the speakers recommend any innovative ideas that really bind the countries together, namely India and Pakistan? Can you suggest any ways that can narrow down the disputes over Kashmir. This has been the conundrum for the last half-century. Can the bilateral question enter into the SAARC or not?

The point raised by the ambassador of RoK is quite strong. What is the result? There has been a lot of commitment. If you go back to G20 or the Apex meeting, you can ask - what was the outcome? There was only talking but no implementation. It is the political leadership which turns promises to reality. To have a partnership with RoK in the areas of Human Resource Development, agriculture, or even public governance in the light of the corruption that we are faced with needs lot of efforts and true commitment. By having a strategic partnership with South Korea, in these are the areas the region would benefit.

Two small questions for ambassador Bhowmik and one small one for professor Lohani: Question for the ambassador is that you mentioned that RoK is a very important investor in Bangladesh and provides soft loans and grants. Can you give us a little more detail on what kind of soft loans they are and what the terms and conditions placed are? How do they differ from loans provided by multilateral agencies like ADB or the World Bank? Are the terms better or worse? Agree with Professor Lohani in the point that regionalism is very important. In order to strengthen this, the tension between two important members of the SAARC must be minimized. Similarly, good neighborly relations must be enhanced by everyone. Do you have specific suggestions on how it could be done?

Question is directed to Dr. Mohan Prasad Lohani: He has thrown light on the workings of the SAARC but I think he missed on the observers and their roles in the SAARC. There are already 9 observers in the SAARC now.

## **Responses and answers**

Ambassador Bhowmik: I mentioned that RoK and Bangladesh are cooperating in different fields. We are getting grants and soft loans. But regarding the question on the details of the grants and soft loans, I will have to collect more data. Onething I can tell you is that we are one of the major trading partners and they are investing in our export processing zones and in infrastructure development. They are also supporting us in our gas exploration. Even in IT and also in training, we are cooperating. Regarding the soft loans and grants you can discuss with them as well.

Regarding the question about the implementation process in SAARC, it has been 25 years since its establishment and we are certainly moving forward. If you consider the last few summit outcomes, things like common currency, connectivity were also considered. Regarding the issue of connectivity, I would like to say that our Prime Minister visited India last January and after that there has been significant development. If we consider air connectivity, there are already 3 airlines connecting Kathmandu to Dhaka.

Regarding the issue of land, our commerce minister visited India and a high level delegation will come to Kathmandu soon and there will be a meeting with our Prime Minister's advisor on economy and finance. He will discuss hydro-electricity, since Nepal has very high potential in hydro-electricity. We hope that land and even rail connectivity will be improved in the future as India has already declared that they will allow it. We have Mungla Port and Chittagaon Port for use as our foreign minister has already mentioned.

There was also mention regarding the issue of India and Pakistan. If you consider the other regions, even in NAFTA there are problems, even border problems between USA and Mexico. There are problems even in South East Asia. Problems are everywhere but we have to move ahead. Even within the country there are problems, we hope that the peace process will be solved and the constitution writing gets completed in Nepal. But all of this will take time. There are problems in China as well in the form of the Tibet problem. But the problems, we hope, will be solved democratically. Consider South and North Korea. South Korea was initially poorer than the North but now because of sustainable political system, economic policy, democratic policy, they are far ahead of North Korea. India is strong politically economically and in other factors, it is a role model. We are happy that it is one of the

SAARC countries and we can follow India as well. Other problems they must solve. Nepal has been declared republic with all other principles including secularism, inclusiveness and democracy. But Pakistan is still strong on its religion. They patronize the fundamentalists earlier and hence brought problems on themselves. In our country also, there are fundamentalists. But the fundamentalism in our country and in Pakistan is not the same. In Pakistan it is state patronization. In our country also a few parties tried to patronize but our country believes in secularism, inclusiveness and democracy. That is why I want to tell you that due to the verdict of the Supreme Court, earlier secularism was abolished after the killing of the father of our nation but now it has already been re-established. We hope that we will move forward. If we consider South Korea, we uphold the same values. We hope that we will be able to walk forward together. Since RoK is following policies of democracy and economic liberalization, I mentioned it as a role model.

Professor Mohan Lohani: I thank the distinguished participants for their queries and comments. Professor Gopal Pokharel has rightly said that SAARC is Indo-centric but two regional partners and their problems remain unresolved. So how can we narrow down the issue of Kashmir issue and can bilateral issues enter into SAARC? In this context, I have with me a paper which I wrote three years ago immediately after the 13<sup>th</sup> Dhaka Summit and the title was "Challenges Before SAARC". I think that this paper will be able to answer your question and I would like to read portion of it:

"Ever since the partition of India in 1947, both India and Pakistan have been locked in interregional rivalry. During the last 55 years, they have already fought 2 wars over Kashmir which is a major stumbling block to neighborly relations between two major countries of the South Asia. Both happen to be nuclear powers and it is all the more urgent for them to appreciate each others' perceptions and solve outstanding problems through mutual understanding and meaningful cooperation. It is encouraging to know that both are keen to normalize relations. Since the SAARC Charter excludes bilateral issues from all formal meetings and considerations, informal political consultations assume greater significance as a viable strategy for confidence building and conflict resolution"

# Presentation

Mr. Sun Nahm-Kook

**Your Excellencies, Distinguished Speakers,**

**Ladies and Gentleman,**

I would like to begin by extending my sincere appreciation to the Institute of Foreign Affairs (IFA) of Nepal for organizing and hosting this meeting with the Korean embassy in Nepal. I also would like to thank the distinguished speakers and guests for participating in this Seminar. It is a particular honor and pleasure to meet all of you here in this beautiful Himalayan country of Nepal.

**Your Excellencies,**

South Asia, home to 1.6 billion people or a quarter of the world's population, is one of the most promising regions in the world, with great human and natural resources and a huge market. Between 2004 and 2008, South Asia achieved an annual economic growth rate of 8.2%, and by 2030, it is expected to raise its proportion in global GDP from the current 2.4% to 6%.

In addition to such growth, South Asia is a good model in terms of converting the diversity among member countries into cooperation. Even though this region, which extends 4,000 km from east to west and 4,000km from north to south, has cultural, religious, and ethnic diversities, with the help of SAARC, it has succeeded in making the best of these dynamics. Indeed, South Asia is continuously working to ensure that this diversity does not become a source of conflict, but rather a means to foster further cooperation.

**Your Excellencies, and Distinguished Guests,**

The Korean Government fully recognizes the importance of the Asian region, and is making great efforts to strengthen Korea's partnership and cooperation with the other Asian countries as set forth in our "New Asia Initiative" policy. As South Asia is a major part of the "New Asia Initiative", the Korean Government has continuously deepened substantial cooperation and friendship between Korea and the South Asian countries.

- Despite the global economic crisis, the volume of Korea's trade with the SAARC member countries doubled from 7.33 billion US dollars in 2004 to

14.83 billion US dollars in 2009. Moreover, Korean investments in South Asia have reached 2 billion US dollars.

- For Korea, South Asia is a core region for development cooperation, and thus the Korean Government has provided 220 million US dollars in grants, 13% of Korea's total amount, and 1 billion US dollars in Economic Development Cooperation Fund(EDCF), which amounts to 18% of the total EDCF, to this region.
- People-to-people exchanges, which will be the basis for long-term development, also increased by 40% from 106 thousand in 2004 to 148 thousand in 2008. At present, there are about 12,000 Koreans residing in South Asia, many of them being resident employees contributing to the expansion of bilateral trade and investment. South Asia is also important for employment cooperation, and 25,000 workers from Sri Lanka, Nepal, Bangladesh, and Pakistan are contributing to the development of Korean industry. In total, 51,000 people from South Asia are currently residing in Korea.
- Furthermore, the number of opportunities to build mutual understanding between Koreans and the people of South Asia, including MOUs for cultural cooperation, art performances, and exhibitions, is also continuously increasing.

The Korean Government believes that security and peace in South Asia are essential for peace in all of Asia and beyond. With this in mind, our Government will continue to forge even stronger bonds of cooperation with SAARC and the international community.

- As part of these efforts, we have constructed hospitals and vocational training centers in Afghanistan. We are also establishing a Provincial Reconstruction Team in Parwan Province of Afghanistan to further contribute to peace and reconstruction of the country.
- Korea is also actively participating in the Friends of Democratic Pakistan(FoDP) Conference and the Pakistan Development Forum(PDF).

In addition to bilateral cooperation, our Government has also strengthened multilateral cooperation with SAARC.

- Korea joined SAARC as an observer state in 2006, and since the 14th Summit in 2007, in which our Foreign Minister participated, we have been sending our senior officials to the summit meeting each year.
- Also, since joining SAARC, our Government has been carrying out a "SAARC Special Training Program" to better serve the development of

SAARC countries. Over the last three years, approximately 250 officials from SAARC member countries participated in this program in 18 different courses, including agricultural development, IT, health care systems, human resources development, and environmental and transportation policy.

### **Your Excellencies, Ladies and Gentlemen,**

The Korean Government will continue to seek ways to further promote mutual cooperation with SAARC in the years to come. We believe that the network between Korea and SAARC should first be strengthened. Then, we will be able to find cooperation projects that meet the needs of the South Asian countries and contribute substantially to the development of the member countries.

- Above all, the “Korea-SAARC Forum” should be held regularly to become a focal point for Korea-SAARC cooperation.
- We also plan to strengthen our network with the SAARC Secretariat and the 10 SAARC centres in the member countries, hence increase cooperation to find and implement specific cooperation projects.
- To expand people-to-people exchanges, we will promote visit programs for young people, public officials, businessmen, and experts to our country.
- In addition to the government-level cooperation, we need to develop a Korea-SAARC Business Forum, economic seminars, product exhibitions and so on, to expand exchanges in the private sector.
- In the academic field, we can increase cooperation between research institutions, and hence enhance understanding of mutual relations and find ways for long-term cooperation between the two sides.

Furthermore, we hope to institutionalize Korean-SAARC cooperation in line with the development of the SAARC.

- In the case of Korea-ASEAN cooperation, in consultation with ASEAN, the Korean Government is carrying out the Korean-ASEAN Special Cooperation Fund(SCF) and Future-Oriented Cooperation Program Fund(FOCPE). We hope to capitalize on such cooperation experiences with ASEAN in order to promote our cooperation with the South Asian countries.

### **Your Excellencies,**

I am very delighted to offer my sincere congratulations on the 25th anniversary of SAARC. I am convinced that today’s forum will prove to be a platform for a new take-off for the development of Korea-SAARC relationship. In this forum,

I look forward to hearing the frank thoughts and advice of the South Asian countries to strengthen concrete and substantial cooperation between Korea and SAARC. I hope that SAARC will play a greater role in promoting stability and prosperity in the South Asian region. And I take this opportunity to reaffirm that the Republic of Korea will continue to work closely with SAARC.

# Presentation

Mr. Hari Kumar Shrestha

## Introduction

South Asia region occupies important place in Asia and in the world for many reasons. The region is endowed with vast natural and human resources. It has a combined population of nearly one fifth of humanity and almost half of them are young and economically active. The region is a huge and emerging market of more than 1.5 billion people. South Asia region has a potential to emerge as one of the vibrant and dynamic regions in the world. Opportunities abound for trade and investment in key sectors of economies such as industrial and infrastructural development in the region. Against this background, this paper tries to provide some thoughts on the prospect of deepening and broadening SAARC-RoK cooperation.

SAARC Journey: Since its formative stage, SAARC has chosen evolutionary path and consensual approach in goal setting and for future direction of the organization. It was a historical necessity and has its own merits. Through consensus building process, SAARC, in its 25 years of history, has been able to create various institutional mechanisms and instruments to implement activities in core areas of regional cooperation. This should be taken as significant achievements of SAARC. As SAARC has entered to the adulthood stage, the emphasis has been shifting to core areas of cooperation directly benefiting to the people of the region with efficient, focused, time-bound and people-centric activities by SAARC. The future road map of SAARC as envisioned by the Silver Jubilee SAARC Summit including following fundamental elements:

### **consolidate past gains and experience,**

fully utilize the various SAARC mechanisms and instruments and chart courses of actions for medium and long-term cooperation, and

fully harness resources in the region with greater public-private sector partnership.

of SAARC: SAARC has already made considerable headway in prioritizing areas of cooperation and collaboration. In coming years, SAARC is likely to focus its attention and mobilize resources in the implementation of visible activities and regional/sub-regional projects directly benefiting to the people of the

region. Poverty alleviation, intra-regional trade and investment promotion and greater people-to-people contact are some of the critical areas, in which SAARC has laid great emphasis for regional cooperation and collaboration. To those ends, SAARC has been gearing its efforts on the following priority areas:

**Physical Connectivity:** SAARC region has remained one of the least connected regions in terms of transportation network. This has severely impaired intra-regional trade in SAARC which has remained significantly low. Smooth physical connectivity through improved modes of transport will significantly lower transshipment cost and time incurred in the movement of goods and people. It is, therefore, vitally important to connect SAARC countries through improved roads/rails corridors maritime and air transport so that the people of the region can be tremendously benefitted from lower cost of the physical movement of goods and people.

In order to overcome these serious constraints posed by weak physical linkages in the region, SAARC has laid great emphasis for enhancement of physical connectivity especially by developing roads and rail corridors between and among SAARC member states. The Thimphu Summit has underscored the need for collaborative efforts to achieve greater intra-regional connectivity and endorsed the recommendation to declare 2010-2020 as the “Decade of Intra-regional Connectivity in SAARC”.

The coming years hold a great prospects for improving and strengthening physical infrastructures in the region for closer physical integration. There are important sub-regional projects identified by the study on SAARC Multimodal Transport Study SRMTS done in cooperation with Asian Development Bank (ADB) for the development of rail and roads corridors for the easy movement of peoples and goods in South Asia. As these projects are very important to physically connect the region, SAARC needs to gear up for early implementation of the identified projects by mobilizing resources available within the region, encouraging public-private sector participation.

**South Asian Free Trade Agreement (SAFTA):** South Asian Free Trade Area (SAFTA), which entered into force since 1 January 2006 is the main instrument and vehicle for enhancing intra-regional trade among the SAARC Member Countries. Although SAFTA Agreement has now been operational for four years, intra-regional trade share in South Asia is less than 5 percent compared to much higher share in case of other regions including ASEAN. One of the main reasons for this is that SAFTA so far covers only trade in goods and the most of the tradable goods have been put under the sensitive lists. As a result, the volume of intra-regional trade as of January 2010 stood to a paltry amount

of US\$ 580 million. In order to boost intra-regional trade, SAFTA needs to be implemented in letters and spirit by drastically reducing the sensitive lists ( which currently stands at a staggering number of 1300 items) and bringing down the tariff to zero level for those goods outside the sensitive lists.

Another important component of SAFTA is trade in services, which has increasingly been occupying important segment and which has a lot of potential for further growth in SAARC. With the signing of the Agreement on Trade in Services, this important sector will be brought within the SAFTA framework and is expected to give real boost to SAARC intra-regional trade.

**Energy:** South Asia suffers from energy deficit to sustain the economic growth rate of the countries in the region. In order to meet the ever increasing demand for energy, both for household and commercial sector in the region, a comprehensive and holistic approach is required for the development of renewable and alternative sources of energy available in the region. The concept of 'SAARC Energy Ring' and the regional energy trade, which is being developed by experts, needs to be speeded so as to come out with concrete projects proposals. As Nepal has huge untapped hydro-electric potential, countries in the SAARC region can be benefitted by harnessing this clean energy resource for the benefit of the region. It is, therefore, high time for SAARC to focus on development of bigger hydro-electric projects for regional or sub-regional utilization on equitable basis.

**Tourism:** SAARC has been emphasizing the need to enhance greater people-to-people interaction through tourism promotion in the region. The region is best known for its ancient history, civilization, and culture. The countries of the region are also equally famous for enchanting natural beauty, diverse floras and faunas, and ancient and rich cultural heritages. As many countries in region have witnessed impressing economic growth in recent years, with the emergence of sizeable middle class population, there is a great potential for the development of intra-regional tourism in SAARC.

In fact, tourism sector has emerged one of the important sectors of the South Asian economies in recent years significantly contributing to the GDP growth. Tourism is key foreign exchange earner to many countries in the region. Its contribution to employment generation and support to ancillary businesses and industries directly benefitting to the people is also quite significant. Tourism sector, therefore, has important role to play for the growth and development of national economies of SAARC region in the days ahead.

As tourism is growing as a niche industry in the region, it is incumbent for the SAARC countries to chart comprehensive and holistic strategies so that the benefits from tourism becomes sustainable economically, socially, culturally,

and from environmental perspectives. The region as a whole can highly be benefitted by collectively working together for destination promotion and development of joint tourism packages and products in the form of holiday packages, cultural tourism, ecotourism, adventure tourism, trekking, etc.

**Climate Change and Environment Protection:** Climate change and environmental degradation have emerged as serious challenges in the region. The region is prone to natural disasters in the form of sea level rise, landslide, floods, glacial lakes outburst, and droughts caused by Monsoon failures. The effects of global climate change to the region have assumed such serious proportion that climate change was the main theme of the SAARC Summit in Thimphu. The Thimphu Silver Jubilee Declaration, which was themed **“Towards Green and Happy South Asia**, reflects the urgency to address the challenges of climate change and environmental degradation in the region.

In order to address the environmental challenges and mitigate the risks of natural disasters, SAARC has envisaged some important initiatives having far reaching results such as the Monsoon Initiative, Mountain Initiative and Coastal Zones Management. The time has come to put these initiatives into concrete action plans and projects.

**SAARC Development Fund (SDF):** While SAARC has been reorienting its attention towards projects based cooperation, until recently no such mechanism to fund SAARC projects had been in place. The establishment of the SAARC Development Fund (SDF), has filled this critical gap. The Fund has the initial paid of capital of US\$300 million drawn from SAARC member states besides US \$ 100 million voluntary contribution from India. The operationalisation of the SAARC Development Fund (SDF), with its permanent Secretariat in Thimphu, has been an important step to implement regional/sub regional projects in SAARC region. The emphasis of SDF in coming years will be to embark on concrete and result-oriented regional/sub regional projects by opening its social and infrastructure window so as to directly contribute to economic and social wellbeing of the people. It can be seen that the scope of SDF, in coming years, is likely to grow much bigger as the SAARC process is increasingly following projects based approach. As the SDF is in a nascent stage with modest fund, SAARC will have to look into appropriate and effective mechanism to broaden the financial and institutional base of SDF by mobilizing resources available in the region and by promoting close cooperation and collaboration with other regional and international financial institutions.

**Enhancing SAARC-RoK Cooperation:** The foregoing gives some idea about the current priorities and future roadmap of SAARC. Deepening and broadening cooperation with SAARC observers in the days to come will largely be based

on these premises. Since becoming SAARC observer in 2007, RoK has been a willing partner to enhance cooperation with SAARC. RoK is important development partner of the South Asian countries. It also occupies important place in the region in terms trade, investment, technical cooperation, tourist flow, cultural exchange etc.

Active and constructive engagement of RoK in various regional and international bodies is significant contributing factor to deepen and broaden cooperation in the South Asian region, within the SAARC framework. Wide and deep experience of RoK as active member of various regional organizations such as Asia Cooperation Dialogue (ACD), Asia-Pacific Economic Cooperation (APEC), Asia-Europe Meeting (ASEM), East-Asia Summit (EAS), Forum of East Asia- Latin America Cooperation (FEALAC) provide vast opportunities to open avenues for cooperation with SAARC. RoK is an important dialogue partner of ASEAN in the framework of ASEAN+3 (other two are China and Japan) which is an important pillar of ASEAN. Besides, RoK, as a member of OECD and G-20 is in unique position to articulate views of the need and aspirations of emerging and developing countries.

From the above perspectives, there exists vast scope for enhancing SAARC-RoK cooperation, within the SAARC observer guidelines consistent with the provisions SAARC Charter to promote regional cooperation in economic, social, cultural and technical field. It is also important to note that such cooperation should be demand driven and need based of the people in the region. It is equally important to note that as SAARC is gearing towards the implementation of projects of regional and sub-regional in nature, future cooperation with SAARC observers is likely to be shaped from this consideration. The clearer picture would emerge when interactive dialogue takes place between SAARC and its observers to consider specific project proposals, which may start from sharing of experiences and best practices through trainings and exchange programs, technical cooperation in such important areas as trade facilitation and climate change, cultural exchange to substantial cooperation in the SAARC regional and sub-regional projects. These are broad areas, which in no way are exclusive and exhaustive. This could provide some food for thoughts for further academic discussion so as to enhance cooperation between SAARC and its observers, including RoK, in the days to com.

## **Questions, comments and answers**

Question directed to Mr. Sun Nahm-kook sought the type of mechanism for possible areas of economic cooperation that RoK was looking for, whether it was regional or bilateral? Question for Mr. Hari Kumar Shrestha sought answer to “is there any formal mechanism within SAARC to kick start

such cooperation” although the speaker had already shed light on SAARC Development Fund. While thanking Mr. Shrestha for his comprehensive presentation, another questioner touching upon the least connected SAARC region, commented that India, despite its high growth, was not doing enough to help other countries of the region to develop as fast. What was the view of the speakers on that? Happy to hear that tourism was mentioned as one of the key areas for regional cooperation between RoK and SAARC for economic expansion, one questioner asked Mr. Sun Nahm-kook whether RoK was thinking of participating in tourism activity, particularly Buddhist pilgrimage activity encompassing Sri Lanka, Bangladesh, Nepal, India, and Pakistan also to help develop world’s heritage site, the Lumbini? Another questioner threw a question to both speakers and referred to Hydropower sector of Nepal where Korean Hydel Power and nuclear cooperation was helping, and the speaker being a member of Nuclear society of Nepal asked “Is Korea taking interest to develop Nuclear energy in the SAARC region” in light of the fact that Bangladesh is also installing Nuclear power very soon. How come within SAARC, Bangladesh is becoming a Nuclear power generator ? By the same token he queried, why cannot Nepal avail this opportunity to generate at least 1000MW power which can take care of our load shedding for all times. Outlining the discussions on prospects and priorities of SAARC the questioner saw three major irritants acting as stumbling blocks to the development of SAARC as: Perceptual irritants; Military irritants; and Nuclear irritants, particularly between India and Pakistan. While appreciating RoK’s gesture to help countries of the region, He queried can we have something acceptable to all countries to all members of SAARC?

In reply to questions posed to him, Mr. Sun Nahm-Kook responded as follows: Creation of SAARC mechanism is being contemplated for the entire SAARC region and not bilaterally. Also there is not much room for the observer country and it depended on SAARC primarily. Our purpose of organizing this seminar is to search for new areas of cooperation with SAARC. Our ODA assistance is more focused bilaterally, so use of ODA in multilateral context is utterly limited. We look forward to your ideas in steering our cooperation assistance. Mr. Shrestha has left many good impressions with me and today’s discussion has been a good experience for me. India is developing but other SAARC countries are also developing according to their pace. I believe that India has much more potential but other countries have also possibilities. Yet I cannot say specifically lacking specific knowledge. To the question of Buddhism related tourism, some Korean Buddhists have visited Lumbini and also India thus contributing to tourism. Korean government is negotiating with the Indian government for Nuclear energy agreement. The potential

for Nuclear power generation is great in India but I am not so sure about Bangladesh.

Mr. Hari Kumar Shrestha, while acknowledging research study carried out by Professor Pokhrel, sought his understanding that SAARC was in the process of building bridges and avoiding all irritants. In the evolution process SAARC is no different than ASEAN or any other regional groupings. Progress has been slow yet the areas of cooperation are wider and increasing. Regarding the issue of Nuclear energy, it does not fall under the primary interest of the SAARC for obvious reason, though there are civil Nuclear energies that will benefit the entire region. At the moment, SAARC is concentrating on harvesting water resources of the region for hydropower and also looking into the possibility of thermal energy development. As regards the positive impact of India's rapid and substantial economic growth on the SAARC region is concerned, there is no doubt about the spill-over effect. It would have a reinforcing effect to the region as the economies of the region are complementary and interdependent. Regarding the promotion of tourism, particularly, Buddhism related activities, there are already discussions and activities such as Buddhist circuit that will benefit not only the region but the entire global tourism industry. It is expected that during the Asian tourism ministers in Kathmandu during the Nepal Tourism Year 2011, more ideas might emerge.

# Presentation

Dr. Cho Choongjae

Mr. Cho Choongjae presented paper on “*Possibilities and visions for Korea-SAARC countries economic cooperation*”. Under this heading come five major topics that need discussion. These include:

Historic Review of the Relation between Korea and SAARC

The Potential of SAARC

The Possibilities of Economic Cooperation between both

The Current Status of Korea-SAARC Economic Cooperation

The Way for Economic Cooperation between both

## **1. Firstly, the Historic Review: the Relation between Korea and SAARC**

### **Korea-SAARC: Strong Relationship with Long History**

Korea and SAARC have had a long history of trade and exchange especially. A wide range of trade has taken place since AD. 5 C. Looking at trade in the form of culture, Buddhism was transported from India to Korea in around AD. 3 C. Also, princesses from India (Ayodhya) were traded to become queens of the **Kaya dynasty (AD. 48)**.

### **Accelerating ties after liberation from colonial rule**

1. Share of colonial experience and supporting of each other took place.
2. Support from India and Pakistan during Korean War
3. Diplomatic relations established in the 1970s
4. Korea took SAARC observer country status in 2006
5. Korea-India CEPA launched since 2010

## **2. The Potential of SAARC**

Per Capita GDP: Almost all SAARC countries have lower per capita GDP. The regional growth rate of South Asia is higher than Southeast Asia especially in 2008 to 2009, if you look at the figure. In Southeast Asia from 2008 to 2009, the regional growth rate was so low it came down to 1.2 percent. If you look

at the chart, the regional growth rate for South Asia is much higher. SAARC overwhelms ASEAN in terms of the speed of economic development too. Prospective future of SAARC countries: Most SAARC countries grow higher than ASEAN countries. SAARC is strong enough to grow higher than ASEAN. SAARC is strong enough to keep their developmental pace for its future. Looking at the chart it is obvious that the growth rate of SAARC is higher than that of ASEAN. Compare countries like Bangladesh, India, Pakistan and Sri Lanka to Indonesia, Malaysia, Philippines, Thailand, Vietnam, Afghanistan, Bhutan, Nepal, Maldives, Cambodia, Laos, Myanmar and Brunei are excluded because their GDP is less than 30 billion dollars. Singapore is excluded as a developed country from the chart.

**Increasing Gap of GDP between SAARC and ASEAN** GDP in the future comparing SAARC with ASEAN, we can see that in SAARC countries, the GDP will rise from 2.6% in 2006-2010 to 7.8% in 2025-2030. In ASEAN, the GDP increases from 2.1% to only 3.2% in the same period.

**Visualizing the Potential for Trade** SAARC faces very fast growing proportion in the world since 2003. SAARC has high potential for trade in the future. This is mostly because SAARC world imports are higher than its exports.

**Prosperous Future as an Emerging Market** SAARC countries like Bangladesh, India, Pakistan and Sri Lanka will have their populations growing from 22.9 per unit million to 24.1 per unit million by 2030, ASEAN countries like Indonesia, Malaysia and Philippines will see an increase from 7.4 per unit million to only 7.5 per unit million. SAARC's population will take 25% of world and 43% of top 10 countries. Statistics given by the UN indicate that more than half of the population in unit 100 million will be covered by SAARC countries.

**Getting Away from Political Risk, Keeping Integration Mood:** To make SAARC countries more attractive the main thing to do is to get away from political risks like border disputes and civil wars. SAARC improvement as regional cooperation-Firstly, SAFTA, in the 10 years have sailed in after SAPTA was established. Korea, Japan, China, United States, EU, Australia, Iran, Mauritius and Myanmar joined SAARC observer countries.

### **3. The Possibilities of Economic Cooperation between Korea and SAARC Low Integration into Asian Economy**

ASEAN countries proportion is greater than SAARC except India. Trade size and portion of each SAARC country to Asia is lower than that of ASEAN except India. FDI inflow to SAARC countries is no more than a tenth of ASEAN countries except India again. FDI inflow to SAARC countries is no more than a tenth of ASEAN countries.

## Entering the Early Stage of Development

The risks are:

- a. Backwardness of industrialization- the industry sector itself hasn't completely developed properly
- b. Inadequate business environment

The opportunities are:

- a. Large rooms to cooperation.
- b. Less competitive markets because they are all at early stages of industrialization. For example, Japan, in the 1980s targeted the early Asian market, even though Japan was much smaller than most SAARC countries.

## 4. Current Status of Economic Cooperation

TRADE - a fast increase between Korea and SAARC

Trade is expected to go higher than 20 billion dollar in 2010.

Korea-India trade takes 78% and 88.4% for exportation and importation. This trend is increasing and this is seen as a problem.

If you look at the slide compared to the 9.7% import and export of Korea to SAARC in 2004, in just four to five years, import and export of Korea has reached to 30.3%.

### **FDI to SAARC: just 1.9% of Asia**

Direct investment of Korea to SAARC in 2009; we can see that the number of reports is 2.0%. While the percentage of reported investment in million dollars was 1.9%, the actual investment in million dollars was 1.6%.

### **Steep increase in credit assistance and grant**

Korea EDCF to SAARC: From the slide we can see that the approval number for credit assistance and grant for SAARC countries like Bangladesh, Nepal, Pakistan and Sri Lanka is 36.

The approved sum of money in 100 million Won was 9701 for the same countries in 2008 and the proportion in total or the EDCF percentage was 20.5%.

## **5. The Way for Economic Cooperation between Korea and SAARC Countries**

Immediate Goal: Each SAARC country's Industrialization early

Best way: Trade and Investment

- ODA focus: Infrastructure, business capacity building, vocational training

This can be done effectively if the private sector steps in.

SAARC has more than ASEAN countries in agriculture, mining, manufacturing and services which will surely help in enhancing the economic cooperation between Korea and SAARC.

### **Institutional Support System**

1. Need to sign FTA between Korea and SAARC Countries
  - a. Korea-India CEPA already launched
  - b. Expansion FTA with Pakistan, Bangladesh, Sri lank and SAARC in the long run
2. Launching & Regularizing the Korea-SAARC summit
  - a. Coordinative committees such as Korea-SAARC cooperation forum like today or Korea-SAARC high-level forum are recommended
  - b. Korea-SAARC Cooperation Fund suggested and Korea-SAARC Center needed. This will help to bring a wide range of cooperation.

## **Queries and comments**

Regarding "Possibilities and visions for Korea-SAARC countries economic cooperation", how about having a SEPA type relationship with Nepal like you have with India? How important is the contribution of workers from Nepal and Bangladesh? How many workers are there and what are the roles of these workers? What are the future policy implications for youth and the labor they provide?

Korea is a destination for foreign manpower, both skilled and unskilled. In order to expand the foreign manpower potential between Korea and SAARC, what may be some future strategies? Regarding climate change; how can the republic of Korea and SAARC cooperate to overcome this worldwide problem?

If SAARC and Korea were to take benefits of the latter's observer status, we need mechanisms. The Korea-SAARC cooperation is an important mechanism.

What are the future details you are expecting from the SAARC? Are you planning to contribute to the SAARC development fund? India is 80% of the SAARC in almost everything. Nepal gets a higher percentage of republic of Korea's grants. Are you considering investing in hydropower, infrastructure or tourism in Nepal? If so, will you invest technically or financially?

In the discussion, there was no mention of Nepal, Maldives and Bhutan; there were mostly only talks of India. Wouldn't it have been better if you mentioned these countries too? Do you have a recipe for Nepal to achieve steady growth? RoK and Nepal at one time shared a similar economic condition, however now, RoK has improved vastly. Have you any suggestions for the improvement of Nepal as well? Has there been a rating of workers from different countries in Korea? If so, how are Nepali workers rated? You mentioned that SAARC countries are all equal, but I heard that Indians are more productive than Nepali workers and that the Chinese workers are more effective than Indian workers. What do you think?

## **Answers and responses**

Dr. Cho Choongjae: I will not be able to give you the details you have asked for since I am a researcher only, however, I will give you a faint idea. In regard to the SAARC countries with the republic of Korea; considering India, the FTA was launched because unlike with USA or the EU countries, the situation we would put ourselves into was not fight like since India there was a lot of room for interest in us from India's part. We negotiate with India; one of the reasons being that out of all the GDP in India, only 16% is covered in the manufacturing sector. This is lower than that in Korea, thus we give negotiation a chance. Nepal has no industry sector unlike India so the FTA will not be the same for Nepal as it is with India. Even with Bangladesh or Sri Lanka it would be different. We give more concession to those countries where we believe there are more possibilities for a win-win situation.

Further, in terms of the population structure, there is so much potential in India. The population of below 25 is so much more in India and so the number of jobs, efficiency and quality is automatically more. Populations facing aging is bad for an economy.

Answering the question about the situation of the SAARC and the fact that India is in power. An increasing number of South Asian countries are quite similar. India gets a high economic gross rate but Bangladesh, Nepal and Sri Lanka do too; it's just that the situations are different (the economic gross rate potential is the same). Neighboring big economic countries are beneficial; taking the example of Korea itself and the fact that it neighbors China and

Japan, Korea utilizes resources from both countries and can overcome global recession quickly.

Regarding the mechanisms, I recommend that we make bonds. I do not have any detailed idea, however if we make a fund, we should use the money for forums. We can also get idea from the private sector.

Now, in regard to the last question, I'd like to say that companies like Samsung and L.G. have big companies in India and the performance of Indians is wonderful there. Even the Noida factory in India has excellent productivity; in fact it is in first place. If what you heard was true then our branches in China should be having number one productivity. Productivity doesn't have anything to do with nationality. In fact from what I've seen, Nepalis learn very fast, especially language compared to anyone of any other nationality I've come across; that is an example of good productivity.

Finally, considering the strategy for development in Nepal; Nepal is a small country and to find opportunities outside, you need to have an open mind. Education also plays a huge part. How can Nepal with such a small industry and the people here with such little education compete actively in a fierce market? Also, regarding the suggestions for improvement in Nepal; I think that instead of comparing, you should search in your own country for those resources you can optimally use because the republic of Korea and Nepal are two different countries with different resources.

# Presentation

**Lyonpo Chenkyab Dorji**

## **Distinguished Participants, Ladies and Gentlemen,**

I thank the Embassy of the RoK and the IFA for inviting me to participate in this seminar to deliberate on the prospects and possibilities of cooperation between the RoK and South Asia. I would also like to express my sincere appreciation to the organizers for the excellent arrangements made for this seminar and for the warm hospitality extended to me.

South Asia is an extremely diverse and vast region and is home to over one fifth of humanity. It is a region bound together by history, culture, geography and the shared desire and aspiration to improve the well being of its people. Endowed with tremendous resources, the creativity, innovation, enterprise and determination of the people of South Asia are the key assets and drivers in the common endeavor to achieve greater levels of socio-economic advancements and progress.

It is this linkage and interconnectedness that prompted the countries of South Asia to establish the South Asian Association for Regional Cooperation (SAARC) in 1985 as a platform to pursue collaborative endeavors at the regional level. Indeed, ever since the establishment of SAARC, regional cooperation in many important areas has been initiated to improve the well being of the people of South Asia and to harness the collective potential of the region to achieve social and economic growth. It recognizes that the pooling of the region's vast resources and expertise is vital to achieve progress and cooperation under SAARC is being pursued to complement endeavors being pursued at national level and over the years, the scope and substance of cooperation under the framework of SAARC has increased substantially.

Since its establishment in 1985, SAARC has matured and evolved into a viable platform for meaningful engagement and collaboration. Through the SAARC process, Member States share concerns and experiences and cooperate with each other in a spirit of partnership and shared responsibility. Today, the Association continues to serve as a forum for building trust, confidence and sustained interaction to promote and engender regional cooperation in many important areas.

South Asia is a region that holds tremendous opportunities for growth and investment. With its huge market and vast resources, there is a growing

interest among countries and organizations both in the region and beyond to develop closer linkages with SAARC. This bears testimony to the importance of the region and today a number of countries including the EU have been granted Observer Status with SAARC. At the same time, in an increasingly globalized world, South Asia would benefit from such external linkages with countries and organizations.

The RoK became an observer to SAARC in 2007. Since then, it tried to engage constructively with the SAARC process. Indeed, this engagement is an extension of the close ties of cooperation that exist between RoK and Member States of SAARC at the bilateral level. The admission of the RoK as an observer to SAARC has provided fresh impetus to forge even greater cooperation with the countries of South Asia and to contribute to the realization of the purposes and principles of the Charter of SAARC.

Over the years, the volume of trade between Korea and South Asia has increased despite the global economic crisis. Likewise, Korean investment in South Asia and high-level exchanges at the government as well as people to people level has also witnessed a steady increase. I believe this is consistent with the desire of the RoK and South Asia to forge stronger ties in a globalized world for mutual benefit.

The RoK has always articulated its desire to enhance its engagement with South Asia after becoming an Observer. This is a positive development as there is considerable scope and potential to make cooperation between SAARC and the RoK substantive and meaningful.

SAARC has a number of important mechanisms and processes that are the key drivers of regional cooperation. The regular meetings of the SAARC, the Council of Ministers and the Standing Committee play a vital role in taking stock of, guiding and facilitating the implementation of regional endeavors in many diverse areas. At the same time, there are a number of Ministerial processes on a thematic basis that also meet regularly to guide and facilitate regional cooperation in their respective areas in a focused manner. These processes are supported by technical committees and working groups that provide important inputs for identifying and spearheading cooperation in different areas.

The evolution of SAARC from a declaratory phase to that of implementation and project based collaboration is making progress through many of these mechanisms as directed by the Leaders of SAARC. To this end, the focus of any collaborative endeavor should be on implementation of projects that bring about meaningful benefits to the people of South Asia.

In this regard, among others, since the signing of the South Asia Free Trade Agreement (SAFTA), the volume of intra-SAARC trade has continued to increase steadily. A SAARC Development Fund (SDF) has been established to serve as an umbrella funding mechanism for implementing regional and sub-regional projects in the social, infrastructure and economic sectors. A few projects under the social window of the SDF are currently under implementation while some others are under consideration. A South Asian University (SAU) has also been operational to bring scholars, students and the academia of the region together and promote the development of a South Asian community. A SAARC Food Bank has also been established to enhance food security in the region. Indeed, many initiatives being pursued by the Association are coming to fruition.

Cooperation under SAARC encompasses a diverse range of areas such as agriculture and rural development, trade, environment, energy, science and technology, biotechnology, poverty alleviation, social development, culture, HRD, ICT and tourism. Over the years, legal frameworks and plans of action to facilitate regional cooperation in many of these areas have also been adopted providing a sound basis for pursuing collaborative endeavors in these areas.

As we deliberate on possible areas of collaboration and cooperation between the RoK and South Asia, it is important to take into consideration the priorities of SAARC as manifested in the areas of cooperation being pursued by the Association. The Declarations adopted by the heads of State or Government of member States at successive SAARC Summits clearly outline the priorities of the region. At the same time, it is equally important to understand the strengths of Korea. Today, Korea has close bilateral ties with the countries of South Asia. It is a strong leader in the areas of ICT, innovation, technology and HRD, among others. In addition, Korea's experience with respect to its rapid social and economic development and its emergence as an economic power would be useful for the region.

The overarching goals of SAARC are poverty alleviation and social development and, perhaps, it would be useful to consider possibilities of cooperation in this area. A SAARC Social Charter incorporating a broad range of targets to be achieved across the region in the areas of poverty eradication, population stabilization, empowerment of women, youth mobilization, human resource development, promotion of health and nutrition, and protection of children was adopted by Member States of SAARC in 2004.

The Social Charter is being implemented across the region through National Coordination Committees (NCCs) in all member states. In this regard, a few concrete programs and projects in the areas identified by the Social Charter

could be considered as possible areas of cooperation between SAARC and the Republic of Korea.

Similarly, the SAARC Development Goals (SDGs) were launched in 2006 for a period of 5 years from 2007-2012 to reduce poverty, provide food security, guarantee livelihood, improve health care, ensure quality education and enhance environmental security. The SDGs were recommended by an Independent South Asian Commission on Poverty Alleviation and are in line with the MDGs.

The SDGs comprise of 22 goals under 4 broad headings of livelihood, health, education and environment. Progress towards achieving the SDGs will determine the region's success in combating poverty. It would be useful to consider collaborative endeavors to support and facilitate the timely realization of the SDGs which would also help the countries of South Asia meet the MDGs.

In the area of natural disasters, South Asia is one of the most disaster prone regions of the world. The frequency and intensity of natural disasters and extreme weather events in the region has also increased and is being exacerbated by climate change. This is another priority area in which the experience and expertise of the Republic of Korea in the field of risk reduction, preparedness, response and recovery would be useful for the region

With the majority of the people in South Asia dependent on agriculture and non-crop sectors as livestock, fisheries and horticulture, this is yet another important area that merits consideration for collaborative endeavors to overcome challenges and to seize opportunities. Natural resource management in terms of enhancing water productivity for agriculture, arresting degradation of farm soil, improving farm mechanization, deepening agriculture-research-extension-farmers linkages, technology transfer, application of new and innovative solutions, especially ICT are important.

The Republic of Korea offered a training program under "Korea's Cooperative Projects to SAARC" over a three-year period (2008-2010) in the areas of Agriculture and Rural Development, ICT, Energy, health and Population, Women, Youth and Children, Intellectual Property Rights, Environment and Forestry, Science, Technology and Meteorology, HRD and Transportation. The trainings have been useful and have served to enhance the knowledge and professional capability of participants from member states of SAARC.

As we endeavor to brainstorm and deliberate upon possibilities of cooperation between the RoK and South Asia, I wish to underline the need to focus on concrete project proposals in line with the objectives and priorities of SAARC

to make cooperation substantive and meaningful. In doing so, it is important to recognize and understand the needs and priorities of SAARC to ensure that proposals made are demand driven and relevant. There should be no duplication and project proposals should complement and support ongoing initiatives. At the same time, we must also be mindful about the Guidelines for Cooperation with Observers to ensure that proposals fulfill the requirements and procedures prescribed by SAARC. In this regard, it is important for the government of the RoK to consult and work closely with Member States of the SAARC Secretariat in the development of any proposal.

I would like to suggest that the focus should be on developing a few project proposals in the areas of poverty alleviation, agriculture, health, education and natural disasters based on the expertise and strengths of Korea in these areas.

In closing, I thank the organizers once again for inviting me to participate in this seminar. It is my sincere hope that this seminar will succeed in generating ideas on collaborative endeavors that could be pursued between RoK and South Asia so that these can be further explored and examined in greater depth and detail in the future.

# Presentation

Dr. Chiranjibi Nepal, Economist

## Main contents of the presentation are:

- It is related to the Korean experiences on socio-economic development from the 1960s onwards
- This presentation will help learn important lessons for a special reference to developing economies
- It will show how a poor, and war devastated small country - Korea - was developed and modernized so rapidly
- The presentation is made with special references for the developing economics, especially in their pursuit of globally competitive nation-building efforts

## The factors that cause underdevelopment are:

- Geographical
  - Geographical terrain
  - Natural barrier (high transportation cost)
  - Remote region disintegrated from the mainstream e.g. northern Nepal
  - Majority of rural population neglected either intentionally or otherwise due to the distance
  - Location advantage to facilities
  - Climate and weather
  - Zonal conditions affect access to market
  - Biased decision
  - Limited access to external exposure
  - Migration to urban region causes labor shortage
- Cultural
  - Cultures differ widely across nation and regions. Cultures impact development interventions in many ways, e.g. attitude to change, work force diversity, religious beliefs etc. The women's participation in the development programs also makes a big difference along with the country's and people's

attitude towards development aids. There might be hurdles to development when there are distinct ethnic groups who do not welcome development.

- Technological
- Political
  - Political instability
  - Lack of leadership
  - Corrupt government
  - Lack of a good partnership with the private sector
  - Differing development philosophies
  - Dominant political party play the major politics
  - Continuous political conflict (internal and external)
- Weather
- Religious
- Infrastructure : Lack of
  - Technological advancement
  - Transportation system
  - ICT systems
  - Energy and resource endowment
  - Management technologies

### **How to cure underdevelopment?**

- There is no universal model to cure underdevelopment. But some examples of possible models include:
  - Great leadership model
  - Transition economic development model
    - ❖ Gorbachev model 1990s
      - Perestroika (reform)
      - Glasnost (openness)
      - Socialism

- ❖ Deng Xiao Ping model 1970s
  - Socialist market economy
- ❖ Park Chung Hee model 1960s-1970s
  - Government planning and market oriented economic development
- Leaders of new nation building
  - ❖ Lee Kuan Yew
    - Based on HRD, National teamwork, stability
    - Efficient infrastructure as a regional hub
    - Focusing scientific and technological innovation
    - Visionary leadership and clean government
  - ❖ Deng Xiaoping
    - Wise leadership and efficient management of socialist market economy
    - Based on political stability and high caliber manpower development
    - Attracting enormous foreign investment and mobilization of hard working people
    - Making China a global leader in the 21<sup>st</sup> century
- Park Chu Hee model of Korea socio-economic development
  - Entrepreneur and entrepreneurship model
  - Technology model
  - Cultural model

### **Understanding Korea**

- Korea is located between China and Japan
- Its land size is about 2/3 that of Nepal with twice the population
- About 70% of the country is rugged mountains with very little natural resources
- Up until the 50s, Korea was regarded as a country with no hope
- Korea was, in fact, one of the poorest country in the world with a per capita income of US\$ 82 in 1961

- From 1960s however revolutionary new nation building initiatives began by a strong leadership with a determined will and vision, and created an economic miracle in Korea within two decades.
- Today its per capita has reached at about US\$ 17074

What makes Korea so competitive? What is the driving force of Korean development?

- Strong leadership with vision and efficient government that created political and social stability.
- Prioritizing target oriented 5-year plans and focusing on sector wise industrial development in the strategic areas.
- Motivation of the people with” Can-do” spirit of hardworking (new community movement and education)
- Export oriented industrial strategy
- Infrastructure building and electrification of the buildings
- Mobilization of financial resources with aggressive loan diplomacy and encouraging people’s saving
- Helping big players such as Chaebols (Conglomerates) and SME s creation
- Expansion and upgrading of education and science and technology

### The New Community Movement

There are three central social values that change people’s attitude and mindset:

- Diligence
- Self-help
- Cooperation

Incorporating this idea, the New Community Movement was designed to keep cleaner and sanitary rural environment, improve dwelling, access road, and living conditions, and to increase income of the household. It was aimed at inducing physical and mental change of the whole society to achieve balanced development. Thus the New Community Movement created a solid strong foundation for national development by changing the national culture, and created new development momentum

How China benchmarked and still is doing so:

- In 80s and 90s,China invited legendary industrial leaders of Korea, such as Park Tae Joon, and asked, “How did Korea make such rapid development”
- One of the answers was:”Appointing more engineers, businessmen in high government positions. It worked very well in Korea”
- If you look closely at the Chinese leadership today, many of the leaders have engineering backgrounds!
- It was reported that China sent 300,000 Chinese farmers to learn and experience the “new community movement” training courses.

#### Matching Economic/Industrial Policy with HRD Policy

- To accomplish 5-year economic plans and industrialization goals, the government established new laws to meet the manpower development requirements into 3 stages from 1960s.
- 1st stage (1961-1972) take-off stage
- 2nd stage(1973-1979)heavy chemical industrialization stage
- 3<sup>rd</sup> stage(1980s-1990) Liberalization/rationalization stage

#### Korea’s integrated national building model

- Institution building: National planning machinery, legal institutional reform, establish vision implementation organization
- Physical/hardware: strategic industries, industrial complex, S& T park
- Infrastructure: transportation& logistics, energy and ports
- HRD/mental change: HRD for technical and management know-how mental initiatives, NCM
- Financial System: seed money, matching fund, taxation, loan, special bank EXIM, SME, saving policy. Loans are found at nominal interest like 2%, 1% or 0.5%, and so on.
- Globalization: Globalization: attracts FDI, setting international standardization, repatriate professionals from abroad. Again it is clearly seen that they take professionals from abroad.
- Trade: Export oriented industrial policy, int’l standardization of manufacturing capacity.
- Science & tech: S&T ministry, KIST, KAIST establishment as a leading mechanism, repatriation of professionals. If you call the professionals, you have to establish institutions to give them responsibilities.

## Summary: Lessons from those development experiences

- Articulated vision and strategic action plans with political stability. This is very important.
- New national culture building initiatives, new community movement.
- Global HRD policy. HRD policies should not be internal but global in order to compete with global manpower.
- New high-tech manufacturing clusters
- Conducive legal system
- Reengineering strategic industries

### Some Reference to South Asia

- Political stability and high caliber manpower development is a must for a new nation building.
- Focusing on strategic industrial sectors, e g: tourism, hydropower, construction, new agriculture (bio-tech) etc. But they have very little, about 17-18% arable land in RoK.
- Establishing strategic axis with energy and tourism cluster, special industrial zone to attract FDIs and foreign SMEs with New Enterprise development Initiatives. Learn and get advantage from developed countries to attract FDIs. In Nepal, we do not have special zones. I think that the industrial areas in Lumbini are finished and are not functioning properly. We must learn experiences from RoK.
- Fostering big players to challenge the global market based on globalised HRD and repatriating professionals from overseas. Again, they give emphasis to call professionals and highly qualified people from abroad and give them responsibilities. Korea has created institutions to give them responsibility of development of the country. That is the basic important lesson to be learnt from Korea.
- Long term strategic partnership with big players to create new development engine by matching related South Asian companies
- Continuous benchmarking the early development experience in order to learn the lesson and modify them as the Chinese did and are doing.

### How South Asia can do?

- Learning the lessons of the early developer as role models. You have to keep at least one role model and RoK can be our role model.

- step-wise selection of one model to another
- Follow and continuous benchmark the respective models and develop its own indigenous model. It does not mean that you have to follow the given model all the time, you must develop you own indigenous model.
- Complete a unique model and achieve its national development aim.
  - An example of Collaboration Model (What, Where, How to jointly make implementation plans to develop?)
- Learn new community movement, economic, strategic industry building such as construction, ICT, power generation and tourism etc. These are the basic areas where we can develop our partnership and there is our future prospect.
- Requirement analysis –joint selection of area of cooperation, making 3-5 yrs dev. plan, stepwise implementation. The joint cooperation would consists of analysis from RoK and each of the members of South Asia.
- Create strategic partnership mechanism –establish bridging role. This seminar can give that conclusion - what will be the strategic partnership mechanism?
- Strategic development axis with target industrial clusters and industrial cluster Park for foreign SMEs

#### Setting Strategic Target Industries to be Tackled (Example)

- Tourism industrial Park, such as Lumbini, 3E cultural Park (LCP) –(Experience, entertainment, education) with silver town and an adjacent science-based industrial Park for attracting FDIs. This is very similar to RoK and we can do it. Lumbini will probably be an attraction to a Buddhist country like RoK. We can meet targets through this by attracting Buddhist people. Foreign companies will also come here.
- Resource development clusters such as water resource development- hydropower, tap water, industrial water; mining and cement productions; wood and craft industries. This can be done in numerous parts from Far-Western, Mid-Western, Eastern and Middle Parts. We must select areas for this cluster development.
- Infrastructure building especially horizontal (west-east), and vertical strategic Axis of highways and Airports. Infrastructure like the 6-lane and 8-lane roads is very important.

- New construction Industries for a synergistic resource development, increasing employment, enhancing of living environment as well as industrial and housing complex development. Development is a very complex word. I am just giving an example of how in RoK, where once there was no hope, now roses truly bloom.

Some example of Development Roadmap planning (a case of Nepal)

- Horizontal and vertical road system
- Small and large hydropower generation clusters
- Examples of strategic development core formulation (symbolic national development program)
- Polytechnics and cement industry.

These are the basic points needed to develop infrastructure.

Bridging role for an effective collaboration and partnership building required

- Transferring the Korean development experiences. New community movement is the only way to transfer that experience to Nepal and other countries of South Asia.
- Linking Institutions and Business like public-private, public-public or private-private partnerships.
- Setting Vision and Strategic Planning. High level officials and businessmen of both countries must sit together to come up with this vision and strategic planning.

## Summary of questions and comments

Question was asked about the extent to which the private sector should be emphasized and how prioritization should be done. It was also pointed out that while talking about the development of Korea, we needed to take into consideration its peculiar circumstances, especially its open market and open trade with the USA. On the issue of aid, it was suggested that focus had to be given to prioritization and sequencing. In this context, it was questioned whether increase in investment or ODA from Korea would be more beneficial and about the importance of skilled and educated manpower and the benefits that could be earned if Nepalese workers could earn skill through placements in Asian universities and find employment in different nations. The commenter also threw light on the ways in which India and China have been able to accomplish feats in development through increase in infrastructure and open trade. The focus on private sector is also a driving force towards development as shown by RoK as well, where the private sector was promoted even during

dictatorial regimes. In Nepal, the topic of connectivity is of importance as the areas well connected are clearly more developed than those that are not.

Another questioner queried who would be accountable for the management perception laid down by the speaker. Pointing out the problems in governance in Nepal, he illustrated the lack of accountability present in the country.

A question was raised whether the speaker preferred a benevolent dictatorship model, whose examples were cited in the presentation, to a strong regulatory mechanism within the democratic setup.

The speaker was asked to throw some light on the constraints and hurdles faced by Korea during its development.

Tending to the first question on prioritizing areas, Dr Chiranjibi Nepal pointed out that prioritization had been a problem faced by Nepal for a long time. In every 5 year plan of the country, the priorities seem to be changing again and again. The priorities need to be set for long periods, at least 5 years, to get fruition. At present agriculture is the most important sector for Nepal. Secondly, answering the question of accountability, he pointed out that the leaders of the three biggest political parties, UML, Nepal Congress and Maoists, must be accountable for development/lack of it in Nepal. Thirdly, regarding the question of whether benevolent dictators were desirable, Dr Chiranjibi Nepal said that Nepal and other South Asian countries should learn from experiences of developed nations but develop their own indigenous models. Questions, including whether or not the people are ready to adjust to democracy, what the literacy rate of the population, how democracy is defined, should certainly be taken into account. Civic sense is an extremely important factor in making democracy work and the lack of civic sense is a problem faced by South Asia.

# Presentation

Mr. Binod P. Bista, Advisor, IFA

## **Rok and International Cooperation:**

Genesis: Republic of Korea's transformation from a poor nation receiving all kinds of financial support including official development assistance (ODA) into a member of an organization for economic cooperation and development (OECD) within a span of few decades is as fascinating as it can be. As per a study conducted by Joonook Choi (Korea Institute of Public Finance) Rok's allocation of fiscal support to international cooperation varied from 0.29% to 2.1% (2003) depending on items included. The study cites two incidents which caused major adjustments to Rok's policy, namely Rok accession to OECD in 1996 and the financial crisis of 1997 as well as Rok trade liberalization and trade agreements such as free trade agreement (FTA) with Chile. Owing to strong resistance from local farmers, Rok government announced increased fiscal support to agricultural sector. It is believed that ROK's resource allocation for international cooperation in future can be affected by domestic factors including social attitude of citizens towards international cooperation. Since Koreans appear to hold positive views towards ODA, it is likely that Rok will remain committed to international cooperation. True to this perception Rok's ODA has been increasing steadily and in 2009 it amounted to US\$816 million, or 0.09 percent of gross national income (GNI). Rok plans to increase its ODA to 0.25 percent of its GNI by 2015 – the Millennium Development Goals' target year.

## **Aid assistance (general):**

National experts opine that although aid to other regions is very important, as Korea scales up its giving it should stay focused on East Asia, an area in which it has a comparative advantage. Korea has recently increased its ODA to Africa, doubling its support to the region through "Korea's Initiative for Africa's Development." It is expected that Rok's OECD/DAC membership will help fulfill the policy commitment of expanding Korea's contribution to the international community and will help systematically improve Korea's aid system.

Bilateral aid: In 2008, Korea spent 56 percent of its gross bilateral aid, which is allocable by region, in Asia, and nearly 70 percent of this funding was focused on East Asia. This indicates a strong local focus for Korea's bilateral ODA and reflects Korea's view that its own development experience is most relevant

to other East Asian countries. It might not be mere coincidence that a recent announcement from the office of the Prime Minister of Rok revealed new guidelines for Rok's ODA of which 55% will be allocated to Asia and 20% to Africa with remaining funds to Latin America, the Middle East and other states. To answer to critics' allegations of inefficiencies caused by current dual system of aid handling and disbursement, the government put the Prime Minister's Office in control of the aid program in January this year. With a view to put this plan into effect next year (2011), it is expected that a detailed plan will be drafted within the year. The new guidelines require that bilateral aid allotment be kept at 70% of total ODA.

Multilateral aid: From 2000 to 2009, South Korea's total development assistance (excluding bilateral debt relief) increased from \$233.31 million to \$815.8 million (2009 prices)—an increase of 250%. Contributions to multilateral agencies in 2009 accounted for \$235.5 million, approximately one-third of the country's total development assistance. UN agencies received \$57 million, the World Bank \$93.2 million and regional development banks \$67.7 million. Under the new policy the government of Rok plans to increase its foreign aid contributions to UN agencies for **its multinational aid program on loans** rather than greater concentration on international financial institutions such as the World Bank.

Operating mechanism: Intra-governmental coordination is a challenge, and the Korean development community remains fragmented. For example, the Ministry of Foreign Affairs and Trade (MOFAT) is in charge of policy-making for grant aid, and the Ministry of Strategy and Finance (MOSF) is in charge of policy-making for concessional loans. In addition to these two core institutions, approximately 30 institutions participate in the execution of ODA programs. In its 2008 Special Review of Korea, the DAC recommended that the Korean government establish "a single entity with sole authority over development cooperation objectives, policy, and strategy." For example, at present MOFAT and MOSF each produces a separate Country Assistance Strategy (CAS) for a given country; obviously it would be more efficient for the Korean government to develop a single unified CAS for a given country. As the OECD Special Review notes, the lack of a unified strategy "undermines the coherence, efficiency and potential impact of development activities." To complement its improved plans for aid as described above, Korea must improve its aid architecture, and enhance the efficiency of implementing development cooperation. In this regard, it is encouraging that recently the Korean government further intensified the roles and functions for substantial coordination of the Committee for International Development Cooperation (CIDC), which is chaired by the prime minister. "But considering that past

efforts to address the problem through the CIDC have not been very successful, the strong support of high level leadership is needed to establish a cohesive and integrated aid strategy which encompasses the policies and programs of relevant development cooperation authorities”.

**Areas of Cooperation:** In the past Rok development cooperation efforts, through Korea International Cooperation Agency (KOICA) under the ministry of Foreign Affairs and Trade, was focused mainly on meeting the basic human needs of developing countries and fostering their human resources development. However, the focus has now broadened to promoting sustainable development, strengthening partnerships with developing partners, and enhancing the local ownership of beneficiaries. Additionally, global concerns such as the environment, poverty reduction, and gender mainstreaming, which have gained significant importance in the international community, have also been looked after. Fully cognizant of the reality that the accumulated external debt and budget deficits of partner countries spurred the need for various types of financing, Rok through its lending arm Economic Development and Cooperation Fund (EDCF) started providing several types of lending programs to suit developing countries diverse needs. Development project loan, equipment loan, public-private partnership loan, two step loan (essentially for SMEs) and commodity loan (for economic stabilization of partner country) flow out of this arrangement. Since the 1990s, South Korea has both increased its ODA and expanded the type of support that it provides. Its ODA policy states that it should focus on poverty reduction and sustainable development in order to create an environment in South Korea where all people can live a decent life and contribute to global peace and prosperity.

### **Need Assessment of SAARC Countries:**

**Cooperation with SAARC Countries:** It may not be out of place to state that the destiny of SAARC is intrinsically twined with that of India. India is vying for a double digit economic growth rate in the years to come and it certainly is good news for all of the SAARC region. Thus, a brief look at India-Rok relations is warranted here. Rok’s New Asia Initiative is found to converge with India’s Look East policy. The potential areas for enhanced cooperation between the two countries included: building much needed infrastructure in India; Korea’s investment in India’s steel industry; energy and low-carbon “green” growth; the IT sector, in particular in the area of Mobile-WiMAX, wireless broadband internet technology; scientific and technological collaboration; defense goods, including the potential sale of South Korean-made KT-1 trainer jets to replace India’s aging military trainer planes; and the peaceful use of outer space. India expects to more than double its trade volume with Rok (30 bln. by

2014) through the comprehensive economic partnership agreement (CEPA) that became effective in January 2010. It is the general feeling that the two countries are moving towards 'strategic engagement' that will cover, among others, "responding to common challenges posed by nuclear threats and fighting nuclear proliferation by neighboring countries and upgrading bilateral foreign policy and security dialogue".

Future of SAARC is bound to remain lackadaisical unless if the other important partner of SAARC, Pakistan, were not to come forward and take it ahead. A remarkable feature of Pakistan-South Korea economic collaboration has been the establishment of big and medium size joint industrial ventures in Pakistan. Korean and Pakistani business groups have established joint ventures in various fields, including telecommunications, electronics, polyester fibre, chemical industry, automobile and construction projects. Besides growing cultural ties between the two countries, Rok is a part of Friends of Democratic Pakistan (FODP) Forum established with the aim for helping Pakistan overcome its economic and fiscal crisis. Absorbing thousands of Pakistani employment seekers by Rok has also assisted in furthering ties between the two countries.

In the SAARC region another country with a potential to make a difference is Bangladesh, which has been playing supporting role since its establishment. Since 1973, Bangladesh and South Korea have concluded eight agreements, which include trade and economic cooperation, cultural exchanges, promotion and protection of investments, and scientific and technological cooperation. In an effort to institutionalize bilateral relations, Rok and Bangladesh have been recently cooperating in the areas of: development cooperation, cultural and educational exchange, investment, trade and employment. Rok involvement in Sri Lanka, Maldives and Bhutan are no less significant.

The Republic of Korea is increasingly becoming an important and reliable partner in Nepal's economic development. Construction, sericulture development, hydropower development, road and infrastructure development, health Science, e-governance are some of the major areas supported by the Government of Korea to Nepal in the past. Korea has assisted Nepal with soft loan through the Economic Cooperation Fund of Government of Korea. Although both the Governments have been encouraging their respective private sectors to set up joint ventures in different areas, yet progress is much lower than at the desirable level.

Focus of cooperation: It is seen clearly that Rok cooperation with the countries of SAARC is as varied as per the development level and absorptive capacity of the countries themselves. Apparently it appears to be thinly spread over a

wide array of projects and activities. While the focus of cooperation with India is more towards technological upgrading as well as collaboration on defense goods and now moving towards strategic engagement for common response to challenges posed by nuclear threats, its concentration with Pakistan is in the area of SMEs. In Bangladesh it appears to be concentrated on trade and investments and employment supportive activities. Nepal is cooperating with Rok for its varied needs in several areas including construction and hydropower development. Training of the people of SAARC region by South Korean experts through volunteers program as well as providing specialized training in the donor country seems to be a common feature of Rok's present cooperation with SAARC. It is believed that the nature of Rok's cooperation to each country of SAARC is essentially based on the needs and requirements of the country in question. Unless a comparative study on region wise basis is carried out it is difficult to state clearly the core element of Rok cooperation for SAARC.

Missing links: Already a member of G20 and an emerging economy of not only SAARC but the entire Asian region, India still co-operates with Rok for infrastructure development. This important element necessary for economic development of all developing countries is not quite visible in other member countries of SAARC. Similarly, Rok appears to be closely cooperating with Pakistan for strengthening that country's small and medium sized industries (SMEs), another integral element necessary for development under stable environment. Needless to state that the SMEs not only help in strengthening industrial base in developing countries but also provide employment to a larger population in all parts of the country. Rok may need to come out with a clear policy on international cooperation, bilateral and region wise. Regional policy for SAARC has to have greater scope and value than with a country (bilateral) as it would combine the best practices obtained from member countries for the general benefit of the entire region and the world.

Current status and challenges: Rok's ODA/GNI is still among the lowest for OECD countries at 0.09% (2008) while Portugal with around similar national income (GNI) contributes about 0.27% of its GNI to ODA. Additionally, Rok's grant ratio is relatively lower than DAC donors which it joined in 2009. It is alleged that the lack of consensus within Rok on the objective of aid poses a key challenge. Annual volume of assistance to DPRK, consisting of loans, food, project and humanitarian aid, is nearly the size of annual ODA disbursements which checks further increase of ODA volume. The G20 Summit already held in Seoul (2010) and the 4th High Level Forum on Aid Effectiveness that is being held in 2011 are expected to bring a new perspective on the current development framework of 'MDGs' and 'Aid Effectiveness'. All eyes are on Rok to see whether a growth-based development framework based on Korea's

own development experience can become an alternative, supported by developing countries and traditional donors alike in coming years.

Needs of SAARC region: The declaration of the summit meeting on the silver jubilee year of SAARC held in Thimpu in April of this year has laid stress on developing a vision statement of SAARC. Agreement on forming a South Asia Forum, operating on public-private partnership lines and receiving multiple inputs beyond governments, expected to come up with medium and long term plans for future course of SAARC including necessary improvements in current mechanisms, provides a good opportunity for its members and observers alike. Effective communication and public diplomacy is the felt need of SAARC for making it vibrant. The need for more efficient, focused, time-bound and people-centric activities and appropriate reflection of all the SAARC decisions into the national policies and programs of Member States was also stressed. Challenges faced by multiparty democracies in the SAARC region are to be confronted with the strengthening of good governance through sharing of experiences, best-practices and establishing institutional linkages. Deepening regional efforts for poverty alleviation, serious impact of climate change and need to adhere to “common but differentiated responsibilities”, other environmental challenges, natural disasters are some of the many challenges that the SAARC region faces requiring appropriate responses to these issues. SAARC Development Fund (SDF) for financing regional and sub regional projects and programs is taken as the best vehicle as it is based on demand-driven, time-bound and aligned with the developmental priorities of the region. By declaring the decade 2010-2020 as “Decade of Intra-regional Connectivity in SAARC”, and agreeing on the need to expedite negotiations with a view to finalizing the two agreements on Motor Vehicles and Railways a new purpose and value for regional integration is achieved. Besides the need to look into agricultural sector for enhancing overall productivity, promoting tourism for enhancing people to people contact, cooperation for energy conservation and development are some more issues that SAARC needed to pursue for the general welfare of its people. Last but not the least, combating terrorism in all its manifestations topped the agenda of SAARC. The list of agendas of the recent SAARC summit reflects the preoccupations of developing countries which are trying to develop their economies in an environment of peace, stability and harmony among neighbors. There is neither dearth of issues nor scope for involvement in the SAARC region by its developed country partners including the Republic of Korea. Honorable Mr. Cho Jung Pyo, minister in the Prime Minister Office, in his message to the inaugural fifteenth SAARC summit had said “Korea wishes to share with SAARC the technology and knowhow that it accumulated through its rapid growth” and in this regard showed its desire to consult SAARC member countries and Secretariat for exploring projects

that would help integration and development of South Asia. It is indeed a moment of happiness for SAARC members to find a friend who is capable, willing and shows all the good intentions for the people of the region.

Additionally, the strong will, courage and determination of the people of Rok to fight against corruption against all odds has elevated the prestige of this country to a new height. Who could be better than South Korea to take a lead in executing the outcome of "The 2003 Seoul conference on Fighting Corruption and safeguarding integrity through international cooperation". Rok can support the efforts of developing member countries of SAARC in technology transfer and technology partnership.

### **Future Direction of Rok Assistance:**

#### **Scope for assistance:**

Rok is intensely engaged in bilateral cooperation with most members of the SAARC countries. With its attaining the status of observer state in SAARC its engagement with SAARC is bound to grow in the days to come. However, such engagements are contingent on the desire shown and the scope provided by SAARC. Dr. Rashid Ahmad Khan writes in IPRI journal that "Notwithstanding the fact that the presence of big powers inevitably entails some sort of a power game, the dominant view on the role and impact of observers in SAARC reflects positive overtones. The process initiated by SAARC to associate extra-regional powers as observers is being perceived as an act to enlarge its vision and opening itself to the outside world". Commenting on the role of observers, the then Indian Foreign Secretary is reported to have said that "...there could be cooperation between SAARC and these (observers) countries in trade and counter-terrorism as well as social and economic sectors". The observer states appear to be trying to find an appropriate space for themselves in this South Asian grouping. Nevertheless, the SAARC initiative to expand its membership (Afghanistan) and extend observer status to some of the extra-regional powers is believed to have been taken in response to the need to strengthen the regional grouping and make it more dynamic and vibrant.

Rok has defined its agenda for G20 (recently concluded summit meeting in Seoul) as its chairman for 2010 and wishes to take the role of a "bridge between the developing and developed worlds through the strength of its own experience and expertise". It believes that the G20 cannot take on full scope of development issues but focus on efforts where collective action is required such as food security, climate change, universal education as Rok believes that it could play an effective role at that. The role of Rok in the Fourth High-Level Forum on aid effectiveness and global development partnership to

be held in Seoul next year (2011), a year after the Paris Declaration on aid effectiveness, is extremely important as it comes on a few years ahead of the Millennium Development Goals which are likely to fall behind targets in many areas. It is expected that Rok can play a central role in 'expanding international development aid and improving its effectiveness'. It is also felt strongly that the international community needs to put in place new mechanisms 'that can enable donors to share and coordinate information about aid'. It is further expected that the meet will produce common guidelines that all stakeholders (including emerging donors and private aid agencies) can support. This opportunity is real for Rok to contribute to lasting global development.

Official Development Assistance: It is a matter of continuing concern for poor developing countries like Nepal ever since the international community adopted two major directional changes in international cooperation. Encouraging Foreign Direct Investment (FDI) as a substitute for ODA, and Trade for Aid. While these policies suited well to the interest and capacities of the other developing countries which wanted more and more FDI and access to markets for their goods for accelerating their economic development, the developing countries that lacked minimum basic infrastructure suffered the most. Poor developing countries such as the frontline states of Africa, landlocked least developed country like Nepal can never offer competitive proposition, compared to their neighbors, to foreign investors as they lack internal market and the cost of exports is just too high. With the current state of inadequate and dilapidated existing infrastructure it is very unlikely that the FDI flow to these countries would pick up anytime soon even if there were full political stability with predictable and consistent economic policies. Owing to these very factors that impact the capacity to produce and compete internationally, no amount of market access is going to make a significant contribution to the economies of these countries as they have very little to export except for some agricultural commodities which are always under constant threat of collapse due to heavy subsidies provided by the developed economies to their farmers. Thus, grant-in-aid and soft concessional loans to the Least Developed Countries (LDCs) is a must for creating necessary infrastructure and strengthening the existing ones. In this regard, there is an obvious need to raise the grant ratio of Rok (at around 63.7% compared to other DAC members at around 87.5%) to a higher level. For the LDCs, composition of ODA of Rok having still lower grants constituting only 40% and the rest for soft loans needs to be revamped seriously. There is no question about the continuance of ODA, particularly full grants for some more time to come. Rok can also help relieve the heavy debt burdens carried by countries like Nepal who, by being good debtors, are simply out of the group of Highly Indebted Poor Countries (HIPC) enjoying debt write off for some time now.

The funds available from this action, if taken, would be an important source for setting stage for economic development by investing in the much needed infrastructure.

**Foreign Direct Investment:** Unless a government applies restriction to its business sector, either owing to a direct dispute with the recipient country or for strategic reasons, FDI flows are natural and automatic. The multinational businesses, always in search of green pasture, hardly miss any opportunity to invest in countries where they can make profit. It is neither donor driven nor recipient induced activity. Countries with sufficient market potential and trained manpower always attract FDI and there is good evidence of it in the SAARC region as FDI flows are accelerating rapidly to India at present. Rok has been responding to the needs of countries like India in the SAARC region by making productive investments in several areas.

**Integrated Approach:** Notwithstanding a clear need for ODA (grant form for LDCs) for a group of countries and FDI for another, there would still be enough ground for some to receive both. As poor developing countries are seldom found to have succeeded in bringing about an allround development including at the rural areas, there is always a need to create and strengthen infrastructure capabilities in remote areas. Although with the growing economic might the developing countries may be able to put up the required resources needed in its underdeveloped cities and villages yet international cooperation would be required for preventing wastage of resources that could occur lacking appropriate technology or techniques. Also the developing countries while moving up the development ladder wish to establish higher end products and services requiring technological input that can only come from developed economies. Rok might look into the possibility of combining soft loans for such projects with continuing FDI for some countries of the SAARC region.

**Responsible Executing Agencies:** Generally, the host government is the most appropriate partner for any international cooperation, either bilateral or multilateral. Attempts of the donor countries to realise aid effectiveness through NGOs and INGOs and other specialized agencies in all parts of the world including in the SAARC region have not always produced desirable outcome. In fact, in some instances over proliferation of NGOs, INGOs and lack of effective aid coordination has resulted in duplication and sometimes acted as obstacle to development due to competing interests. The Country Assistance Strategy note has been found to be one of the most appropriate tools for carrying out a coordinated and effective development followed by most donor agencies including the UN agencies. Lack of timely monitoring and follow up by the host government, primarily as a result of shortage of qualified and trained manpower and resources, necessitates the search for

qualified and capable local executing agencies to work with the government on behalf of the donor agencies. Rok can look into the possibility of creating a mechanism through which such a public-private partnership works best for the benefit of the people. The executing agencies must prove to be responsible and accountable for improving aid effectiveness.

### **Way to Effective Cooperation:**

Way forward: This presentation paper mostly derives its strength from the presenter's own development experience coupled with views expressed publicly by other experts and agencies involved in international cooperation. Prior to acting upon some suggestions presented there is an absolute need to delve deeper into major issues outlined in this paper.

In-depth research: Whether it be an analysis of a system or an operating mechanism, the need for a thorough research can never be ignored for desired outcome. When the subject in question is so important that can help or ruin an entire population of a region, it is incumbent on all stakeholders—the donor community, the recipient governments and people at the grass roots level—to find a common ground for taking up development programs and projects. It should neither be donor driven nor government enforced. It must be formulated for the people, of the people and by the people themselves. The role of the government can only be to act as an interpreter, facilitator and enabler to people's projects and programs. While the importance of innovative programs and projects cannot be denied it is also equally necessary to improve on existing ones. As far as possible and practicable less priority should be given for reinventing the wheels by accepting best practices through lessons learned under similar environment. Again, a thorough study needs to be carried out to understand the merits and demerits of the ongoing program in order to come up with a proper one for achieving the desired outcome. Rok might wish to dig deeper in some of its priority areas identified for international cooperation.

Performance Evaluation: No project regardless of its size or impact or fund is less important than the other as every project serves a specific purpose. As 'well planned is half done' enough time and efforts must be spent in the design of a program or project. Lessons learned from past projects have to do with performance evaluation. It is near universal that the agency which is directly responsible to execute a project can never be assigned the task of performance evaluation. Neutral but knowledgeable, forward looking yet pragmatic types of evaluation agencies should be carrying out the evaluation of overall performance of development projects. Similarly, available best practices from similar situations should be applied to pilot projects before

making it a guiding policy for the projects in question. If need be, evaluation process can be carried out at more than one level. Multitiered evaluation process for larger projects involving large amount of funds and impacting a larger population might be warranted. Rok may wish to look into this matter for improving upon its aid effectiveness.

**Coordinated Approach:** Since no project can either be planned or executed in isolation, the need for paying full attention to its backward and forward linkages is nearly a general practice. Although the thrust of an intervention generally guides the design of a project yet a good understanding and careful assessment in the beginning can not only save scarce resources but also help in optimum utilization of resources. In this regard, support from donor agencies in the area of SMEs produces several important outcomes sought out by all developing countries. Some of the important aspects essential for economic development such as development of industrial base in an incremental fashion, creating skills and employment, consolidating social bonds and harmony, are fulfilled by taking up on SMEs development. Whether developed or developing, all countries do focus on SMEs in their own ways. Rok, one of the champions of The Daegu Initiative, possesses adequate qualification and credibility to support the members of the SAARC countries.

**Identification of Partners:** Most importantly the success of a program depends on the understanding and close cooperation between the partners of international cooperation. It does not matter whether the partners are teamed up on one-to-one basis (as in bilateral agreements) or a donor with a grouping (Rok with SAARC) or a recipient with donor group (Nepal with OECD), reliable partners are a must. As stated earlier the implementing partners, after the formulation of an appropriate program through a careful assessment, need to be responsive, transparent and accountable. In addition, the success of a project even after it is implemented exactly as per its design is likely to fail if the ultimate beneficiaries were to either lack interest or find it opposed to their beliefs and values. So, a proper education program need to be designed and only after subsequent orientation of the pros and cons of a project it should be implemented. Thus, the 'partners for progress' have as important role as the donors themselves when it comes to reaping desired benefits from international development cooperation. It is needless to state that enough efforts must be employed to ensure sustainability of development programs.

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SAARC Summit; Message from Minister Mr. Cho Jung-Pyo of the PM office (August 2008); Nepal Embassy to Rok; The Daegu Initiative by Binod P. Bista (newsfront Nepal); Case study on the Republic of Korea (By Joonook Choi, Korea Institute of Public Finance); International cooperation in the ICT field: bridging the digital divide (By Sudhir Kumar Marhawa); IPRI Journal (Dr. Rashid Ahmad Khan); Technology Transfer and Technology Partnership (Jumggwan Kim); Fighting corruption and safeguarding integrity through international cooperation (Sang-Ok Park at the 2003 Seoul conference).

## Questions and Comments

Thanks Binodji, for making a very succinct and good presentation of full paper despite time constraints. You talked about the imperative needs aid of ODA for countries like Nepal. FDI flows where it has opportunities. For countries like Nepal with no economic level playing field, there is very little prospect for us to attract FDI. You suggested some sort of continuity of ODA for countries like us to help us upgrade our economic playing field. That is a valid point but how would you suggest ensuring the sustained flow of ODA to countries like Nepal from SAARC mechanism. Or are you suggesting that there should be bilateral arrangements between Nepal and Rok or any other country for that matter in South Asia to come up with a kind of arrangement India and Pakistan has done? How do you suggest the flow of ODA continue in a sustained and permanent way for years to come through SAARC mechanism or bilaterally?

It was a very articulate presentation. You have some original thought. You said that aid for trade is not useful for Nepal without grants. Even prior to the emergence of SAARC, it was late king Birendra who in 1976 invited all South Asian leaders to come up a way to harness Himalayan water. To me, that was an original thought. Later there were efforts done in collaboration of Nepali leaders with Bangladeshi leaders, namely Late Zia-ur-Rahman. This idea of SAARC was formed. We consider 1985 to be the date when SAARC was officially formulated. But I consider August 1, 1983, when the ministerial meeting was conducted in Delhi, to be a more exact date. Otherwise Pakistan was reluctant and India was opposed to this idea and it was the collaboration between Bangladesh and Nepali that gave results. In that fashion, in your short and pragmatic picture, do you have any original idea that could reinvigorate the SAARC process? This is not the question but just my curiosity.

I was curious as to how you would assess the desirability of having joint venture or limited partnerships or doing some enterprises here together with some of their industries and what growth potential might it have in our economy? Also, we could encourage investors by altering the economic environment to make it more profitable and Korean companies to do joint ventures with Nepali countries.

## Answers

**Binod Bista:** Thank you everyone. Let me tend to the first question. It is well known that the LDCs remained only in name whereas the group of 77 played the game. Today, we know who moves SAARC around. We are only a part of that SAARC. I believe that, if our good friend the Ambassador of Bangladesh agrees, and if the RoK wants to help the poor people of this region, we should have more than one channel with SAARC and it must be divided into separate channels because we are not all the same. If you club the LDCs and LLDCs, the problems are very serious for countries like Nepal and Bhutan who are both LDCs. But I think Bhutan may now be graduating from the LDCs because they have already crossed some benchmark. But RoK should have 2-3 channels with SAARC when it comes to cooperation with countries. For us, we talked about the sustainability of ODA on grant basis, that has to come, not to the entire region, but to the LDCs as our capacity is limited and we cannot support ourselves. The proportion of ODA directed to the region, a higher proportion must be allocated to the LDCs.

Professor Pokharel talked about reinvigorating SAARC. While trying to write that paper, it came to my mind. Even today the question arose – given the state of Indo-Pak issue and SAARC not moving forward, what can RoK do? In my view, the purpose of inviting the observers is to invigorate the SAARC like RoK, USA, EU and so on. They can push the ball in some way without having to come forward and getting involved in things like the Indo-Pak issue. As long as our interests are served, we are happy.

In regard to Mr. Marvin's question, I would have answered you but after the clarification by the Ambassador of RoK that the objective of this seminar is to seek some scope in RoK and SAARC as a whole and not just with Nepal. But I think what we can discuss about joint ventures that RoK is willing to offer to the SAARC region can again be channelized not through one solid block but in different types of avenues. They are already making joint ventures and FDI in India. The FDI is not coming from government but MNCs. I still maintain the stand that we are not ready for FDI. Small amounts of money for different projects is okay but if we change the modality of official development assistance to FDI, I am sorry, that cannot simply be agreed as it is detrimental to the interests of countries like Nepal.

## **Part-IV**

### **Outcome of Seminar on**

#### **South Asia-RoK Partnership: Future Prospects**

Outcome: The seminar received a good response from both speakers and participants that further enriched its outcome.

#### **Specific outcome**

1. Both RoK and SAARC are of the view that ‘project based collaboration’ or ‘involvement of people and local community’ in development projects is essential for tangible results.
2. RoK support is more effective in creating business linkages, developing entrepreneurship and technological development as well as innovation.
3. Nepal seeks RoK support for the success of LDCs meeting next year (2011) in Turkey.
4. RoK can also support SAARC’s decade of intra-regional connectivity (2010-2020).
5. RoK and other countries with aging population can benefit from SAARC’s huge capacity of young and economically active population in the years to come.
6. RoK’s support would be more effective through choice and concentration to each country. Also there is a need to go for FTA between Rok and SAARC.
7. Possibility of forming coordinating committees such as Korea-SAARC Cooperation Forum or Korea-SAARC High Level Forum for creating institutional support systems to Korea-SAARC summit merits consideration. However, in order to reflect actual need assessment there would be a need for national coordination committee in each SAARC country that could provide country-specific needs and requirements to the Rok-SAARC coordinating mechanisms. Besides, ideas for Korea-SAARC Cooperation Fund and Korea-SAARC Center were also floated by experts.
8. Natural resources management was singled out as one of the important areas for cooperation with RoK by most experts.

9. Problem of execution of policies beset most developing countries including SAARC region requiring a strong and able partnership between RoK and the recipient country.
10. In view of the present practice of working with agency based country strategy notes (two for each country) there is a big possibility of lacking aid effectiveness despite a coordinating mechanism installed in RoK, thus the need for an alternate method is warranted.
11. RoK should support SAARC member countries through development of SMEs in those countries for supporting economic as well as social development needs.

In concluding it may be stated that RoK can look into the following suggestions coming out from experts and representatives of SAARC member countries as well as the Korean experts:

- a. Whether it is 'project based collaboration' or 'involvement of people and community in development projects' it points to the need for country specific intervention possible either through targeted bilateral cooperation in tandem with regional activity or a distinct mechanism within SAARC for reaching out to all countries at different levels of development.
- b. KOREA-SAARC Cooperation Forum or KOREA-SAARC High Level Forum, if agreed, can act as a conduit for channeling country-specific needs through National Committees with the overall development goals of SAARC.
- c. The issue of 'Natural Resources Management' seems to be the preoccupation of SAARC countries, which would obviously include natural disaster management, preparedness and related issues already ongoing. RoK can initiate work with every country in this regard and support country's efforts to manage its natural resources that would help protect and preserve environment and other concerns.
- d. Member States of South Asian Region are still divided into developing and least developed countries. There is a greater need of eliminating this undesirable gap. Therefore, a good deal of attention should be given, while selecting developmental programs and projects by RoK and SAARC, to uplift the socio-economic status of the least developed countries.

- e. The other area of cooperation could be in identifying national partner which could be a combination of NGO/INGO plus private sector or government sector as the case may be. Leaving it solely to the discretion of NGO/INGO or private sector for development projects without the full support of the government could be highly detrimental.
- f. Last, but not the least, suggested mechanisms as well as new areas identified during the seminar need further study and evaluation prior to implementation as a policy or program for cooperation between RoK and SAARC.

## Part-V

### Concluding Session

#### Vote of Thanks

**Ms. Anjan Shakya, Deputy Director, IFA.**

#### **Mr. Chairperson of today's seminar, Excellencies and Distinguished Guests,**

I feel privileged and honored to get the opportunity to express vote of thanks on behalf of the IFA to all the guests present here. Today, we are happy to be a part of important seminar of "*South Asia and RoK Partnership: Future Prospects*" organized by IFA in collaboration with the Embassy of the RoK in Nepal.

After being one of the observers of SAARC, the RoK has been providing cooperation and assistance to different member countries and South Asian region. It is believed that RoK's association will not only expand its linkages with the South Asian region but also deepens the economic integration with them and develop harmonious relations. Early morning, one of our Korean colleagues demonstrated the mechanism of Korea-SAARC Center, which is very laudable. For having attended the seminar despite her very busy schedule, Hon'ble Madam Sujata Koirala, Deputy Prime Minister & Foreign Minister, deserves our sincere gratitude for the time she shared in the morning. RoK has been supporting South Asia's development since long time and wants to seek new areas of co-operation. I would like to extend our gratitude to His Excellency Mr. Hong Sungmog, the Ambassador of RoK for his support and initiative in this program. I would also like to extend hearty thanks to His Excellency Dr Sheel Kant Sharma, Secretary General of the SAARC for his gracious presence at the inaugural session. We are delighted to have Hon'ble Lyonpo Chenkyab Dorji from Bhutan for making his presentation at this seminar. Similarly, other distinguished speakers including His Excellency Neem Chandra Bhowmik, Ambassador of the People's Republic of Bangladesh, Director of MoFAT, Korea, Mr Sun Nahm-Cook, Korean Expert Dr. Cho Choongjae, Ministry of MoFAT Mr. Yu Byeong. Cheon Kim.

I would also like to announce the good name of the Embassy of the Republic of Korea, Mr. Yoo Sung-gul and Mr. Amrit Rai, deserve gratitude for their cooperation in making this seminar meaningful.

From Nepal, I have the names of some of the dignitaries to extend vote of thanks. On behalf of IFA and the Embassy of Korea, we would like to express hearty gratitude towards the advisor to the Deputy Prime Minister & and Foreign Minister, Dr Chiranjibi Nepal for his outstanding presentation. Likewise, Mr Hari Kumar Shrestha, joint secretary of MoFA, Professor Mohan Lohani, former executive director of IFA and former ambassador, Kumar Raj Kharel, undersecretary of MoFA, Mr Rakesh Hamal, member of our board of directors of IFA and all the distinguished officials of the Government of Nepal and Mr. Binod Bista, the advisor of IFA, deserve gratitude for their time and cooperation in making this seminar a success and presenting and moderating in this seminar.

I would also like to extend gratitude towards all dignitaries including IFA and MoFA officials for their gracious presence from early morning to late night. I would also like to thank the press, even though only some are left right now. I would also like to thank IFA officials. I would also like to thank Hotel Soaltee Crowne Plaza for the co-operation.

Ladies and Gentlemen, with the permission of the Chair Person of this seminar, I declare the end of this seminar and invite you for the cocktail reception.

**Thank you for your kind co-operation and attention.**

# Appendix

## List of Participants

### “South Asia-RoK Partnership: Future Prospects”

#### Nepali Participants

**1. Hon’ble Sujata Koirala**

Deputy Prime Minister &  
Foreign Minister  
Ministry of Foreign Affairs  
Narayanhity

**2. Mr. Ganesh Shah**

Former Minister

**3. Dr. Chiranjibi Nepal**

Advisor of Deputy Prime Minister &  
Foreign Minister  
MoFA

**4. Mr. Tika Jung Thapa**

Executive Director, IFA

**5. Mr. Rakesh Hamal**

Board Member, IFA

**6. Mr. Mahesh Dahal**

Board Member, IFA

**7. Mr. Prakash A. Raj**

Board Member, IFA

**8. Mr. Gopi Nath Dawadi**

Board Member, IFA

**9. Prof. Dr. Mohan Prasad Lohani**

Former Executive Director of IFA  
Bansbari

**10. Prof. Dr. Gopal Prasad Pokharel**

Former Executive Director of IFA  
Maitidevi

**11. Mr. Hari Kumar Shrestha**

Joint Secretary, MoFA

**12. Mr. Rajaram Bartaula**

Under Secretary, MoFA.

**13. Mr. Kumar Raj Kharel**

Under Secretary, MoFA

**14. Mr. Tirtha Raj Wagle**

Under Secretary, MoFA

**15. Mr. Dornath Aryal**

Under Secretary, MoFA

**16. Mr. Ghanashyam Lamsal**

Under Secretary, MoFA

**17. Mr. Sunder Nath Bhattarai**

Former Ambassador

**18. Mr. Prabesh K.C**

Sundhara

**19. Mr. A.B. Bum**

Kalanki

**20. Dr. Kamal Krishna Shrestha**

NUSON

**21. Ms. Pratikshya**

Chahabil

**22. Mr. Ram Prasad Humagai**

Gorkhapatra Daily

**23. Mr. Rajendra Kayestha**

Private Sector (Construction)  
Maharajgunj

**24. Mr. Hari Prasad Dhungana**

CMBS Campus

**25. Mr. Shib Raj Bhattarai**

HANK

**26. Ms. Jaya Sharma**

NCWA

**27. Mr. Gopal Thapa**

NCWA

**28. Mr. Sarat Chandra Dash**

Chief of Mission,  
International Organization for Migration (IOM)

**29. Dr. Rama Basyal**

NCWA

**30. Ms. Srijana Pradhan**

NCWA

**31. Mr. Hemanta Kharel**

NCWA

**32. Dr. Ram Dayal Rakesh**

NCWA

**33. Mr. Umesh Malla**

NCWA

**34. Dr. Som Prasad Pudasaini**

NCWA

**35. Mr. Shambhu Rana**

NCWA

**36. Mr. Keshav Raj Jha**

NCWA

**37. Mr. Komal Bagale**

NCWA

**38. Mr. Kosh Raj Onta**

APF

**39. Mr. Sanjay Agrawal**

NKCCI

- 40. Mr. Arun Ranjit**  
NKCC
- 41. Mr. Ang Dorje Sherpa**  
NKCC
- 42. Prof. Pradeep Khadka**  
CDRD
- 43. Dr. Chandra Lal Shrestha**  
Assistant Professor, TU
- 44. Prof. Shiva Munakarmi**  
TU
- 45. Dr. Rajendra Bahadur Shrestha**  
TU
- 46. Ms. Shanti Laxmi Sakya**  
NCWA
- 47. Prof. Ambir Pandey**  
CWA, TU
- 48. Lt.Gen.(retd.) Sushil Raj Karki**  
Patan
- 49. Ms. Sarita Rajaure**  
NCWA
- 50. Mr. Yagya Bahadur Rajaure**
- 51. Mr. Suresh Karki**
- 52. Mr. Ashim Jung Thapa**  
Dillibazar
- 53. Mr. Punnya Ratna Stapith**
- 54. Mr. Damoder Das Shrestha**
- 55. Mr. Chiran Samsher Thapa**  
Former Secretary
- 56. Mr. Rajeev Kunwar**  
NCWA

- 57. Mr. Tamla Ukyab**
- 58. Mr. Gopal Bahadur Thapa**  
Former Joint Secretary  
MoFA
- 59. Mr. Tej Prasad Gauchan**  
NCWA
- 60. Mr. Sandesh Mohan Adhikary**  
Rapporteur
- 61. Ms. Vibhustuti Thapa**  
Rapporteur
- 62. Mr. Ajay Rana**  
The Rising Nepal
- 63. Ms. Sikshya Sharma**  
NTV
- 64. Mr. Ashok K.C.**  
Voice Nepal
- 65. Mr. Bijay Regmi**  
Avenues TV
- 66. Ms. Samjhana Dhungel**  
HTV
- 67. Mr. Gunjan Raj Giri**  
HTV
- 68. Mr. Ananda Gurung**  
ABC TV
- 69. Mr. Rajnish Bhandari**  
KTV
- 70. Mr. Bikash Joshi**  
KTV
- 71. Mr. Shree Krishna Subedi**  
Sagarmatha TV

**72. Ms. Arpana Adhikari**  
The Rising Nepal

**73. Mr. Bishnu Nepal**  
RSS

### **IFA Officials and Staff**

**74. Mr. Binod Prasad Bista**  
Advisor

**75. Ms. Anjan Shakya**  
Deputy Executive Director

**76. Mr. Mahendra Joshi**

**77. Mr. Subhash Lohani**

**78. Ms. Binita Shrestha**

**79. Mr. Sanu Raja Puri**

**80. Mr. Bimal Raut**

**81. Ms. Deepa Neupane**

**82. Mr. Rajendra Magar**

**83. Mr. Nish Magar**

**84. Ms. Sanu Maya Shrestha**

**85. Ms. Mina Magar**

### **Foreign Participants**

**1. H.E. Sheel Kant Sharma**  
Secretary General  
SAARC Secretariat  
Tridevi Marg, Thamel

**2. Mr. Lyonpo Chenkyab Dorji**  
Chairman,  
Royal Privy Council of Bhutan

**3. H.E. Mr. Hong Sung-mog**

Ambassador,  
Embassy of the Republic of Korea in Nepal

**4. Mr. Yoo Sung-gul**

DCM  
Embassy of the Republic of Korea in Nepal

**5. H.E. Mr. Neem Chandra Bhowmik**

Ambassador  
Embassy of Bangladesh

**6. Mr. Pema L. Dorji**

SAARC Director-Bhutan  
SAARC Secretariat, Tridevi Marg

**7. Mr. Yoo Byuyhyun**

Embassy of the Republic of Korea in Nepal

**8. Mr. Amrit Rai**

Embassy of the Republic of Korea in Nepal

**9. Ms. Young Ah, Doh**

KOICA

**10. Mr. Sun Yong Shin**

KOICA

**11. Mr. Woonho Baek**

KOICA

**12. Mr. Vikash Rawal**

KOICA

**13. Mr. Roshi Moo**

KOICA

**14. Mr. Back Woon Ho**

KOICA

**15. Mr. Taijiro Kimura**

Director,  
UNRCPD

**16. Mr. Roman Hunger**

Special Coordinator  
UNRCPD

**17. Mr. Md. Masudur Rahman**

Deputy Chief of Mission  
Embassy of Bangladesh

**18. Mr. Kim Byeong Cheon**

EPS Office, Gwarko

**19. Mr. Tae Jung, Kang**

Nepal Rastra Bank

**20. Mr. Kim Gong Cheol**

KHNP

**21. Mr. Jay H. Kim**

Apex International

**22. Mr. Ian McFarlane**

Representative,  
UNFPA

**23. Anne-Isabelle Degryse-Blateau**

Country Director,  
UNDP

**24. Mr. Daniel Toole**

Regional Director,  
UNICEF ROSA

**25. Mr. Richard Ragan**

Country Director,  
World Food Programme

**26. Mr. Alex Andjaparidze**

Representative,  
World Health Organization (WHO)

**27. Mr. Roberto Ricci**

Representative,  
Office of the High Commissioner for Human Rights (OHCHR)  
Museum Road, Chauni

**28. Mr. H.Y. Chung**

Representative from private sector

**29. Mr. Alexander Pitt**

Resident Representative  
International Monetary Fund (IMF)

**30. Vikas Rawal**

KOICA

**31. Dr. Cho Choongjae**

Team Leader,  
Southeast and South Asian Centre for Regional Economic Studies

**32. Mr. Sun Nahm-Kook**

Director,  
Ministry of Foreign Affairs and Trade of South Korea