Bringing SAARC Closer to the People: A Nepalese Perspective

One Day National Seminar
January 20, 2014

Institute of Foreign Affairs
SAARC Secretariat
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Organized by:
Institute of Foreign Affairs (IFA)
and
South Asian Association for Regional Cooperation (SAARC) Secretariat
Published By

Institute of Foreign Affairs (IFA)
Kathmandu, Nepal

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URL   www.ifa.org.np
ISBN  978-9937-8459-8-4

© Institute of Foreign Affairs

First Published  IFA, May 2014
                 500 pcs

Printed at      Heidel Press Pvt. Ltd.
                 Dillibazar, Kathmandu, Nepal.
                 977-1-4439812, 4441712
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Preface

Nepal has unswerving commitment to regional cooperation as stated in SAARC charter 28 years back for ensuring stability, progress and prosperity in the region. South Asia is mired in poverty, natural calamities and slow pace of development. However, it possesses enormous resources to be tapped and utilized for development for ensuring fast prosperity.

Over the years SAARC has brought its members closer over a common platform to address commons issues, thereby promoting trust and confidence among one another.

There is need to streamline, rationalize, restructure and strengthen all SAARC mechanisms and processes, including the secretariat. Besides SAFTA member states are inching closer on SAARC Agreement on Promotion and Protection of Investment, and they have ratified the SAARC Agreement on Trade in Services. SAARC Agreement on Multilateral Arrangement on Recognition of Conformity Assessment and SAARC Agreement on Implementation of Regional Standards are awaiting ratification by the member states. Other attempts are on climate change and formulating policies on promoting democracy, addressing regional and sub-regional security and maritime issues, combating trafficking, health issues like TB, HIV/AIDS and the operation of the South Asian University. There is no alternative to SAARC to maintain peace and harmony in the region, to promote the welfare of its peoples and to improve their quality of life.

The 18th SAARC Summit to be held in Nepal in late 2014 is expected to take up all the crucial issues such as promoting people-to-people contact, peace and security, socio-cultural aspects, health, infrastructure etc. and arrive at a meaningful conclusion. As the host country and also the home of SAARC Secretariat Nepal needs to lead the way beyond resolution of pending issues with the active support of SAARC Secretariat. SAARC is criticized for not to have promoted peoples’ participation. It is seen as government body and people are yet to feel ownership over SAARC. It is time SAARC became an action-oriented body and include peoples in its plans and activities to benefit people directly at large.

With this background a one day seminar was co-organized by IFA and SAARC Secretariat with the overall aim to review the activities, policies, strategies and programs - and pending issues at the SAARC regional level. It was expected to deliberate, analyze and propose appropriate policies and strategies towards resolution of pending issues and ways and means to include people in its processes and activities.

Three papers were presented on relevant topics by Ministry of Foreign Affairs, Business community and civil sector. There were four sessions, starting with Inaugural Session chaired by Hon. Foreign Minister with opening remarks by
SAARC Secretary General. There were three working sessions, one for each paper. There were one commentator and chair for each session and a team of rapporteurs consisting of 2 persons. There was an active floor discussion on each presentation.

The seminar was enthusiastically participated by the media and related policy experts/individuals and organizations including diplomats, embassy officials, SAARC officials, and concerned ministry officials at policy making levels.

The Institute of Foreign Affairs (IFA) played the lead role of coordinating the seminar including the overall management of the event with the cooperation of SAARC Secretariat.

The Honorable Minister of Foreign Affairs Mr. Madhav Prasad Ghimire deserves appreciation for his active participation as the chief guest and for his key note speech. Excellency Ahmed Saleem, the Secretary General of SAARC is appreciated for his opening remarks.

I thank the three paper presenters as follow:

Dr. Netra Prasad Timsina, Regional Coordinator of South Asia Alliance for Poverty Eradication (SAAPE).

Mr. Yagya Bahadur Hamal, Joint Secretary, SAARC Division,

Mr. Narendra Kumar Basnyat, President, Confederation of Nepalese Industries

I thank the three commentators on the three papers as follow:

Mr. Yubaraj Ghimire, Senior Journalist

Professor Dr. Shushil Raj Pandey Political Science Department, T. U.

Professor. Dr. Bishwambher Pyakuryal, Eminent Economist

Mr. Shakar Das Bairagi, Officiating Secretary, MoFA deserves appreciation for his overall comments on the seminar.

And lastly, Mr. Dhan Bahadur Oli Director, SAARC deserves appreciation of his closing remarks.

I also wish to thank Mr. Khush N. Shrestha, Deputy Executive Director, IFA, and Sanu Raja Puri Librarian for their overall contribution to the seminar and publication. The institute welcomes comments, suggestions and feedbacks so as to refine the future publications of IFA.

Dr. Rishi Raj Adhikari
Executives Director
Background

Nepal must lead pro-actively towards more effective South Asian Association for Regional Cooperation (SAARC) in the 18th SAARC Summit that is supposed to be held in Nepal during late 2013 or early 2014. The most crucial pending issue is hosting timely the SAARC Summit itself.

Nepal has always been committed to regional cooperation - the very ideal for which SAARC was created over 28 years ago. Effective and meaningful cooperation among the member countries alone would ensure stability, progress and prosperity in the region. Although South Asia faces common problems like poverty, natural calamities and slow pace of development, the region, at the same time, possesses enormous resources and potential for development. If its resources were tapped and utilized properly and effectively with joint efforts, South Asia could prosper fast.

Established in 1985, the SAARC, heralded the region as economically robust and prosperous, well connected and hoped to erase all kind of disparities and vowed to tackle all kinds of challenge that emerge in its processes.

It has a long way to go to achieve the goals that were envisioned in 1985 among the member states. “However, it certainly has brought its members closer over a common platform to address commons issues, thereby promoting trust and confidence among one another”, so says the Secretary General, Mr. Ahmed Saleem. There are deliberations and brainstorming under way why SAARC is not making an effective stride to overarching goals and how it can stand as an exemplary regional institution.

The SAARC secretariat in Kathmandu has been undertaking a comprehensive study to recommend ways and means to streamline, rationalize, restructure and strengthen all SAARC mechanisms and processes, including the secretariat, 11 regional centers and four SAARC Specialized Bodies. According to SAARC secretariat, it has witnessed steady progress in implementing the South Asian Free Trade Area (SAFTA) where the regional trade among the member states has crossed the trade turnover of over the $2 billion mark. Member states are inching closer on SAARC Agreement on Promotion and Protection of
Investment, and they have ratified the SAARC Agreement on Trade in Services. SAARC Agreement on Multilateral Arrangement on Recognition of Conformity Assessment and SAARC Agreement on Implementation of Regional Standards are awaiting ratification by the member states.

Also, member states are pushing for Agreement on Regional Railways and Motor Vehicles, marching towards the alleviation of poverty from the region, ensuring food and nutritional security and execution of SAARC Development Fund by mobilizing the social sector. The regional grouping will soon execute the economic and infrastructure window that will inject more funds to carry out regional projects. Issues of climate change have emerged as pressing and needy among the member states that will ratify an agreement on rapid response on natural disasters. Notable progress has been made on formulating policies on promoting democracy in the region, addressing regional and sub-regional security and maritime issues, combating trafficking, health issues like TB, HIV/AIDS and the operation of the South Asian University. The Secretary General Mr. Ahmed Saleem exudes confidence and states that SAARC holds a greater promise for the people of our region and that there is no alternative to SAARC to maintain peace and harmony in the region, to promote the welfare of its peoples and to improve their quality of life.

**Hosting SAARC Summit**

Nepal must work tirelessly towards resolution of pending issues. One of the strongest pending issues is hosting the SAARC Summit itself. We must bring up the issue on the importance of the SAARC Summit and the outcome of the Summit.

**Climate Change**

Apart from poverty, the countries of the region are now facing a more challenging problem related to the environment. The impacts of climate change are already visible as the snow on the Himalaya are fast melting and the sea level is rising, which pose a serious threat to human security in the region. Thus, the climate change issue must be taken up more seriously and with greater urgency.

**Peace and Security**

Peace remains a crucial issue, in most of the eight countries and especially in the Pak-Afghan part of the region. The Indo-Pak deadlock over Kashmir remains a hurdle in improving relations between the two countries in particular and in the region in general. The recent violence in Myanmar and
the exodus of Rohingya Muslims towards Bangladesh and India had shown that heads of the states, over the years, have not been successful so far to find a workable solution to the problem. While Sri Lanka has put to rest its 26-year civil war, between the government and the Tamil fighters, there remain shrouds of instability in the island nation. Afghanistan, which became a part of SAARC in 2007, is still reeling from decades of conflict and has a long way to go before it achieves stability.

Socio-culture

Meanwhile, visa exemption – in a bid to promote people-to-people contact – is being applied selectively in certain countries and is limited to dignitaries and other high-ranking officials, as opposed to the common person. Social, cultural and sporting events including security, peace, justice, human rights, development, environment, refugees, migration, and gender could play a part in improving ties and create an atmosphere of regional co-operation.

The mutual mistrust and suspicion have still remained a stumbling block in the process of mutual cooperation and development. The goal of free trade regime among the region has yet to be achieved fully due to the lack of positive environment. So far SAARC seems to remain a poor countries’ club and its activities have been limited to meetings and discussions. It is time SAARC became an action-oriented body.

The 18th SAARC Summit is, thus, expected to take up all the crucial issues and arrive at a meaningful conclusion. As the host country and also the home of SAARC Secretariat Nepal needs to lead the way beyond resolution of pending issues with the active support of SAARC Secretariat.

Aim and objectives of the seminar

Overall aim of the proposed seminar is to review the activities, policies, strategies and programs -and pending issues at the SAARC regional level. It will also analyze and propose appropriate policies and strategies towards resolution of pending issues.

Organization of the Seminar

The seminar is proposed to be a joint activity of IFA, and SAARC Secretariat. It will be a half -day long affair beginning from morning to afternoon in a star hotel.

It is proposed that three papers will be presented on relevant topics by Ministry of Foreign Affairs, Business community and Social sector. There
will be four sessions, starting with Inaugural Session to be chaired by Hon. Foreign Minister with opening remarks by SAARC Secretary General. There will be three working sessions, one for each paper. There will be at least one commentator and one chair for each paper and a team of rapporteurs consisting of 2 persons. The floor discussion will be at the end of all three paper presentations. There could be special comments from invited relevant officials from Maldives, India etc.

The seminar is expected to be enthusiastically participated by the media and related policy experts / individuals and organizations including diplomats, embassy officials, SAARC officials, and concerned ministry officials at policy making levels.

The outcome of the seminar will be disseminated to all relevant stakeholders through media. Later, the papers, discussion points and comments will be published in a form of book which will be widely disseminated. The Institute of Foreign Affairs (IFA) will play the lead role of coordinating the seminar including the overall management of the event.
2. Welcome Remarks by 
Mr. Khush N. Shrestha
Deputy Executive Director, Institute of Foreign Affairs

Chairman of the inaugural session,
Chief Guest Hon. Mr. Madhav Prasad Ghimire, Home and Foreign Affairs Minister
Hon. Mr. K. P. Sharma Oli, Member of Constituent Assembly and
Former Foreign Minister and Deputy Prime Minister,
Hon. Dr. Ram Sharan Mahat, Member of Constituent Assembly and
Former Foreign and Finance Minister,
Mr. Leela Mani Paudyal, Chief Secretary of the Government of Nepal,
Mr. Shankar Das Bairagi, Officiating Foreign Secretary,
Mr. Ahmed Saleem, Secretary General, SAARC Secretariat,
Excellencies and Member of the Diplomatic Corps,
Distinguished Participants,
Ladies and Gentlemen,

I am extremely privileged to extend my hearty and warm welcome for your kind presence on the inauguration of this very important seminar on “Bringing SAARC Closer to the People: A Nepalese Perspective” being held here today.

Due to the changed political scenario of Nepal and the resultant expectations of the Nepali people, we felt very strongly the need to strengthen our participation in this regional body to deliver more in a meaningful way for the benefits of the people of this region. The South Asian Association for Regional Cooperation is now matured, almost reaching 3 decades of its existence. Nepal is slated to host the upcoming 18th SAARC Summit which we hope would be held sometime during 2014 for which Nepal must pro-actively work towards realizing the objective of attaining the welfare of the people of the region.

In the light of above, the institute is organizing this seminar today, comprising of three sessions covering presentations on the first session by Dr. Netra
Timsina, coordinator on South Asia Alliance for Poverty Reduction (SAAPR) Developed and Developing Countries on “People’s Perspective on SAARC-Past, Present and Future: An Introspection”, second session by Mr. Narendra Kumar Basnyat, President of Confederation of Nepalese Industry on “SAARC’s Success and Failure: A Critical Look from Business Perspective” and the last session by Mr. Yagya Bahadur Hamal, Joint Secretary, Regional Organizations Division (SAARC, BIMSTEC, etc.) of the Ministry of Foreign Affairs of Nepal on “SAARC’s Challenges and Prospects”. The sessions will be chaired by Mr. Leela Mani Paudyal, Hon. Dr. Ram Sharan Mahat and Hon. Mr. K. P. Sharma Oli respectively. The commentators for these papers will be Mr. Yubraj Ghimire, a Senior Journalist of Nepal, Prof. Dr. Bishamber Pyakuryal, Former Professor of Economics of Tribhuvan University of Nepal and Prof. Dr. Shushil Raj Pandey of Tribhuvan University, Political Science Department.

I, on behalf of the institute, would like to extend thanks and gratitude to the Chairs, Speakers and Commentators for their consent to participate in the seminar. I thank His Excellency Mr. Ahmed Saleem for his kind consent to deliver opening address. I would like to express sincere thanks to all distinguished members of the diplomatic corps and participants for accepting our invitation and attending this morning’s gathering. The IFA expresses its high appreciation and gratitude to our Chief Guest Hon. Mr. Madhav Ghimire, Minister for Home and Foreign Affairs, for kindly accepting our invitation to inaugurate the seminar and deliver Keynote address.

Thank you.
3. Opening Address by

**His Excellency Mr. Ahmed Saleem**

Secretary General, SAARC Secretariat

Chief Guest, Hon. Madhav Prasad Ghimire, Minister for Home and Foreign Affairs,
Hon. K. P. Oli, Member of Parliament and former Deputy Prime Minister,
Hon. Dr. Ram Sharan Mahat, Member of Parliament and former Minister of Foreign Affairs,
H. E. Mr. Leela Mani Paudyal, Chief Secretary,
H. E. Mr. Shankar Das Bairagi, Officiating Foreign Secretary,
Distinguished Participants and Friends from Media,
Ladies and Gentlemen,

Good morning!

1. At the outset, I would like to express our sincere thanks to the Institute of Foreign Affairs of Nepal for collaborating with the SAARC Secretariat in organizing this Seminar on the theme, Bringing SAARC Closer to the People: A Nepalese Perspective. The theme chosen is very pertinent not only to Nepal, but to all the SAARC Member States, as SAARC is essentially an Association created “to promote the welfare of the peoples of South Asia and to improve their quality of life.”

2. I would like to thankfully acknowledge the august presence in our midst this morning of Hon. Madhav Prasad Ghimire, Minister of Home and Foreign Affairs of Nepal. I would also like to recognize the distinguished presence of Hon. K. P. Oli and Hon. Dr. Ram Sharan Mahat this morning. We are indeed pleased to have with us this morning H. E. Mr. Leela Mani Paudyal, Chief Secretary and H. E. Mr. Shankar Das Bairagi, Officiating Foreign Secretary of Nepal. The collective presence of the eminent luminaries this morning not only signifies the importance of this Seminar, but also demonstrates the
commitment that the Government of Nepal attaches to regional cooperation under the framework of SAARC.

Hon. Chief Guest & High Dignitaries,

Distinguished Participants, Ladies and Gentlemen,

3. South Asia is endowed with abundance of natural and human resources. Yet, the intra-regional trade is less than 5% of the region’s total exports. Acceleration of economic growth through regional cooperation has therefore been one of the primary pursuits of SAARC. A host of important mechanisms have been introduced for promoting cooperation in trade, economy, finance and related areas. Among several others, the South Asian Free Trade Area (SAFTA) Agreement signed on 6 January 2004 epitomizes the political will of our Leaders to advance towards the vision of South Asian Economic Union.

4. Trade under SAFTA has shown a steady growth each year, ever since the liberalization of trade was initiated in July 2006. According to the latest available data, trade under SAFTA has already crossed the US$ 3 billion mark. Here I must admit that this figure is cumulative and that the volume of trade is not only much lower than the actual potential of intra-SAARC trade, but also much lower than the intra-SAARC trade which is actually taking place under bilateral trade agreements. Efforts are underway to make trading under SAFTA more attractive and more lucrative than trading outside SAFTA or trading under bilateral trade regimes.

Distinguished Participants,

5. In order to open up new vistas for cooperation in trade and further deepen the process of regional economic integration, the SAARC Agreement on Trade in Services was signed at the Sixteenth SAARC Summit held in Thimphu in April 2010. The SAARC Commerce Ministers have been monitoring the progress in this regard and giving requisite directives for finalization of Schedules of Specific Commitments.

6. Harmonization of standards among the Member States is conducive to facilitate trade and commerce in our region. With this end in view, the Agreement on Multilateral Arrangement on Recognition of Conformity Assessment; and the Agreement on Implementation
of Regional Standards have been signed during the Seventeenth SAARC Summit held in the Maldives in November 2011. At the same Summit, the Heads of State or Government directed the SAFTA Ministerial Council to intensify efforts to fully and effectively implement SAFTA and the work on reduction in Sensitive Lists as well as early resolution of non-tariff barriers and expediting the process of harmonization of standards and customs procedures. They also mandated the SAARC Finance Ministers to chart out a proposal that would allow for greater flow of financial capital and intra-regional long-term investment. Several Expert Groups are currently working to realize these objectives.

Hon. Chief Guest & High Dignitaries,

Distinguished Participants, Ladies and Gentlemen,

7. The eminent gathering present this morning would readily agree with me that improved transport connectivity is a key prerequisite for the promotion of intra-regional trade and movement of people across the region. Following a series of inter-governmental meetings, SAARC is currently engaged with the preparatory work to launch the Indian Ocean Cargo and Passenger Ferry Service involving India, Maldives and Sri Lanka. In addition, Member States are vigorously pursuing the finalization of the Regional Railways Agreement and the Motor Vehicles Agreement. In the meanwhile, SAARC is also contemplating conducting a demonstration run of a container train among Bangladesh, India and Nepal. I am confident that these measures will greatly boost the movement of goods and people across the region.

Ladies and Gentleman,

8. In my brief presentation this morning, I chose to highlight the aspect of economic cooperation as it is one of the most important measures in achieving our ultimate objective of regional integration. Availing myself of this opportunity, I would also like to inform the gathering present on this occasion that for the first time in the history of our Association, the SAARC Secretariat was mandated to prepare a comprehensive Study on strengthening SAARC’s mechanisms, including the SAARC Secretariat, Regional Centres and Specialized Bodies. The Secretariat has completed the Study and is now under active consideration of the Member States. The Study will be
deliberated upon during the forthcoming Inter-Summit Session of the SAARC Council of Ministers and its preceding meetings of the Standing Committee and Programming Committee to be held in the Maldives in barely a month’s time from today.

9. Finally, as the incumbent Secretary-General, I truly believe that SAARC is the best thing to have happened in our region and that it does offer enormous potential for meaningful regional cooperation for the common benefit of our countries and peoples. Nepal, which is poised to assume the Chair of SAARC following the convening of the Eighteenth SAARC Summit, has an important role to play in making SAARC a more dynamic and robust organization, amply capable of delivering on the hopes of our peoples. As we open this Seminar today, let us all promise to bring SAARC closer to the people, more closer than ever before.

I thank you
4. Keynote Address by
the Chief Guest Hon. Mr. Madhav Prasad Ghimire Home and Foreign Affairs
Minister

Mr. Chairman,
Chief Secretary of the Government of Nepal,
His Excellency the Secretary-General of the SAARC,
Excellencies and members of the diplomatic community,
Former Ambassadors,
Distinguished participants,
Friends from Media,
Ladies and Gentlemen.

It gives me great pleasure to attend this inaugural session of the seminar on “Bringing SAARC Closer to the People: A Nepalese Perspective.” I would like to thank the Institute of Foreign Affairs and the SAARC Secretariat for jointly organizing this programme and providing me with an opportunity to share my views. I believe that the exchange of views and ideas in such a forum of prominent personalities could help contribute towards enhancing cooperation and collaboration among all of us to realize the cherished goals of SAARC.

Mr. Chairman,

Today, we are initiating a discussion on the theme of bringing the South Asian Association for Regional Cooperation (SAARC) closer to the peoples of the region at a time when the Association is close to complete three decades of its existence. Having created a number of institutions and mechanisms at the regional level, the Association has initiated various programmes and activities to promote regional cooperation in the areas ranging from trade promotion and economic cooperation to environmental protection. There has been many progresses in terms of setting norms and establishing linkages among the peoples in several areas of regional cooperation.
As enshrined in its Charter, the Association has been working towards fulfilling the objective of promoting the welfare of the peoples of South Asia. However, there is still a long way to go to fully realize the goals and objectives of the Association. It is, therefore, the opportune time for us to assess the role played by the organization in the past and suggest ways and means for its future course of actions. This programme, I am sure, would also be significant in the context of our preparations for the eighteenth summit of SAARC, which is going to be held in Nepal in the near future.

I am pleased to note that the South Asian region is sitting on enormous wealth of resources of one sort or the other. The richness of the region in terms of human and natural resources, historical and cultural heritage and natural diversity is incomparable. The region is homogenous in terms of similar culture, tradition, values and beliefs. Furthermore, in this era of interdependence and interconnectedness we find our interests intersecting in many areas that should help foster the sense of partnership to achieve larger regional objectives.

We must positively build on these enabling factors to achieve the substance, scale and speed (3S) of regional cooperation that is commensurate with our development needs and challenges in the region. I am of the view that there is every possibility of promoting a meaningful regional integration given the region's huge resources, socio-cultural richness and close and cooperative relationship among the countries. There is no reason why South Asia should not move faster? This region must fully realize its huge potentials and make determined efforts to catch up with the rest of the world.

It is true that the activities of our Association have been directed towards tapping the regional potentials. Various programmes and projects have been launched for common benefit. Trade liberalization, including elimination of para-tariff and non-tariff barriers, is in progress. Work is underway for concluding an agreement on investment promotion and protection in the region. The Association has given emphasis on enhancing regional connectivity. A number of activities have been carried out in the field of promotion of tourism and people-to-people contacts. However, pace is slow and progress is limited. Much remains to be done to change the socio-economic landscapes of the region.

Despite our regional efforts to make South Asia a region of peace, prosperity and happiness, this region still faces varying challenges such as poverty, hunger, underdevelopment, trafficking of women and children, energy crisis, environmental degradation and so on and so forth. In fact, these challenges are not unique to South Asian region alone; other regions also face them
but are more pronounced in our region. It is only through the concerted and collaborative efforts of all countries of South Asia that these challenges can best be addressed for the greater interest of the region. We need mobilize requisite political will and redouble our efforts in this regard.

Mr. Chairman,

International economy has witnessed tectonic shift with emergence of new growth poles in regions that were largely underdeveloped a few years ago. Consistent with this global trend, we must seriously think of making South Asia a vibrant region with emphasis laid on trade and investment. This will call for a number of enabling measures including elimination of intra-regional barriers, development of physical infrastructure to enhance regional connectivity and reduction of gap of energy shortage, among others. Some policy reforms may also be required to create South Asia as a whole an investment friendly region. While we aspire for deeper regional integration, opportunities for equitable sharing of benefits from such integration will have to be guaranteed with a view to providing a level-playing field to all members. This is because of different levels of resources endowment, productive capacity, industrialization and socio-economic development among SAARC member states.

Our efforts to fight against poverty require implementation of projects benefitting the common peoples through income generation and skill enhancement. Targeted, focused and dedicated economic and social measures are essential to lift people out of grinding poverty and hunger. Poverty eradication must remain at the core of all development policies, programmes and activities, as the broader goals of sustainable development cannot be achieved without eradicating poverty.

Prioritized actions are coveted for the proper utilization of the resources available in the region, which can boost economic activities, generate employment and income, support development works and contribute to enhance the welfare of the peoples of the region. Our focus should be to adopt such policy and programmes which could provide better education opportunities and health care services, widen job market and other opportunities, empower peoples, and strengthen national capacities in order to create a strong South Asian region. Effective ways and means are required to address the adverse and disproportionate impact of climate change, which has emerged as one of the largest development challenges of our time. We also need concerted measures to fight against terrorism, trafficking in women, children and drugs and other transnational crimes that pose serious threat to the peace and stability of the region.
It goes without saying that it is the peoples who are supreme. Building a strong bond among the peoples of the South Asian region and enhancing the quality of their life must, therefore, be a central theme of all SAARC deliberations. This programme has very pertinently covered this aspect. It is imperative that necessary efforts should be undertaken to facilitate extensive engagements at the people-to-people level in the days ahead.

To find a secure place in a rapidly globalizing world characterized by the proliferation of regional groupings of varied speed and scale, we should gear our efforts towards developing collective competitiveness in the region, especially in the areas of economy, trade and investment. It can be achieved through greater regional economic integration and collective capacity building endeavours. For this, matters relating to trade, transport and infrastructure should be addressed on an urgent basis. Special emphasis should be accorded to the needs and concerns of the least-developed and land-locked members of the Association. Likewise, through the expansion of intra- and inter-regional trade backed by smooth, timely and effective implementation of SAFTA, the Association can work towards realizing the goal of establishing the South Asian Economic Union in the future.

Economic growth and social progress should go hand in hand, as the one reinforces the other. Economic growth serves as the foundation of progress in other areas. It is essential to promote and sustain gains in social and human development. Likewise, social progress and human development help achieve faster economic growth on a sustainable basis. To promote social progress, our efforts should be made towards promoting and protecting human rights, increasing social harmony and removing disparity and imbalance among the countries of our region. We should also undertake necessary measures to prevent violence and discrimination against women, children and the disadvantaged peoples and promote sustainable growth and development.

Mr. Chairman,

Let me conclude my statement by saying that SAARC has been constantly working towards realizing the objectives as set out in its Charter. Though there are some challenges before the Association, I am confident that they can be addressed by the collective wisdom and efforts of the countries of the region.

Given the immense potentials of the region in many respects, there is room for optimism that in course of time the peoples of this region will find the meaning of the Association when it gets reflected in the tangible outcome that the regional framework creates for their welfare. I am convinced that
delivering concrete results to the peoples in the region is essential to ensuring their ownership of the SAARC process. Clearly, this entails moving from the phase of making promises to actions. For this, we need first to think seriously what is doable and what is not, and then chart a pragmatic course of action that is in the interest of, and supported by, all members. We have spent considerable time and energy in establishing elaborate institutions and work programmes. As a result, both institutions and activities have proliferated over the years. Now the time has come to consolidate the gains and make a visible and qualitative difference in the operation of SAARC. We must adopt a result-oriented outlook and a business-like approach in delivering outcomes that directly reach the poorer segments of our societies. Needless to say, accomplishment helps boost morale, promote accountability and finally legitimacy. The peoples of South Asia deserve fruits of regional cooperation without further delay. Therefore, implementation, rather than proliferation, should guide our mission and activities.

I have no hesitation to frankly admit that SAARC is lagging behind other regional groupings both in terms of visibility and progress. We need to work hard to catch up to grasp the emerging opportunities at the global level. SAARC offers a vital tissue, connecting peoples in the region. Widely disseminating SAARC ideals and spirit across South Asian region is equally important to constantly nurture the SAARC process through people’s positive response and commitment. It is in this area of public awakening and awareness creation I visualize the importance of civil society and media. Likewise, educational institutions in the region can inculcate young minds with a sense of togetherness under SAARC umbrella. In addition, greater mobility and exchange between South Asian peoples will help foster and nurture South Asian fraternity. Ideas matter in today’s competitive world and the use of ICT can expedite the process of acquiring and diffusing knowledge easily and smoothly. Anything that flows instantly from the most remote corner of the world can have an impact anywhere in this era of hyper-connectivity. Our region cannot be an exception to this.

As a founding and active member of the Association, Nepal stands ready to take all required undertakings within the regional framework. I hope that today’s seminar will be contributive to promoting the SAARC cause as per its noble objectives and principles.

I wish the seminar a great success.

Thank you.
5. Closing remarks by

Dr. Rishi Raj Adhikari

Executive Director, Institute of Foreign Affairs

A very good morning to all of you.

- Hon. Foreign and Home Minister and Chairperson of IFA, Mr. Madhav Prasad Ghimire
- Excellency ambassador of EU, China and Germany
- His Excellency Ahmed Saleem, Secretary General SAARC
- Today’s Paper presenters, Dr. Netra Timsina of SAAPR; Mr. Narendra Basnyat of CNI, Mr. Yagya Bahadur Hamal of MOFA.
- Today’s Chairpersons, Comrade KP Oli, Ram Sharan Mahat and Leela Mani Poudyal, all the dignitaries who do not need any introduction.
- Today’s Commentators, Mr. Yubraj Ghimire, Senior Journalist, Dr. Bishambher Pyakurryal, Eminent Economist and Professor Dr. Sushil Pandey from Academia.
- Officiating Secretary, Foreign Ministry, Mr. Shanker Das Bairagi
- Eminent personalities in the field of foreign relations, economy, business, diplomacy, academy.
- Friends from media
- Colleagues from Ministry of Foreign Affairs, other Ministries, All other invited guests and my co-workers from the Institute of Foreign Affairs
- I thank Hon. Minister and SAARC Secretary General for their eloquent and thought provoking ideas on the theme of the seminar and for setting the tone for the following sessions.
- I am thankful to all of you to have come to participate in this important seminar on our request in spite of your busy schedule.
- SAARC is 28 years young now. It has in recent years attracted wide international attention and generated much interest even among
countries that now hold Observer status.

- Nepal must lead pro-actively towards more effective South Asian Association for Regional Cooperation (SAARC) come 18th SAARC Summit and beyond that is supposed to be held in Nepal sometime soon in 2014.

- SAARC heralded the region as economically robust and prosperous, well connected and hoped to erase all kind of disparities and vowed to tackle all kinds of challenge that emerge in its processes. Although South Asia faces common problems like poverty, backwardness, natural calamities and slow pace of development, the region, at the same time, possesses enormous resources and potential for development. If its resources were tapped and utilized properly and effectively with joint efforts, South Asia could prosper fast. There seems to be urge amongst the stakeholders to be people-centered and emphasis on solving bilateral issues regionally. In recent years the urge for regional cooperation and interaction has manifested itself at different levels. Writers, poets, artists, scientists, social activists, human rights and women's rights activists of South Asian countries have initiated concrete moves towards establishing mutual contacts and developing cooperation among themselves. SAARC has provided a forum for South Asian leaders to meet and that in itself should be important if regional co-operation needs to be effective. Some Summit meetings have helped countries to defuse bilateral tensions, thereby contributing to regional peace. This is particularly true in the case of India and Pakistan. For the effect of a regional initiative to be felt by the common person, SAARC programmes need to move beyond Summit announcements.

- In spite of all the misgivings, and non-implementation of various agreements and conventions, SAARC provides greater regional visibility to smaller countries and provides them with the opportunity and responsibility to contribute to the region in a meaningful way. For them even a failed SAARC is more attractive as a platform than being restricted to bilateralism in an Big country-dominated region.

- However, we still need to generate hope as even after 28 years of existence our leaders continue to emphasize on “regional cooperation” instead of people-centred. This manifests lack of people centric approach as people in the real sense are still not at the core of SAARC process.
So far, SAARC has failed to touch the lives of the people in South Asia in general. SAARC has been one organisation that has been most state centric in its functioning and its progress has been held hostage by individual states. SAARC is “Regional” by name but “Bilateral” in practice.

It is appropriate to quote Indian prime minister that the countries of south Asia need to accept that the glass of regional cooperation is half empty and the institutions are not empowered sufficiently to be proactive.

It is noticed that people of the region do not exhibit euphoria over the summit or show signs of despair when summits are postponed/cancelled.

The people of South Asia are witnessing the militarization of state and society in the name of countering terrorism. The dominance of militarist thinking in the governments, the doctrine of preventive intervention and terrorism as a State policy has prevented the strengthening of the fraternity of the people, consolidation of the political constituency for peaceful resolution of conflict and building a common identity for South Asian people.

The region of SAARC countries has not been peaceful and its history is full of mutual conflicts, wars and problems. Wars have left behind destruction, devastation, poverty and unemployment.

Poverty is still rampant in the region as is trafficking of women and children and basic needs have not been fully acted on by SAARC.

The time has come to review whether our governments can come out of national security mind set and enter into human security arena by emphasizing more centered and oriented on people. Security should emphasize on security of the people not only security of the land.

The right to mobility with dignity is a human right. SAARC mechanism needs to be in place to facilitate and promote labour migration with dignity. Meanwhile, visa exemption – in a bid to promote people-to-people contact – is being applied selectively in certain countries and is limited to dignitaries and other high-ranking officials, as opposed to the common person.

Mobility used to be better in the past. Many of us have read or know about the story of Kabuliwala, how Abdur Rehman Khan, a middle-aged dry fruit seller from Kabul Afghanistan comes to Calcutta
to hawk his merchandise. Have we improved our inter-country movement and trade since then?

To conclude,

- To bring the people in the region closer, there should be more people to people contact and cooperation.
- It is important that SAARC leaders take steps to implement regional connectivity in order to drive growth, induce better synergy and give a boost to SAFTA. We should be optimistic and build formal as well as informal contacts through Track I, Track II and even Track 1.5 processes.
- Major Gen Benerjee of COSAT talks about SAARC Dream to build bridges that interconnects in one seamless manner and in all its dimensions all countries of SAARC and to the South in the Indian Ocean. This will be the new southern silk route of prosperity and peace where goods and people will flow freely across borders by promoting track II approaches and initiatives in South Asia.
- Unless the tendency to politicize economics does not end, this vision of the leaders of the region will be added only to the list of wishful thinking.
- The exports under SAFTA have been witnessing considerable upward trend since the launching of the Trade Liberalisation Programme (TLP). Value of exports by Member States under SAFTA has reached about US$ 3 billion since launching of SAFTA Trade Liberalisation Programme in July 2006. Still intra-SAARC trade flows under SAFTA are far below the potential. However, the trade outside the SARRC is in bigger scale as for example India and China are aiming to reach USD 100 Billion by the year 2015.
- For socio-economic improvements of the Nepalese Nepal must plan with other SAARC member and observer countries and beyond and gear up to act as a Bridge between China and India and the whole South Asia.

Thank You very much !
Introduction

South is the most populated area of Asia continent. According to the United Nations, more than 20 percent population of the 7 billion world population resides in South Asia and the total population in region grew by 1.52 percent annually during the past decade to reach to 1.6% billion in 2010 (Regional Poverty Profile, 2010). The region has been suffering hugely from structural poverty, economic deprivation, hunger, discriminations and violence.

World Bank Poverty Report (2010) has stated that 31 percent population of South Asia is suffering from poverty and hunger and among people living below poverty line worldwide, South Asian accounts more than a half. It is said that South Asia is the second most violent place on earth. India, Sri Lanka, Afghanistan, Pakistan and Nepal have experienced long- running conflicts resulting in human misery, destruction of infrastructure and social cohesion and death.

Having passed through moments of frustrations, the leaders of SAARC strived to enhance inter-society linkages to build a vibrant socio-political region leading to formation of SAARC on 8th December, 1985. With this, more prosperous and sustainable quality of livelihood was envisaged in the entire region, which would have been humane, egalitarian, secular, democratic, ecologically balanced, and socially just.

As SAARC, several commitments were made by different bodies such as Council of Ministers, Standing Committees and Technical Committees aiming to address the unequal socio-economic relationships including eradication of poverty, injustice, and conflicts and towards promotion of social harmony.
However, despite the commitments, formation of the regional association, SAARC has not been successful in addressing the regional agenda of creating regional economic union because the fundamentals for its establishment viz. socio-economic development of the region, quality of life, democratic governments, creation of opportunities, fostering economic growth of the regions etc. have not been addressed yet. Several other similar regional associations such as Association of Southeast Asian Nations (ASEAN), Commonwealth of Independent States (CIS) and South African Development Community (SADC) have set themselves as role model in developmental and economic issues promoting regional integrity and economic development but SAARC, even after the 28 years of its inception, has not been able to form its potency.

This paper, thus, is introspection SAARC and its activities from civil societies’ perspectives. The paper analyzes SAARC’s declarations and charter; its activities conducted so far; its areas of cooperation and finally highlights some of the desirable future courses of actions for it to be meaningful to the ordinary people aspiring for better future.

Analysis of SAARC Areas of Cooperation: From Positions to Actions

Even after two decades of its formation, SAARC is yet to make a significant mark in envisaging a comprehensive economic and social development in South Asia. Hence, this section analyzes the core issues of SAARC, namely people to people contact, cooperation in social development, economic development and emerging issue of climate change from Civil Societies perspective.

People's aspirations

SAARC charter has clearly mentioned that SAARC member states are aware of the common problems, interests and aspirations of the people of South Asia and need for joint action and enhanced cooperation within their respective political and economic systems and cultural traditions. However, escalating challenges of poverty, political instability, violence, gender inequality, and victimization of women and lack of good-governance (UNDP, 2013) have been the everyday phenomenon of South Asia and the member states and government have ignored the commitment they made during the establishment of SAARC. It means, they have grossly failed to walk the talks.

Inconsistent visa-regimes among member states and cumbersome procedures to obtain visas have led to difficulties for travel by common people and even business people, social activists and lobbyist thus leading to restriction in flow of information, investment, economic and development activities. Nevertheless, the politicians and elite groups have not suffered the mobility, but the suffers have been the common people.
Social Development

Social sector is an area that needs urgent effective attention due to not so good record on social issues. Low literacy rates, poverty, inequality, low health standards and high gender discrimination are some of the situations frequently highlighted for the characterization of the South Asian societies. SAARC has not succeeded to fulfill the promised goals for better South Asia by addressing the underlying causes that create and perpetuate the above conditions. Instead, the policies persuaded by the rulers of the region have had created conditions of exclusion, marginalization and denial of rights, justice and democratic freedom to the majority of the people in the region (People’s SAARC, 2007). Following Table 1 provides some of the insights on the key indicators of social development in South Asia and compares it with East Asia and the Pacific, which are the comparable geographic regions. The table below clearly illustrates that South Asia is lagging behind East Asia and Pacific in all key indicators of social development. South Asia’s HDI of 0.558 shows that the region falls under low human development compared to East Asia and Pacific and to worsen the situation, our life expectancy is only 66.2 years (UNDP 2013).

Table 1: Comparison of Social Development Indicators in 2013

<table>
<thead>
<tr>
<th>Indicators</th>
<th>South Asia</th>
<th>East Asia and Pacific</th>
</tr>
</thead>
<tbody>
<tr>
<td>Human Development Index</td>
<td>0.558</td>
<td>0.683</td>
</tr>
<tr>
<td>Life Expectancy</td>
<td>66.2</td>
<td>71</td>
</tr>
<tr>
<td>Expected Years of Schooling</td>
<td>10.2</td>
<td>-</td>
</tr>
<tr>
<td>Mean Years of Schooling</td>
<td>4.7</td>
<td>7.2</td>
</tr>
</tbody>
</table>

Source: UNDP Human Development Report 2013 and World Bank Indicators 2013

- Poverty and Hunger

South Asia has shown significant progress on many MDG/SDG indicators, especially in reducing poverty and achieving gender parity in education. Based on recent Household Income and Expenditure Survey (HIES-2010), following the Cost of Basic Needs (CBN) method, shows significant decline in poverty from 1991-92 to 2010 when national poverty headcount ratio declined from 56.6 in 1991-92 to 31.5 and extreme poverty rate from 41 to 17.6 percent (Regional Poverty Profile, 2010). To accelerate economic growth, social progress and poverty alleviation in the SAARC region, the SAARC Development Fund (SDF) Secretariat was formed in April 2010 during the 16th SAARC Summit in Thimphu.
Though South Asia’s economic growth in the last five years has been positive, the level of human development is not consistent with the economic growth, and poverty seems to be adamant. Two-third of the world’s poor with more than 800 million are still living on less than $1.25 a day and 1.7 billion are surviving on less than $2 a day in the region (OECD Yearbook, 2013). In terms of percentage, multi-dimensional poverty is estimated at 57.8, 53.7, 49.4 and 44.2 in Bangladesh, India, Pakistan and Nepal, respectively, which is sufficient to reveal the ineffectiveness of SAARC and its member states even after several decades of their false commitments (UNDP, 2013).

The leaders have been emphasizing on over reaching the objective of SAARC which is deepening regional efforts on poverty alleviation. Having agreed to various action plans for development and uplift of the downtrodden, the impacts on the ground are the worst non-existent. SAARC Charter stresses on the fact that regional cooperation among the countries of SOUTH ASIA is mutually beneficial, desirable and necessary for promoting the welfare and improving the quality of life of the peoples of the region which seems to be beyond reach at the moment (SAARC Secretariat- Social Charter, 2004).

In the last two decades, South Asia has witnessed high food consumption rates due, primarily, to rapid population growth, but the region still has the highest concentration of malnourished people in the world, with 304 million people during 2010-2012, which is around one third of the total number of undernourished people in the world. On similar accounts, more than 250 million children are undernourished in the region (The World Bank, 2013). Additionally, South Asian region has been facing a food crisis which is evident through the Global Hunger Index (GHI) as illustrated in Table 2.

Table 2: Global Hunger Ranking of South Asian Countries 2012

<table>
<thead>
<tr>
<th>Countries</th>
<th>GHI 12</th>
<th>Rank in GHI 12</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bangladesh</td>
<td>24</td>
<td>68</td>
</tr>
<tr>
<td>Bhutan</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>India</td>
<td>22.5</td>
<td>65</td>
</tr>
<tr>
<td>Maldives</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Nepal</td>
<td>20.3</td>
<td>60</td>
</tr>
<tr>
<td>Pakistan</td>
<td>19.7</td>
<td>57</td>
</tr>
<tr>
<td>Sri Lanka</td>
<td>14.4</td>
<td>37</td>
</tr>
</tbody>
</table>

Source: Global Hunger Index 2012, International Food Policy Research Institute
Despite food crisis and poverty, South Asia is showing some progress in its GHI. Compared with the 1990 score for South Asia, the 2013 Global Hunger Index (GHI) score was 34 percent lower. In 1990, GHI was 31.5 which declined to 20.7 in 2013. Progress in East and Southeast Asia was even more remarkable, with the GHI scores falling by 52 percent (The score was 15.9 in 1990 which lowered to 7.6 in 2013) (International Food Policy Research Institute, 2013).

- **Education**

Education is the key factor to develop and achieve good quality of life. In the past few years, South Asia has witnessed some improvement in the education sector. For example, the number of out of school children of primary age has declined from 43 to 26 million - 11.5 million in India; 3 million in Afghanistan; 2 million in Pakistan and 1 million in Bangladesh, respectively. There was a substantial enrollment rates at secondary level though the overall numbers are still low. At tertiary level, enrollment rates increased by 10 per cent. (these are general quantitative figures, what about quality and access by the bottom poor?) However, promoting gender disparity, Women account for majority of the adult population (ages 15 and up) in South Asia who cannot read and write, reflecting decades old bias against women and their education. More than half or 52 per cent of the world’s adult illiterates live in South Asia, the highest among the world’s sub-regions. There are 796 million adult illiterates worldwide and majority of them or 63.6% are women (UNICEF, 2012).

The single greatest factor keeping girls out of school is gender discrimination, compounded by the caste, class, religious and ethnic divisions that pervade the region. Moreover, sanitation facilities in schools are woefully inadequate, affecting girls far more than boys. Lack of appropriately private and sanitary facilities contributes to decisions on whether girls ever attend, and directly influences how long they will stay in school. One study in Bangladesh indicated that providing a separate toilet could increase the number of girls in school by 15 per cent. Additionally, according to the recently published World Bank Report of 2013, more than 30 million children are not getting an access to education in South Asia. In Nepal alone, literacy rate is only 60.3 per cent (2005-2010) and primary school dropout rate is 38.3 percent (2002-2012) (UNDP, 2013).

- **Human Rights, Equality and Social Justice**

Another area of concern in social sector is Human Rights, Equality and Social Justice. Regional Human Rights mechanisms have already been established in Europe and Africa and most recently in Arab States) such as European Convention on Human Rights etc. SAARC region should also give high level
of priority on this front. The situation of human rights in South Asia is very challenging, particularly among the marginalized and disadvantaged communities because of prevalence of the issues such as low education to women, Honor killings, child labour, trafficking in person, domestic violence against women, lack of employment opportunities, no protection to migrant workers and cross border issues.

SAARC countries are the parties to the international instruments of Human Rights and have already signed several conventions on trafficking in women and children for prostitution, promotion of child welfare, agreements on food security and other various social issues. However, the majority of SAARC member states have still to ratify the optional protocols to the International Covenant on Civil and Political Rights (ICCPR) and the Convention on the Elimination of All Forms of Discrimination against Women (CEDAW). Moreover, Bhutan has still to ratify the ICCPR, the International Covenant on Economic, Social and Cultural Rights (ICESCR), and the Convention against Torture (CAT). Even where treaties have been ratified, implementation has been restricted by the reservations of some countries that follow a narrow interpretation of treaties relating to civil and political rights, and by a limited political commitment to implement economic, social and cultural rights (Basnet, 2013). These areas are to be well taken care of and should be the limelight for SAARC’s future plan. If SAARC fails in addressing these issues, the future of the South Asia then will be bleak.

- **Food Security**

Food security is defined as a situation "where all people at all times, have physical, social and economic access to sufficient, safe and nutritious food to meet their dietary needs and food preference for active and healthy life" (FAO, 1996). Having said that, 842 million people around the world still suffer from undernourishment, out of which 98 per cent are from developing countries (FAO, 2013). Due to the rising food and commodity prices during 2007/08, consumers especially vulnerable poor suffered hugely from the volatility in food markets. As mentioned earlier South Asia has the highest concentration of malnourished people in the world, with 304 million people during 2010-2012, which is around one third of the total number of undernourished people in the world.

To combat the food crisis, SAARC formed the Food Bank in 2007 to act as a regional food security reserve for the SAARC Member Countries during normal time, food shortages and emergencies; and to provide regional support to national food security efforts; foster inter-country partnerships
and regional integration, and solve regional food shortages through collective action (SAARC Secretariat, 2007).

Analyzing the challenges of food security in South Asia following questions arise: Do all countries produce enough food in response to the rising demand resulting from population and income growth? Do the people of different economic and social groups possess adequate purchasing power to buy enough food according to their dietary needs and preferences, especially in the view of rising food price and its average food availability per capita improving? Do people of all social and economic groups have access to sufficient nutritious food? Do all the people of the region have access to safe drinking water, sanitation and health care and education for food absorption and utilization?

**Economic Sector and Trade Regime**

Although SAARC has established South Asian Free Trade Area (SAFTA) with the objective to promote and enhance mutual trade and economic cooperation by eliminating barriers to trade in and facilitating the cross-border movement of goods between the territories of Contracting States and promoting conditions of fair competition in free trade areas, its rational implementation is yet to take place. SAAPE Poverty Report 2013 states that often the artificial border in South Asian Countries is created by the ruling elite that divide people and prevent people to people contact in the region. In the 6th SAAARC Financial Secretaries meeting held in Colombo, Nepal addressed the removal of non-tariff barriers to increase the volume of trade in the South Asian region. The necessity to increase the flow of financial capital and intra-regional investment particularly in the infrastructure sector was laid great emphasis on. Other focused agendas on behalf of Nepal were early conclusion of the SAARC Agreement on Promotion and Protection of Investment and model SAARC Double Agreement. A common concern of all South Asian member countries also included the recent volatility in the currencies and importance of economic integration in the region (Kantipur, 2014).

However, despite all these agreements, South Asia still remains one of the poorest regions in the world. SAARC accounts for less than 2 per cent of the world’s total trade and the intra-region trade is less than 5 percent (World Bank, 2008). Compared with other trading blocs such as EU, and ASEAN which have 60 per cent and 20 per cent bilateral trade within the regions, respectively, intra SAARC trade is negligible.
Moreover, SAARC should remove the tariff and non tariff barriers in trade and promote small and medium entrepreneurs (SME) in the region rather than promoting multinational corporations and big corporate house.

Climate Change and Environmental Vulnerability

As the SAARC region represents one-fifth of humanity with more than 500 million people below the poverty line, a deep concern should be given to the adverse effects of climate change that threatens the livelihood, sustainable development and even the existence of the member states. Due to the rise in sea-level the low-lying areas, long coastlines, island regions and flood plains of South Asia are in serious threat. The Himalayan region is likely to face catastrophic consequences of glacier melt, including Glacial Lake Outbursts Floods (GLOF). Other climatic conditions such as desertification and extreme weather events are likely to appear often. Between 1971 and 2009, South Asia has experienced 1,017 natural disasters including earthquake, storms and flooding that meet the criteria of Emergency Events Database. The absolute number of disasters has increased steadily starting with 8 reported disasters in 1971 to more than 40 in 2009 – a fivefold increase. These events have cumulatively affected over 2 billion people and have caused over 800,000 deaths. Direct economic losses recorded over this time period amounted to over US$80 billion, a figure that does not account for substantial indirect losses (The World Bank and GFDRR, 2012).

South Asia, whose food security precariously rests on agrarian economics and rain water farming, faces increasing frequency and intensity of hydro-meteorological disasters and extreme climatic variations and related increase in incidences of human and animal diseases and pandemics. With regard to the ongoing negotiations for enhanced implementation of the UNFCCC and strengthening its Kyoto Protocol, the Member States of SAARC have been reiterating and emphasizing on the importance of the principles of equity, and common but differentiated responsibilities and respective capabilities in the global negotiations on climate change have been affecting in its effective implementation.

The emerging issues of climate change have been seen as seriously noted by the SAARC leaders in several summits and they have been reaffirming their commitment to address the challenge. In this context, the fourteenth SAARC Summit (New Delhi, 3-4 April, 2007) expressed “deep concern” over the global climate change. At the twenty- ninth session of the SAARC Council of Ministers (New Delhi, 7-8 December, 2007), the issue of climate change, particularly the
increasing vulnerability of the region due to environmental degradation and climate change were discussed. SAARC Action Plan on Climate Change was adopted during the SAARC Ministerial Meeting on Climate Change on July 3rd 2008 endorsed at Dhaka and later on the 15th SAARC Summit on the 3rd of August, 2008 at Colombo (Institute of Foreign Affairs, 2010).

They even adopted the Thimphu Statement on Climate Change and directed that the recommendations contained therein to be implemented at the earliest. It was noted that the UN Framework Convention on Climate Change should be conducted in an open, transparent and in an inclusive manner as it impacted every country and the SAARC member States as developing countries were shouldering the major portion of the burden in spite contributing the least to the problem. The deep concerns was also that the climatic change affected environmental degradation in the region, reintegrated the importance of sustainably managing environment and development through adoption of eco-friendly approaches and technologies and that South Asia should become a world leader in low-carbon technology and renewable energies (Institute of Foreign Affairs, 2010). But, the progress seems to be very slow.

Peoples' demands on Future Course of Actions to be taken by SAARC

Analyzing the prevailing contexts and conditions of SAARC in terms of afore-mentioned areas, leaders should take immediate necessary actions in following areas:

- Several other regional associations such as Association of Southeast Asian Nations (ASEAN), South African Development Community (SADC), Mercosur, European Free Trade Association (EFTA), Andean Community of Nations (CAN) and Caribbean Community (CARICOM) have heavily encouraged closer people-to-people contact by making travel easier through visa-free arrangements, educational exchanges, incorporating ASEAN studies in education curricula, among others. This has boomed tourism and travel industry thus uplifting both economic and social development of the member nations (UNDP, 2013). Learning from these associations, SAARC should give immediate priority to promote people-to-people contact not only on papers but in actions. For instance, bilateral relation between India and Nepal has been better compared to the other countries in the region such as India-Pakistan, Pakistan-Afghanistan etc. Still, India-Nepal has been facing issues like border security and encroachment. SAARC should adopt measures to address these issues in order to promote people-to-people contact.
SAARC should ensure food security, right to food and food sovereignty for all but with greater focus on nutrition.

At least 40 percent of the world’s economy and 80 per cent of the needs of the poor are derived from biological resources. As biodiversity boosts the ecosystem productivity the richer the diversity of life, the greater the opportunity for medical discoveries, economic development and adaptive responses to such new challenges as climate change. Hence, SAARC should institute good management mechanism of natural resources, ecosystem and biodiversity. However, sustainability of resources should also be ensured by increasing the production using fewer resources such as water, fertilizer, pesticides, etc. Moreover, diverting agricultural land for bio-fuels should be minimized.

Most importantly, SAARC should include Human Rights Policy in its Social Charter. The basic norms and values of Human Rights is the guiding force for any economic, social and political development among the South Asian countries. The new future of human rights body must be the common forum and milestone to bring the South Asian nation together as a single body irrespective of differences.

SAARC should create conducive environment to promote people to people contact to strengthen their solidarity in the region by easing the visa process as as visa free South Asia as in other regional organizations such as ASEAN.

SAARC should ensure migrant rights to mobility with dignity as human rights.

Of late the world is facing cut throat competition, global outsourcing and excessive flow between production and consumption. To cope with these, SAARC should move towards a customs union by gradually eliminating the tariffs and non- tariff barriers and discriminatory practices in the region. The SAARC should promote small producers, small and medium entrepreneurs in trade in order to promote equity and justice through trade. An emphasis should be given on importance of coordination in the production activities among the member countries so that greater complementariness in trade cooperation could be generated in due course of time. South Asia border-crossing are more cumbersome than that of many other region. Physical and non physical barriers need to be reduced, as smooth connectivity would be indispensable for such activities. Nepal strongly feels that we have a lot of stake in promoting
Bringing SAARC Closer to the People: A Nepalese Perspective

economic cooperation in a comprehensive manner but also in such a way that we all share the fruits of cooperation on equitable basis. The expansion of the capacity of the least developed countries among them should receive due priority.

- Climate change is a cross-cutting and persistent crisis, and should be one of the biggest concerns. The scale and gravity of the negative impacts of climate change affect all countries and undermine the ability of all countries, in particular, developing countries, to achieve sustainable development and the Millennium Development Goals, and threaten the viability and survival of nations. Therefore, combating climate change requires urgent and ambitious action, in accordance with the principles and provisions of the United Nations Framework Convention on Climate Change. In addition, SAARC leaders should ensure availability of finance to tackle climate change related problems.

- SAARC has been criticised by civil society organizations and social movements as The South Asian elites' meeting club. Therefore, SAARC need to make an effort in building its image in the eyes of South Asian people that it takes appropriate steps for the welfare of the poor, oppressed, marginalized and discriminated and excluded people.

- SAARC should give high priority on achieving gender equality and women empowerment because gender inequality causes poverty and it is a great barrier to tracking poverty.

- The SAARC nations should be developmental states and should ensure basic human rights and basic standard of living such as rights to education, health, employment, security. People's rights to natural resources such as land, river, sea, forests and minerals must be ensured in order to guarantee their rights to life. It means, SAARC should recognize the universality of opportunity and equality in rights and dignity of all people in the regions.

- Developmental and economic activities should be oriented towards uplifting economic status of women. Women should be empowered to make choices and take decisions and to use their rights, resources and opportunities. Important elements of women’s empowerment include access to and control over resources, meaningful political participation, the reduction of women’s unpaid care responsibilities, and the ability to have control over their own bodies such as living
free from violence and making decisions in relation to fertility. In fact, SAARC should promote zero tolerance policy on violence against women.

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Mr. Yubaraj Ghimire, Senior Journalist

Comments on the paper of Dr. Netra Prasad Timsina

Dr. Timsina has presented a comprehensive paper. I only touch aspect as regional body cooperation. Two things we consider are; we come in the prospect security, human security and national security. I am not advocating about it. When we want to remain in secular thing and how we can contribute each others’ development. When we talk about people’s perspective, Nepalese perspective, I think it’s a regional spirit and perspective.

It is not that member countries are the ones expected to derive same liberal advantage from that body. Second, how to over come together a challenge that comes in a way of our common prosperity. That’s why we have been debating SAARC as a concept and re entity even since it came into existence in 1985. How much we have achieved and at time when the question was raised about whether entity is in future? Whether just in intergovernmental body with some kind of diplomatic mindset with at times bilateral conflict and issues putting our prosperity far behind the day to day achievable. These are the issues as if some how Dr. Timsina has many perspectives how we can move. But, we have cooperated within the issue of Asia. What is the challenging; we are facing and able to integrate into Asia?

Today we are also discussing about how to complement that spirit, what are the challenges we are facing to? Is an inter government body bureaucratic or ruled by representative here? We want largest participation of the people, how to promote that culture including SAARC spirit. Media sector, we have SAARC summit takers once in a year. He also talks about bilateral trade, food security, integrated ecosystem, destruction of energy, how we face the challenge?

We expect the regional bodies’ face to food security that is major challenge and SAARC needs to be more serious on this issue. In late 50s, agriculture and lots of productivity on individual can’t change the picture. We have problem of terrorism, water, drinking water problem within India. Bilateral conflicts relations are treated with dignity with some kind of standards world have come to recognize visa that is something missing here- free sticker.
8. Remarks by Chairperson Mr. Shankar Das Bairagi, Officiating Foreign Secretary of MOFA

Dr. Netra Prasad Timalsina, Regional Coordinator of South Asia Alliance for Poverty Eradication (SAAPE) presented a paper on the topic ‘People’s Perspective on SAARC: An Introspection’. The session chair, Mr. Shankar Das Bairagi, Officiating Foreign Secretary of Nepal as chair of the session said that SAARC pursued almost all the issues of development and that it needed to focus more on the implementation of decisions taken. He further told that SAARC is making good progress, but it needs to be strengthened institutionally. Briefly recapitulating the progress made by SAARC over the years, he emphasized on the need to expand trade and investment and reduce poverty in the region.
9. Paper presentation on
“SAARC’s Success and Failure: A Critical Look from Business Perspective”

by Mr. Narendra Kumar Basnyat
President
Confederation of Nepalese Industries.(CNI)

Chairperson of this session, Hon’ble Dr. Ram Sharan Mahat, Former Minister, Professor Dr. Bishwambher Pyakurryal and Distinguished Participants,

I am pleased to be here among you to share some ideas in this seminar organized by the Institute of Foreign Affairs and South Asian Association of Regional Cooperation (SAARC) Secretariat. The topic given by the organizer of this session is “SAARC Success and Failure: A Critical Look from Business Perspective”. However, I would like to call it as “SAARC Challenges and Opportunities” rather than “Success and Failure”. It will be my general observation and would try to cover from the business perspectives mainly on the following issues:

a) Regional integration

b) Trade and Investment from SAFTA Perspective

c) Challenges and Opportunities

The end of the cold war towards the end of last century brought an urgency, not only the wave of democratic movements and respect for human rights in several parts of the world but also a paradigm shift in this region’s economic relations in terms of liberalization and globalization. In an increasingly interdependent world, it has not been possible for any country or region to remain in isolation and indifferent from the impact of globalization.

In this age of global integration political interests are being shadowed by the economic interest of nations and remained a mainstay in shaping the inter-state-relations. The proliferation of various regional blocs during the past...
thirty years helped to expand the flow of trade and investments among the partnering countries at a faster pace than any time in our economic history. European Union, ASEAN, NAFTA and SADC are some economic groups that are at an advanced stage of economic integration.

The South Asian Association for Regional Cooperation (SAARC), established over 28 years ago also manifests the will and commitment of South Asian leaders to bring the neighboring countries together in the path of common prosperity and economic well being of their people through the means of shared responsibilities. The primary objectives of formation of SAARC are acceleration of the process of economic and social development throughout the region by working together with a spirit of friendship, trust and understanding. The SAARC Charter can be taken as successive efforts of South Asia in the annals of regional economic integration elsewhere throughout the world. As a late comer, South Asian nations could learn from the success and failure of other economic blocs and need not reinvent the wheel. There are also reasons for optimism since the SAARC leaders express their commitment of advancing the regional process at the highest level of the government to promote economic linkages across the region.

As a region, South Asia houses 1.6 billion of the world population, thus presenting a large work force and tremendous business opportunities. In addition, South Asian nations are endowed with abundant natural resources which if properly used can lead to South Asia becoming a hub of business activities. However, the intra-regional trade figures for South Asia is dismally low and Doing Business indicators of the World Bank has rated the countries at a low rank that require immediate attention for correction and recovery of the economic environment of the partnering countries.

a. Regional Integration

Despite the growth in international trade in past decade, the South Asian region has failed to increase intra-regional trade and thus remained the least integrated region of the world. Regional integration is one of the objectives of SAARC but study shows that there is a marginal increase in Intra-SAARC trade from the period of formation of SAARC till today. The overall trade share of the region in the World Trade is nearly 1.5 percent while the volume of intra-regional trade is hovering around 5 percent since last two decades. The region is also least integrated in terms of investment (FDI) inflow (2.4%), movement of people and sharing of ideas and experiences.

The low level of intra-regional trade has resulted from several factors. A limited export basket, relatively inefficient and uncompetitive production
structures, high barriers to investment, large scale informal-illegal border trade, continuing Indo-Pak tensions, poor cross-border infrastructures and slow progress in SAFTA implementation are the main reasons behind low performance of the regional trade.

Expansion of intra-regional trade will integrate South Asia faster with the global economy and at the same time will increase resistance to external shocks. A successful regional integration not only increases intra-industry trade but also help to overcome challenges like achieving harmonious political relations, better social and cultural mix within the region. The least and land-locked countries could be linked with the road and rail infrastructures thereby enhancing their access and connectivity with the neighboring country markets. Such initiatives will help in building a vibrant and dynamic South Asian economic community. The SAARC process should be geared up to these efforts. Currently, the region needs policy reforms that will address the concerns relating to high cost of doing business, weak infrastructures and institutions and weak knowledge economy. Besides bad governance, corruption and poor energy and ICT infrastructures are taking a toll on the path of economic progress and prosperity.

Another important spotlight of SAARC is India being the centerpiece of SAARC. The strategic location of this country, robust growth and size of its economy with a common border with most of the South Asian countries has put India in the nucleus of South Asia. No meaningful economic integration could take place without the firm and unqualified commitment of India to make South Asia a vibrant free trade regime of the globe.

**b. Trade, Transit and Investment from SAFTA Perspective**

SAARC countries embarked on free trade agreement (FTA) after a brief but unsuccessful attempt to integrate trade and economy through the process of SAPTA which was in implementation for more than 10 years since 1995. The South Asian Free Trade Agreement (SAFTA) which aims to achieve a better level of integration was signed in 2004 and came into force in July 2006. Although there are great hopes from SAFTA to revive economic cooperation in the region, the political differences and the existence of several non-tariff barriers in the region including the presence of a large number of items in the sensitive list may hinder its objectives of achieving a seamless trade in the region. Besides, the issues of transport and connectivity, customs harmonization, cross-border movement of vehicles are some crucial issues that need immediate attention and redresses. We know that these issues are being discussed under the SAARC forums but there is little progress on allaying
these barriers to intra-SAARC trade. Besides, SAARC member countries are still negotiating bilateral trade agreements that may still push the regional process on the backyard.

Trade facilitation in South Asia has become increasingly important, as integration process could start with greater intra-regional trade activities. Better trade facilitation means ease in border clearance and easing transport bottlenecks. South Asia has remained laggard in respect to the trade efficiency and trade related transport systems. Long dwell time in the port and border customs with the outdated road and rail infrastructures in transport and the use of outdated fleet of vehicles illustrates the continued weakness related to transit and movement of trade. In the SAARC region, most of the corridors and border crossings are characterized by significant delays and higher costs. At any border crossings, coordination between the the border authorities is crucial. Meanwhile delays can be caused due to lack of communication between border agencies combined with complex procedures and documentation that operate in manual fashion. Both gateway and behind-the-border transport and communication services need to be compatible between nations and technical certifications need to be also simplified and harmonized.

A competitive investment climate is important for a region's growth performance and prosperity. Better trade linkages also depend on a country's/region's business climate. Strong investment climate crowds in larger volume of investment in different sectors and therefore can lead sustainable and inclusive growth throughout the region. Therefore, to sustain the recent strong growth performance over the longer term, South Asian countries should strive for improving investment/business climate and increasing competitiveness of the economies. A better investment climate means better infrastructure and logistic services, strong financial, legal and institutional framework, efficient labor market and better governance.

But, unfortunately the SAARC region is characterized by weak investment climate caused by factors like low access to infrastructure and power, limited access to finance, high level of bureaucracy and red tape (with associated problems of weak governance and corruption) and labor market inflexibility.

While SAFTA could be a useful medium for increased trade and investment, it also faces many challenges. The exports under SAFTA have been witnessing considerable upward trend since the launching of Trade Liberalization Program (TLP). As of 20th September 2013, the total F.O.B. value of export by member states under SAFTA has reached about US $ 3 billion since launching
of SAFTA Trade Liberalization Program (July 2006). Still intra-SAARC trade flows under SAFTA are far below the potential. For smooth functioning of the SAFTA customs, notifications for implementing Trade Liberalization Program are issued as per the agreed timeline by the member states while reduction in the size of sensitive lists is important to increase the growth of regional trade. Efforts are being made to take out those products out of the list that are of export interest to the SAARC member states for Trade within South Asia.

The critical factor in determining whether SAFTA would raise or lower the real incomes of the common people depends on whether it will be predominantly trade creating or trade diverting. When countries are allowed to choose sectors that can be excluded from tariff liberalization, normally domestic lobbies look for the ways and means to protect the industries from the competition. As a result, the trade integration process gets a setback jumbled in the mess of sensitive lists and the non-tariff barriers.

c. Challenges and Opportunities

SAARC region has potential to be a strong economic force, but high level protection in the trade front and investment climate inhibit its growth prospects. As tariff levels in South Asia are being rationalized and getting lower over the years, the prevalence of non-tariff barriers is excessively high. However, restricted private sector engagement in infrastructure, weak governance, inefficient financial sector, and poor trade logistics is hurting the export competitiveness in most of the South Asian countries.

The presence of large number of items in the sensitive list (up to 20 percent of the total tariff lines) basically defeats the very objectives of free trade. The member countries are required to act upon aggressively towards reducing the number so that the trade restrictive practices would not be maintained in the pretext of sensitivity of tradable goods.

Political conflicts among the member states are also taking their own tool in the functioning and meeting of the SAARC objectives. The small economies fear that the economic dominance of their neighboring countries will take way the infant industries at their counties. Thus, there is need of creating a sense of confidence among the small and vulnerable economies that their interests are well protected in the regional process. SAARC Chamber of Commerce and Industry (SCCI) have been involved in building awareness about the regional integration and has also identified issues of regional trade and other barriers that affect the businesses and investment climate in the region but the recommendations of SCCI are hardly implemented.
The performance of the services sector is vital for development in South Asia since it accounts for over 50 percent of GDP in all South Asian Countries. However, volume of trade in services in comparison to GDP is well below. The early implementation of South Asian Agreement on Trade in Services (SATIS) is a must to ensure the increased trade in the service sector.

Some other important issues in context of South Asian regional economic integration relates to the development of transport and border infrastructures, addressing the non-tariff barriers like the SPS and TBT measures, simplification of the customs and transport related documents and procedures customs harmonization, application of Information and Communication Technology (ICT) and introduction of regional Single Window in order to improve the trade efficiency. There should be effective mechanism to promote collaboration among traders and private sector services providers within the ambit of SAARC Chamber of Commerce and Industries.

One of the major concerns for South Asia in present economic situation is the sustainability of its economic growth. SAFTA serves as an instrument for ensuring its sustainability by expansion of the markets and making the industries and other sectors more competitive globally. The ultimate aim of the SAFTA is to create a ‘South Asian Economic Union’ but it looks that we are no where near in meeting the objectives for which SAFTA was formed.

South Asia houses large number of river and river system that has the potential to change the life and living of the common people through their use in irrigation, hydropower, inland navigation etc. However, this potential has remained mostly untapped. , SAARC process can encourage joint water management solutions; for instance, joint hydro-electric projects and energy sharing among countries. Another collaborative initiative could be joint watershed management. Watershed management includes managing the supply, quality and drainage of water. It also comprises storm water runoff, water rights and the overall planning and utilization of watersheds. Currently, there is a very insignificant exchange of information among the various SAARC countries, especially on river flows and flood data. Institutionalization would provide for a forum to access such information more easily.

Conclusion of a regional transport agreement is a much awaited arrangement from the private sector perspective. The basic idea is that there should be no hitches in cross border flow of transport vehicles that in turn will bring immense benefit and ease the cross border flow of goods, services and investment. This potentiality should be harnessed by the South Asian countries in the spirit of promoting mutual benefits and prosperity.
Conclusion:

The SAARC process of economic integration is moving forward since the implementation of SAFTA back in 2006. The reduction in the sensitive list, albeit in a gradual manner, conclusion of SATIS agreement, establishment of SARSO, working groups customs, standard harmonization are some of the good initiatives taken in course of SAFTA implementation. But, the irony is that intra-SAARC trade has not increased despite all these efforts. The problem relates to the slow progress on various activities that reflect the disharmony between commitment and action of the government of member countries. Political economy is the main driving force behind the effectiveness and efficiency of regional economic block. Thus, an economic relationship built on confidence and mutual trust sets a perfect stage to SAARC to move forward and closer to the people.

Last, but not the least, I would like to thank the organizers for this opportunity given to share some of my ideas with the imminent persons and scholars present here.

Thank you.

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10. Bishwombher Pyakuryal Comments on Mr. Narendra Kumar Basnyat paper

What we have thought and what we have been working in area of regional integration are opposing. So, before we comment on regional integration, let me try to communicate to you my own perception on regional integration. In economic term in benefit and cost analysis on the economic advancement outset, regional integration by definition should be a sort of regional agreement to enhance regional cooperation through regional institution and regional policies.

So, if we agree on this, there are couples of things that we may be interested to place. There has been a massive advancement in the region with regards to increase openness again when I say, if it has been openness economic activities between domestic communities and international communities. This has been liberalized for quite sometimes and the bilateral and regional trade & investment in the region have been expediting.

One is, there has been a greater zero degree of openness. There has been increasing chain in expand of bilateral and regional trade and investment agreement. There are couple of integration developed. Integrated globally is not a global rankings on competiveness. This information is received from 2012 by economic forum – this is in the report. There are three top countries in the world which have really achieved a lot in global ranking; Switzerland, Singapore and Finland. Nepal is the least in South Asian (integrated nation). Nepal stands at 125 out of 124 countries means Nepal is just above of 18 countries. Nepal’s labor productivity is one of the measure of economic growth. We are at the lowest stage.
Mr. Narendra Kumar Basnet, President, Confederation of Nepalese Industries (CNI) presented a paper titled, ‘SAARC Success and Failure: A Critical Look from Business Prospective’. In his presentation. The session chair, Dr. Ram Sharan Mahat, Former Foreign and Finance Minister of Nepal said, “Non-implementation of the agreements reached among the SAARC countries in socio-economic development and free trade was a worrying factor. Even the commitments made by the Heads of State or Government of the SAARC countries and by their governments were ignored.” He further said that it was a trust deficit of the member states and there is a need to add the competitive capacity of production in the SAARC countries. While talking about the economy, Dr. Mahat disclosed the fact that the region itself is poor, though rich in resources. Conflict between the member states, critical security situation, lack of mutual trust among the member states are some of the major problems in the region as stated by Dr. Mahat, “Nevertheless, it might be an exemplary region in the world only if it meets the objectives of SAARC through mutual cooperation.'
Introduction

The South Asian Association for Regional Cooperation (SAARC) was established on December 8, 1985 by seven countries of South Asia, namely Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan, and Sri Lanka. Afghanistan joined the regional grouping later, making it an association of eight countries of the region. The idea of forming a regional association for South Asia got concretized in response to the birth of such association blocks in other parts of the world, beginning from Europe with the establishment of the European Economic Community in 1957, as an alternative to the multilateral arrangement under the General Agreement on Trade and Tariffs (GATT), which was moving at a slow pace. Before SAARC came into being, a similar regional grouping had already been established in 1967 in the neighbouring South East Asian region by the name of the Association of South East Asian Nations (ASEAN). The idea of establishing regional cooperation in this part of the world was reinforced by the acknowledgement of the concept of regional trade arrangements during the 6th Session of UN General Assembly in 1974.

SAARC came into being with internal and external objectives for promoting cooperation among its member countries and other developing countries outside the region. The internal objectives of the association include promoting the welfare of the peoples of the region, accelerating economic, social and cultural development, strengthening collective self-reliance, enhancing mutual trust and cooperation, and promoting collaboration and cooperation.
in economic, social, cultural, technical and scientific fields. Externally, the grouping wishes to strengthen cooperation with other developing countries, consolidate cooperation among themselves in international forums on matters of common interest, and promote cooperation with similar international and regional organizations.

SAARC members house a huge number of peoples of about 1.5 billion (about 21 percent of the world population), making it also the largest market of the world. The region's economic growth rate at present is about 7 percent in average with a collective GDP of over US$ 2 trillion. “However, their share in world output is a mere 1.3 percent and their share in world merchandise trade is about 1 percent only. About half of the world’s poor inhabit this part of the world” (Kher, 2012). The history of the region shows that it enjoyed a dominant position in the world at one period of time. "The South Asian region was a world centre of economic growth and political and military power in the seventeenth century with 25 percent of the global GNP in 1700 which has come down to less than two percent today" (Soz, 2010).

The regional organization has come of age, as it is completing the life of about three decades. During this period, the association has registered progress in many areas of regional cooperation. At the same time, it has faced a number of problems and challenges in course of its journey. But, given the huge prospects of the growth of regional cooperation, the future of the countries of South Asia is promising, if the potentials of the region is tapped to their full capacity.

Achievements of SAARC

SAARC has made reasonable progress in several areas. It has established important institutions required for its functions. Besides the Secretariat, eleven SAARC Regional Centres have been established for looking after diverse areas of common interest ranging from energy to control of HIV/AIDS to disaster management. The regional organization has also established four specialized bodies, namely South Asian University (SAU), SAARC Development Fund (SDF), SAARC Standards Organization, and SAARC Arbitration Council (SAC).

SAARC has developed necessary legal framework for its operation, covering a wide range of areas of cooperation. Other than its Charter, a number of agreements have been signed by the Member States on trade, social development, financial matters, food security, etc. The regional body has adopted important conventions on subjects, such as suppression of terrorism,
combating trafficking of human beings, child welfare, control of drugs, assistance in criminal matters, etc.

Sixteen areas of cooperation have been identified, covering almost all gamut of intra-regional cooperation. The areas of cooperation are agriculture and rural development; biotechnology; culture; economic and trade matters; education; energy; environment; finance; funding mechanism; information, communication and media; people-to-people contacts; poverty alleviation; science and technology; security aspects; social development; and tourism.

Poverty alleviation has remained a focused area in SAARC. Requisite policies, programmes and projects have been adopted for this sector. Constitution of an Independent South Asian Commission on Poverty Alleviation (ISACPA) way back in 1991, adoption of SAARC Plan of Action on Poverty Alleviation, declaration of the decade of 2006-2015 as SAARC Decade on Poverty Alleviation are important initiatives taken in this regard. Three proposals are under consideration: SAARC handicraft development and promotion centres, highland food and nutritional security, and urban poverty. A few regional projects on poverty alleviation are under implementation through funding from SAARC Development Fund (SDF) to provide tangible benefits to the peoples in the areas of: (1) Women Empowerment, (2) Strengthening Maternal and Child Health, (3) Scaling up Zero-Energy Cold Storage Technology, (4) Empowering Rural Communities, (5) South Asia Initiative to End Violence Against Children, (6) Post Harvest Management, (7) Regional Masters Programme in Rehabilitation Science, (8) Toll Free Helpline for Women and Children, and (9) Strengthening of Water, Sanitation and Hygiene. "The South Asia has shown significant progress on many Millennium Development Goals (MDGs) and SAARC Development Goals (SDGs), especially in reducing poverty and achieving gender parity in education. In fact, certain member countries have met some important targets ahead of the deadline...Extreme poverty is falling in every country in South Asia. The share of those living on less than US$ 1.25 a day fell from 51 percent in 1990 to 34 percent in 2008 (Regional Poverty Profile, 2009-10).

In the economic field, the aim is to create the South Asian Economic Union (SAEU). A study has been done on regional economic integration in SAARC. The theme of the first meeting of the South Asia Forum held in New Delhi in 2011 was "Integration in South Asia: Moving towards a South Asian Economic Union." The 17th SAARC summit held in the Maldives in 2011 had directed “the SAARC Finance Ministers to chart out a proposal that would allow for greater flow of financial capital and intra-regional long term investment”
Bringing SAARC Closer to the People: A Nepalese Perspective

Addu Declaration, 2011). SAARC Agreement on Promotion and Protection of Investment is under consideration of the Member States.

In order for regional trade promotion, the Member States of SAARC have continued trade liberalization process. Initially, they went for preferential tariff liberalization by signing SAARC Agreement on Preferential Trading Arrangement (SAPTA) in 1993, opening up a few products for free trade in the region. Later, SAARC Agreement on Free Trade Area (SAFTA) was signed in 2004, which came into force in 2006, which aims at reducing customs tariffs to 0-5 percent by the end of 2016 except on those items of products that are placed in the Sensitive List of each Member State. Sensitive List of each country has been reduced under phase II of SAFTA the phase III of which has already begun. As it seems unlikely to meet the target of reducing the customs tariff to 0-5 percent by the original deadline 2016, there is a possibility that the target would be met by 2020, allowing only about 100 items in the Sensitive Lists of the Member States. Similarly, SAARC Agreement on Trade in Services (SATIS) has been adopted with a view to liberalizing the service trade, which is more than half the total trade of the region. Under SATIS, each country is to exchange the Schedules of Specific Commitments for service sectors that it wishes to open for free trade in the region, which is under process at present. Trade facilitation measures have been applied, including harmonization of customs procedures, harmonization of standards, and elimination of non-tariff and para-tariff barriers to trade. Due to trade liberalization drive, the total exports under SAFTA since its entry into force in July 2006 has reached US$ three billion.

A SAARC Social Charter has been adopted for the social development in the region. Works relating to the development of health sector include launching of SAARC Regional Strategy for Prevention and Control of Communicable Diseases, direct service to the peoples of the region by SAARC TB and HIV/AIDS Centre, process of upgrading TB Reference Laboratory at the Centre to a SAARC Supra-National Reference Laboratory, selection of regional luminaries, such as Ms Shabana Azmy, Ms Runa Laila, Ajay Devgan, and Ms Sharmee Obaid-Chinoy as SAARC Goodwill Ambassadors for HIV/AIDS, implementation of SAARC Convention on Preventing and Combating Trafficking in Women and Children for, and carrying out a project on toll free helpline for women and children in Bangladesh, Bhutan and Sri Lanka in the first phase. Introduction of SAARC Chairs, Fellowships and Scholarships Scheme, SAARC Youth Volunteers Programme and SAARC Youth Awards Scheme is another important step. South Asian University, which came into operation since 2009, providing academic courses in the graduate, post-graduate and doctoral levels, is an important institution in the area of education.
Agriculture is another important area in SAARC for the development of which the regional body has carried out many activities, such as the programmes launched by SAARC Agriculture Centre, Dhaka, development of SAARC Agriculture Vision 2020, SAARC Declaration of Food Security, and regional Food Security Strategies and Programmes. A project on controlling trans-boundary animal diseases is under operation. Another project on highly pathogenic and emerging diseases is being implemented through the assistance of Food and Agriculture Organization (FAO). SAARC Food Bank Agreement and SAARC Seed Bank Agreement have been signed.

Tourism sector has always received attention in SAARC mechanism, given the huge potential of the development of this sector. The meetings of Tourism Ministers and the Technical Committee and Working Group on Tourism have endorsed many activities for the region’s tourism development. SAARC Action Plan on Tourism has been adopted. Tourism has been acknowledged as a means to facilitate people-to-people contacts.

Environmental protection and preservation is another area of importance in the region, especially in view of the adverse impacts the countries of this region have been receiving owing to global warming and climate change. Keeping that in mind, the association has adopted SAARC Convention on Cooperation on Environment, SAARC Agreement on Rapid Response to Natural Disasters, Comprehensive Framework for Action on Disaster Management, Thimpu Statement on Climate Change, and SAARC Plan of Action on Environment.

Due consideration has been given by the regional association for preventing terrorism and drugs and human trafficking in the region. SAARC Regional Convention on Suppression of Terrorism and its Additional Protocol, SAARC Convention on Mutual Assistance in Criminal Matters and SAARC Convention on Preventing and Combating Trafficking in Women and Children for Prostitution have been brought into force.

Various activities have been carried out on continuous basis for the promotion of culture, art, literature, sports, etc. in the Member States on rotational basis. Cultural activities have been launched on the basis of SAARC Agenda for Culture. Organization of cultural festivals, depicting the unique cultural aspects of each country of the region, has become regular phenomena in the region. Regional art competitions are being held in member countries. The regional grouping has been selecting and publishing, through SAARC Culture Centre, the anthology of the best short stories and poems of South Asia. A number of events in the field of sports have been held in the region under SAARC mechanisms, involving the youths of the region and strengthening their bonds.
With the establishment of SAARC, a feeling of belonging to one region with closeness of approach and attitude has grown in the peoples of South Asia. Various activities for the promotion of people-to-people relations, including the visits of the youths to each other’s country and launching of SAARC Audio-Visual Exchange (SAVE) programmes, have become regular events. SAARC Visa Exemption Scheme has been in place since 1992 in order to facilitate the visits of officials, business persons, sports persons, etc. Closeness and affinity among the peoples has started becoming ostensible, especially when they meet each other outside the region.

The 13th summit held in Dhaka in 2006 adopted SAARC Development Goals (SDGs) with 22 goals and 67 indicators. The first cycle of SDGs (2007-2012) has been extended till 2015 in view of the completion of MDGs. The Member States of SAARC are in a process of sharing country progress reports on this field.

With a view to harmonizing the region’s standards, the SAARC countries have signed an agreement on the establishment of South Asian Regional Standards Organization (SARSO) which has already become operational. Various technical committees under it have begun work relating to harmonization of standards of identified products of the region.

In view of the absence of required connectivity between and among the countries of the region, connectivity has remained one of the focused areas under the regional cooperation process. SAARC Regional Multi-model Transport Study has been concluded. The 17th summit held in Male in 2001 had the theme of "Building Bridges", emphasizing the need of greater intra-regional connectivity by all means. The decade 2010-2020 has been declared as the "decade of Intra-regional Connectivity in SAARC." With greater concern for regional connectivity, Regional Railways Agreement and Motor Vehicles Agreement are under discussion.

SAARC Member States have been forward in establishing and strengthening relationships with other developing countries and international and regional groupings of similar nature, including in bilateral, regional and international fora. Increasing interest of other countries and institutions in developing engagement with SAARC is a testimony to its standing. SAARC countries have developed understanding and common positions as a block representing the South Asian region in other regional and international fora on many issues of common concern, such as climate change, international terrorism, trafficking of human beings, etc. SAARC Secretariat has concluded Memorandum of Understanding (MoU) with international and regional organizations, such as
UNCTAD, UNICEF, UNDP, ESCAP, ITU, etc. and the association has established links with the region's NGOs like SAARC Apex Bodies and SAARC Recognized Bodies.

SAARC has strengthened its engagement with Observers. Currently, there are nine Observers of SAARC: Australia, China, the European Union, Japan, Iran, Mauritius, Myanmar, South Korea and the US. Out of them, Australia, China, Japan, and Republic of Korea have been actively engaged with SAARC through their cooperation. Japan started its cooperation with SAARC by the establishment of SAARC-Japan Special Fund, 1993 under which youth exchange programme is organized with the grant assistance of Japanese Yen 62 million. Korea has provided training opportunities to SAARC member countries. China has provided a financial assistance of US$ 600,000 to the SDF.

**Challenges to SAARC**

It is a fact that in spite of its many achievements to its credit, SAARC has been facing numerous problems and challenges ranging from confidence building to acceleration of economic growth and development. However, it is not unusual, as other regions may also have them at one stage or the other. The regional groupings are, in fact, created to address the challenges faced by their member countries in a collective, coordinated and cooperative ways and to chart out a new course for their development.

Regional associations are formed for consolidating regional integration through cooperation among the members. There are six stages of regional integration, namely preferential trade arrangement, free trade area, customs union, common market, economic union, and political union. SAARC is now in the second phase of regional economic integration process. "Large sets of outstanding issues, low levels of intra-SAARC trade and joint economic ventures, inadequate information and infrastructure facilities, independent and largely uncoordinated economic policies pursued by each country of the region are all indicators of lack of region-ness and indication of unwelcoming sustainable economic integration" (Rani, 2009).

The regional cooperation framework has created conducive atmosphere for building closeness, confidence and cooperation, which has been reflected in many cases and situations, especially at the international fora. However, inside the region the same spirit is often missing, particularly in some of the countries.

Focus of some of the member countries of SAARC, mainly the bigger ones, on their beyond-the-region economic, political and strategic interests has
left little scope for regional interaction on the same. This is vindicated by the extremely low volumes of trade, investment, tourism and economic cooperation of these countries with their fellow member countries as compared with countries outside the region.

Deepening poverty in SAARC countries rebukes the very prime objective of the association to provide a quality of life to the peoples. The situation of poverty in South Asia is alarming, as the number of the peoples living below the poverty line in the region, as set at global standard of US$ 1.25 a day, is 34 percent of the total population, which is over 500 million (Regional Poverty Profile, 2009-10).

Economic cooperation among the Member States of SAARC is imbalanced, as most of other countries are heavily dependent upon India. “Bangladesh and Sri Lanka have heavy trade reliance upon India and many other South Asian countries fear that greater economic interaction in the region might lead to India’s dominance of their respective economies” (Muni, 2008).

Though the Member States of SAARC have worked towards liberalizing their trade, free trade is yet to take place in its complete shape and form. Intra-regional trade in South Asia is less than five percent, whereas trade within the region of ASEAN, EU and NAFTA is far greater. Intra-SAARC trade was equivalent to $ 1.4 billion as of August 2012 (India: $ 697 million, Bangladesh: $ 560 million, Pakistan: $ 175 million, Sri Lanka: $ 1.2 million, and Maldives: $ 14,000). No export trade was made inside the region under SAFTA by Afghanistan, Bhutan and Nepal. “Intra-bloc share of trade is much larger in North-North integration agreements (RIAs), such as EEC (48 percent) and in North-South RIAs, such as NAFTA (42 percent) than in South-South RIAs. The largest intra-bloc share in South-South RIAs is in the ASEAN (16.7 percent) followed by MERCOSUR (12.9 percent) (Schiff, 2003). SAFTA has the primary objective of creating free trade among its Member States, but the huge number of tradable products placed by each country in their respective Sensitive List and the application of para-tariff and non-tariff barriers has not allowed free trade among them in all product lines. The number of items put in sensitive lists is as follows: Afghanistan-850, Bangladesh-987 for LDCs and 993 for non-LDCs, Bhutan-150, India-25 for LDCs and 695 for non-LDCs, Maldives-152, Nepal-998 for LDCs and 1036 for non-LDCs, Pakistan-936, and Sri Lanka-845 for LDCs and 906 for non-LDCs.

The South Asian countries are located with geographical proximity. But the feeling of proximity has not yet been reflected in the context of connectivity between and among the countries inside the region. Direct air connectivity is
yet to be established between some capitals. Connectivity by rails and roads at present does not live up to the expectation of the peoples of the region.

As scars of advancing human civilization, terrorism and drug trafficking have become a menace to regional peace and security. Despite putting the legal framework in place by the regional body, incidences of terrorist activities have occasionally occurred in the region. Trafficking of drug has found place in the region, spoiling the lives of peoples and tarnishing the image of the region.

All South Asian countries have been bearing the brunt of the adverse impacts of global warming and climate change, though their contribution to the global greenhouse gas emissions, save that of few ones, is virtually insignificant. Due to the harmful effect of climate change, they have been facing the problems of melting of the Himalayan ice, outburst of glacial lakes, floods, desertification, air pollution, deforestation, loss of biodiversity, uneven precipitation and so on and so forth.

Though the South Asian region is rich in energy resources, it is deficient in energy supply at the moment in the absence of sufficient energy production. Most of the countries are in need of energy resources for daily household consumption as well as for feeding their industrial, technical and scientific requirement. As the region’s energy has not been fully tapped, the countries of this region have been facing energy crisis and making them dependent upon other countries for this resource, especially the petroleum products. Similar may be the crisis of food in view of the growing population in the region, if food production, storage and distribution system is not maintained in sustainable way. The region is also prone to disasters of various types - both natural and man-made like floods, earthquakes, fire, draughts, etc.

Trafficking of human beings, especially of women and girl child, narcotic drugs, psychotropic substances, and small arms is another issue of concern in South Asia. It has become an ugly and despicable matter. Regional efforts have been made by adopting necessary conventions with a view to controlling this menace. But it is yet to be controlled in toto.

SAARC has made many decisions, declarations and commitments at different levels for the cause of regional cooperation in areas of common interests. However, when the question of their implementation arises, the process is said to have been rather slow, opening room for raising questions as to the delivery capacity of the regional association.

Prospects of SAARC

As most of the members of the association share similar culture, tradition and values, prospect of regional cooperation does have immense potential.
are many commonalities than differences in the Member States of SAARC. The major religions followed by the peoples of this region are Hinduism, Buddhism, Islam, and Christianity. Four major languages of the region- Nepali, Hindi, Bengali, and Sinhala—originate from one language of the region. The people of South Asia have similar culture, tradition and values. These commonalities are the great factors for knotting the bonds of the peoples of the region.

The region has huge demographic resources of about one billion and half peoples. India has got a population of 1.24 billion, Pakistan 183 million, Bangladesh 154 million, Afghanistan 29 million, Nepal 26 million, Sri Lanka 21 million, Bhutan 741,000, and Maldives 338,000, which can be of immense use if tapped properly. There are a number of countries in the world, such as Singapore, which have reached the upper rung of human civilization's ladder by developing their human resources.

South Asia is blessed with abundant natural resources. Nepal is blessed with the resources of water, forest and minerals; India has huge resources of coals, forest, minerals, water, and marine resources; Pakistan is rich in cotton, water and minerals; Bangladesh is sitting on huge reserve of natural gas and oil; Afghanistan has oil, natural gas, minerals and animals; Maldives is known for marine resources; Bhutan is endowed with water and forest; and Sri Lanka has tea, rubber and marine resources. Many industrialized developed countries heavily depend on raw materials of different kinds available in developing and least-developed countries for their export products. Countries of the region can use such raw materials for finished export items to gain from international trade. Regional cooperation for development of the region's precious resources can transform the economies of SAARC member states.

The potential of the growth of trade—both goods and services—among SAARC countries is enormous. "A vast potential is untapped. The World Bank estimates that annual trade between India and Pakistan, currently worth about US$ one billion, could increase nine-fold, if both countries would only withdraw tariff and other barriers" (Economist, 2008). The trade in goods now among them is less than four percent, which can be augmented manifold in the future. Similarly, the trade in services has a great scope for its expansion, given the rapid growth of this sector in South Asia in recent times. “Presently, services sector is the largest contributor to the real GDP growth in South Asia. The service sector is the fastest growing sector since 1992-93, outpacing both agriculture and manufacturing. While most of the growth has happened in the IT and Business Process Outsourcing (BPO) segments, sectors like hotels, transport, communications, civil aviation, railways, ports, and the telcom industry have grown considerably” (Khan, 2008).
As the South Asian region has been marching ahead towards economic growth and development, there is ample scope of enhancing investment in the areas of industrial growth, infrastructure development, natural resource utilization, agriculture modernization, development of tourism industry, and so on. The region is replete with the pool of low-cost and technically skilled young labour force of about almost half a million, which is an advantage in itself for encouraging regional investment.

Having been a region blessed with natural beauty of one sort or the other, tourism is one of the vibrant sectors with immense potential of growth in the days to come. This is the region that consists of the island country Maldives, which is just two metres above the sea level, and the mountainous country Nepal, which houses the highest peak of the world- Sagarmatha. All countries of South Asia are endowed with rich natural, historical and cultural sites, including a great number of world heritage sites, alluring the peoples around the world. The growth of tourism has, thus, every possibility for flourishing.

SAARC includes countries that are either developing or the least-developed ones. They are in need of both regional and sub-regional projects in many areas that directly bring the association closer to the region’s peoples. Various projects, especially related to poverty alleviation, economic growth and infrastructure development, can be carried out through funding from social, economic and infrastructure windows of SDF.

The ever-growing people-to-people relations is another indicator of the prospect of the growth of regional cooperation in South Asia, as it is ultimately the peoples who matter for promoting the spirit of regional cooperation. The feeling of South Asianness in the peoples is extremely vital in cementing the relationships among their countries, which is being experienced in a gradual way. With similar beliefs, attitudes, manners and the way of thinking, the people-to-people bonds can further be knotted, consolidating the regional spirit of cooperation.

The eight countries of South Asia are now in the fold of SAARC. There are few other countries which are also considered to have been belonging to South Asia, such as Myanmar and Iran. In case they show their interest in getting SAARC membership and the current members of this association agree to let them in, the SAARC has a scope of its further expansion.

**A Way Forward**

SAARC is a beacon of hope for the peoples of South Asia for their happy, prosperous and dignified life through common endeavour. Its member
countries must be able to fulfill this aspiration with all sincerity and dedication. In view of a life of about three decades, it is high time that the association moved forward in achieving its objective of creating a prosperous South Asia. The region's peoples have been expecting tangible results out of the activities of this regional framework for making their life comfortable and happy. SAARC needs to demonstrate its worth by launching people-centric activities, including a strong mechanism for monitoring and evaluation of such activities for future reform.

Every regional grouping is formed by friendly countries for their common benefit through the region’s synergetic effort. Its base is, in fact, trust, understanding and cooperation among the member states. In order to move forward, the Member States of SAARC must strengthen such base of trust, understanding and cooperation. Problems subsisting between or among them should be resolved through mutual understanding for the larger interest of regional cooperation. The very fundamental purpose of establishing a regional cooperation mechanism should not be diluted by bilateral problems.

SAARC was formed as a common entity of the countries of South Asia for determining their fate in a collective way. All the countries that created this regional entity must realize the region-ness and work with that spirit. "States in South Asia do not as yet have a 'South Asia First' outlook. Each member must be relevant to the others. Cooperation, trade, exchanges, and interaction at all levels must be relevant in a South Asian context...The synergies need to be recognized and celebrated. The organization will have the strength only to the extent that we agree to impart potency to it" (Sami, 2002).

The association should revisit all its decisions, declarations and commitments made at summits and other meetings and begin working towards implementing them in true spirit. The understanding already reached by the member countries to make the third decade of SAARC a decade of implementation needs to be put in practice. Earlier decisions, declarations and commitments should not be reiterated. A focused approach of implementing them, prioritizing each decision or declaration or commitment, is the need of the hour. New decisions or commitments should be made only after implementing the earlier ones. The association must avoid the criticism that it makes decisions and commitments that are not implemented later.

SAARC is an inter-governmental regional organization. Its standard as a regional body depends upon its performance that matches its profile. Strengthening of SAARC Secretariat, SAARC Regional Centres and other institutions and mechanisms, including enhancing efficacy of their officials, must, therefore,
continue in tune with time for rendering SAARC activities effective, efficient, and result-oriented. Recommendations of the comprehensive study on strengthening SAARC mechanism, which are useful, could be implemented.

The regional grouping has to set a goal of creating the South Asian Economic Union (SAEU), as suggested by the report of SAARC Group of Eminent Persons way back in the 1990s. The economies of South Asian countries have not developed to their full potentials. Though the economic growth rate is average in global standards, economies of the region lack modernization and transformation. In order to achieve higher economic growth, SAARC Member States need to pursue robust economic approaches, accommodating to the changes taking place at global level. “South Asian economies have to accelerate the pace of internal transformation of their economies if they choose to benefit from the opportunities the structural changes present. There is a need to shift from the old paradigm of dependence on official aid and putting blame on the unjust international economic order for their woes to the new paradigm of becoming an active participant in the emerging globalized economy” (Husain, 2006).

The regional groupings are normally created for the promotion of free trade. One of the objectives of SAARC is economic development in the region that includes a stage of free trade arrangement. For that purpose, the Member States have adopted SAFTA. In view of its slow implementation as of now, SAFTA should be implemented in its true spirit. So should be the effort for SATIS. In order for making SAFTA a real free trade arrangement, all tradable items should be removed from the Sensitive Lists, allowing them to be traded among the Member States freely. Similarly, the Schedules of Concessions under SATIS must include for free trade those sectors of service that are beneficial for the member countries. Para-tariff and non-tariff barriers should be eliminated as early as possible and tariff concessions, rules of origin and other trade facilitation measures made more advantageous than bilateral arrangements in order to make the regional trading arrangement advantageous.

The regional grouping must create a huge fund for feeding regional projects, programmes and activities in order to bring out tangible outcomes as expected by the peoples of South Asia. SDF must be strengthened. As of now, only the social window has become operational with a limited resource of $300 million for projects on poverty alleviation. Infrastructure and economic windows, which are extremely vital for huge projects in the sectors of economic and infrastructure development, have not yet been operative due to lack of resources. High priority by the regional body is required for making
SDF a regional bank, mobilizing funds from both regional and extra-regional sources.

The huge human resources of the region need to be developed and utilized properly for the benefit of the region in terms of its social, economic, scientific, cultural and other aspects of development. The absorption and mobility of the human brains inside the region with lucrative remuneration, facilities and incentives must be accorded high priority. Many developed countries of today have adopted the policy of attracting and retaining the best brains of the world for their overall development. Countries of South Asia need to replicate such policies and practices.

The regional grouping must not waste time in utilizing its huge natural resources for the welfare of the peoples. The region’s economic growth, prosperity and wellbeing of the peoples will be achieved by the proper development and utilization of the region’s precious resources of water, oil, natural gas, minerals, forest products, etc. The South Asia should not sleep on the invaluable resources underneath it; it must start utilizing them to make the region a developed region of the world.

The South Asian region does have immense potential of investment in diverse areas. SAARC countries have been continuously receiving foreign direct investment from outside the region. However, there is less investment in them from their fellow member countries inside the region. In this light, they should ensure conducive environment, including additional facilities and incentives, for intra-regional investment. The bigger economies of the region, which have been making investment outside the region, should divert their investment inside the region, and the Member States of the regional cooperation which wish to receive such investment have to provide lucrative investment facilities for their fellow investor member countries.

Another area where SAARC countries can work together is the development of tourism industry through their collective efforts. The whole South Asian region can be an attractive touristic place on the earth and the synergetic regional cooperation can boost this industry in the days to come. There is a need for creating a network of tourism entrepreneurs of the region, including travel and trekking agencies, hotel associations, heritage and other important touristic sites, cottage and handicrafts industries, etc. for publicizing each other’s tourism potentials and developing package tourism, benefitting every country of the region. The peoples of the region should be encouraged to visit other countries inside the region as tourists, contributing to the economic growth and people-to-people relations. As a gesture for friendly and close
relationship, Nepal has been providing visa to the visitors of other SAARC member countries free of cost for one visit to Nepal in a year. Other countries need to follow suit to give boost to intra-regional tourism.

As South Asia lacks proper connectivity, efforts should be made for enhancing connectivity in the region so that the movement of the goods, services and peoples could take place at a greater scale and speed, contributing to the promotion of regional cooperation in diverse areas. Transport connectivity, of course, requires the need of greater movement of the peoples for its sustainable operation. However, the connectivity, on the other hand, will encourage such movement. Recommendations made by SAARC Regional Multi-Model Transport Study (SRMTS) need to be implemented by the member countries. Regional Railways Agreement and Motor Vehicles Agreement should be concluded as early as possible, facilitating connectivity in the region.

There is also a scope of developing sub-regional cooperation among the SAARC countries through launching projects on various areas. Article VII of SAARC Charter allows a mechanism in which more than two but not all Member States of the association can launch projects for their mutual benefit. Considering this possibility, Nepal had pioneered the idea of establishing a sub-regional cooperation in the late 1990s. Accordingly, the first meeting of the Foreign Secretaries of the member countries of SAARC held in 1997 identified areas of sub-regional cooperation, such as environment, sustainable development of natural resources, energy, trade, investment promotion, multi-model transport, communication, and tourism, which were endorsed by the meeting of the Foreign Ministers and the Male summit later the same year. As the idea has not been materialized as yet, there is a need of prioritizing this sector for the greater interest of the region.

Protection of environment of the region is one of the important areas of regional cooperation. Regional efforts must be geared towards ensuring environmental health of the countries of South Asia. The region should collectively deal with this problem, including negotiation with the industrial world for getting compensation from them for their act of greenhouse gas emissions in large quantity in the atmosphere causing global warming and climate change and creating adverse impacts on the countries of the region.

SAARC Development Goals (SDGs) are important measures taken for pursuing the development agenda of the region. Taking into consideration the global effort for rethinking of MDGs, the regional body should reset SDGs with the use of experts, accommodating the need of the present time and making them more practical and achievable.
A need is being felt to make the regional mechanism more effective for addressing future crisis of energy and food and management of disasters of various sorts. Implementation of regional projects on generating energy from the resources of the region can be vital for addressing the energy crisis. Similarly, SAARC Food Security Reserve must be made sufficient and reliable, including doubling or even tripling the current food reserve of 243,000 metric tones, if need be, in order for meeting the requirement of food in the region. An early warning system, post-disaster management plan and preparedness for coping with disasters should be in kept intact.

Today’s world is the globalized world. The waves of globalization, as manifest in its various forms of political, economic, cultural, technological, linguistic, ideological aspects, have been travelling very fast around the world, encompassing every nation and part of the globe. Nations have to adjust and accommodate with the impacts of globalization. SAARC countries should carve out a common strategy as to their association with the globalization process in order to preserve their identity and accrue benefits from the process itself.

The South Asian countries are the repository of best practices in many sectors, such as poverty alleviation through the loan of Grameen Bank in Bangladesh, which do have global recognition as well. Sharing of such best practices among the Member States could help promote regional economy, trade, social development and so on."Efficient documentation and appropriate dissemination of the lessons of the best practices can offer a critical ray of hope to those who are struggling against all odds to create a more conducive South Asian ground reality. A best practice data-base can build a bridge between empirical solutions, research and policy" (Our Future Our Responsibility, 2004).

The South Asia Forum, which was established by SAARC as a public-private partnership mechanism with the aim of making the regional process more inclusive and productive, has to develop a vision for SAARC, as agreed during its first meeting held in New Delhi in September 2011, and serve as an effective body complementing SAARC process. It should be able to inject fresh perspectives of the private sector, including civil society, academia, media, etc. in the official endeavours of SAARC.

Some of the members have bilateral and contentious issues subsisting in their relationships. SAARC Charter does not allow deliberations on bilateral and contentious issues. As such issues can hinder the regional process to move forward in a smooth and cooperative manner, they must be resolved with the aim of creating a feeling of amity and cooperation between and among the nations of the region. The concerned countries should devise a way for this
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purpose without preventing the current regional cooperation process from moving forward.

SAARC must continue to remain an institution based on sovereign equality, interdependence, and mutual cooperation among its Member States. Notions of heavy weights and light weights among member states need to be replaced with a sense of equality and equitable contribution to the strengthening of the regional association. “Rather than transcending identities, the regions governments use identity politics, as against the concept of regional cooperation. Therefore, there is a need of transcending identities by each member state in favour of a regional identity” (Mehta, 2005).

There exist a great number of SAARC mechanisms, including the summits, ministerial and other meetings, technical committees, working groups, etc., which hold many meetings, seminars, workshops and carry out various activities in all the member countries of the regional organization. These summits, meetings and activities must be made business-like, not ritualistic things, as has been already agreed upon by the Member States. Frequency of the summits and meetings could be reduced, giving spotlight to implementing previous decisions and agreements.

Conclusion

SAARC is a symbol of the desire of the South Asian countries to work together for providing a dignified and happy life to their peoples. Its principles and purposes are the bedrock of the spirit of regional cooperation. Though the region faces challenges of diverse ilk, prospects of regional cooperation are enormous. There is no space for cynicism alone. What is required is the synergetic effort by the Member States of the association for addressing the challenges and moving the regional cooperation process forward with concrete projects and activities that bring out desired outcomes towards attaining the goals of prosperity of the peoples for which the regional grouping had been formed by the leaders of this region. The words of Martin Luther are pertinent to quote here: “Everything done in this world is done with hope.”

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Addu Declaration of the Seventeenth SAARC Summit. November 11, 2011. SAARC Secretariat.
Before I make a brief comment on the paper by our Joint Foreign Secretary, Mr. Yagya Bahadur Hamal (of SAARC Division, MOFA) allow me to acknowledge my full gratitude to the Institute of Foreign Affairs for giving me the opportunity to share my ideas on an important topic of regional concern that very much impact not only Nepal’s development but also at the heart its national security. We should admit after nearly three decades of travelling in the SAARC course of regional cooperation, with SAARC headquarters in Kathmandu, and the enthusiasm shown to host the upcoming 18th SAARC summit meetings in Kathmandu, I envision with hope there is much silver lining. With hope I see the compulsion to rapidly accelerate the pace of regional development in all fronts. I see it is a highly challenging task. I understand the collective effort does defy ground based reality of asymmetric balance of power in the region which poses a major political task of recognizing the principle of sovereign equality of all nations in the region, large and small, powerful and weak, resource rich and resource poor, land-locked and sea-locked with India as a center-state in SAARC that is geographically determined. I agree with Mr. Hamal on several points in his presentation. He has given a conceptual and overall layout of the state of regional cooperation since the very inception of SAARC to the present. There are tons and tons of information he has provided. I agree with him that the future is promising. Vast areas have been listed for SAARC to put full regional effort for common development. The list of suggestions forwarded by him a worth noting. Allow me to point out some of the selections. The need areas focused are:

1. Synergic effort in SAARC implementation of plans and programs;
2. Trust understanding, and cooperation among the member states;
3. Revisit of earlier decisions, declarations, and commitments made at various summits and putting concrete efforts in implementation;

4. Strengthening SAARC institution, regional centers, and other associated organizations and mechanisms;

5. Promoting free trade, removing maximum number of protected items under sensitive list;

6. Creating larger regional funds;

7. Developing human resources;

8. Spreading out foreign investment across the region;

9. Developing tourism;

10. Expanding connectivity in the region and outside;

11. Developing sub-regional groupings;

12. Committing greater effort toward SAARC Development Goals (SDGs);

13. Building mechanism to address various key issues such as poverty, illiteracy, child labour, trafficking in drugs, women, and small arms, terrorism and many more;

14. Formulating a vision that is more pragmatic.

In addition there is one more point identified in the paper in my opinion should be accorded the highest priority area of regional concern and strangely enough it is also the crux of the problem that has afflicted SAARC from rapid growth and development. In quote: “The very fundamental purpose of establishing a regional cooperation mechanism should not be diluted by bilateral problems.” The functioning of SAARC goes beyond national domain with national commitment.

I agree with Mr. Hamal. What we do is with the hope for better future and SAARC is certainly an important medium. I would like to emphasize with greater optimism that sooner or later SAARC should ultimately dawn in the minds of the leaders in the region as well. While the region interacts at all levels, government to government, people to people, organization to organization, the common dream of the common man is to live in world as a family enjoying peace and security in this turbulent age of globalization. South Asia which covers one-fifth of mankind has the potential to reach that goal.
May I highlight just three more points which given my background should be expedited as a common agenda:

First, is to take the SAARC activities at the educational level so that our younger generations are more involved in the SAARC processes. There is a need to establish a research cell concerning educational institutions to promote awareness of SAARC. The existing SAARC depository center at TU Central Library can complement to research and teaching.

Second, the issue of agriculture and poverty alleviation should be squarely tackled so that no man goes hungry and the region becomes self-sufficient in food. The achievement of this primary task of fulfilling basic needs, food, clothes, and shelter, will give much dignity to SAARC nations. All other areas in the paper, though equally important during line of actions, will require clear modalities of development which can be worked out with greater preparation, collective effort, trust, and confidence.

Third, is combatting rampant corruption all around existing a result of weak governance and low morale of political leaders. To achieve SAARC standard this problem should be dealt had or less it spins off with negative impact on the very working of the SAARC process. Democracy deficit does have a skewed reflection on commitment when corruption prevails. National effort is required with dedicated, visionary and committed leadership. Track I or Track 1.5 or Track II or Track II.5 go hand in hand and operate simultaneously in short-term, mid-term and long-term planning and implementation. I congratulate Mr. Hamal for his comprehensive paper. The potential for advancement of SAARC as a regional body is there. We sure do have faith in the future of SAARC.
Mr. Yagya Bahadur Hamal, Joint Secretary, Ministry of Foreign Affairs presented a paper on 'SAARC: Challenges and Prospects'. In his presentation, Mr. K. P. Sharma Oli, Former Deputy Prime Minister and Foreign Minister of Nepal stated that formation of economic association and economic unification was impossible till the thoughts of the political leaders and bureaucrats of the SAARC member countries changed. According to Mr. Oli, political instability in this region was another obstruction to achieve the SAARC goals. He also clarified differences between SAARC and its Secretariat; SAARC consists of member states whereas its Secretariat coordinates and facilitates the member states.
15. Overall Comment By

Mr. Shankar Das Bairagi

Officiating Foreign Secretary of Nepal Government commented on the issues raised during the seminar.

SAARC pursued almost all the issues of development and that it needed to focus more on the implementation of decisions taken. He further told that SAARC is making good progress, but it needs to be strengthened institutionally. Briefly recapitulating the progress made by SAARC over the years, he emphasized on the need to expand trade and investment and reduce poverty in the region.

I try to highlight couple of issues raised this morning on the paper from government side and private sector. It’s been a great and lightening morning. Let me try to sum up ideas expressing here are not my expressions and my own ideas. SAARC has done some progress but that’s not enough. Progress is limited. It has not fulfilled to the extent of limitation. Otherside from the discussion today was terms of success. The level of regional cooperation in South Asia does not match that potential and does not feel fact imperative of development of region. Yes, we know that South Asian Region is rich in terms of human and natural resources. Process is not matching.

The Foreign Minister this morning said that the regional cooperation of South Asia should embrace these years. Especially, he was talking about this kind of cooperation, the speed of integration and now time has to think rather we discuss but my ideas is we don’t have long term vision about core issues. We must think about what we have done. We have ambitious ideas. I think we have focused more on delivering the results. Legitimacy promotes confidence substantively. We don’t have long term vision. The reason orientation and realistic approach should be regarding this. The SAARC should embrace one tie stake holder process. It’s not only government but business, everything should be in the process for following particular approach. The focus many speakers Paid on promoting regional integration and cooperation in mentioned this process is called economic agenda. Economic thrust is important agenda.
for this morning. In order to take SAARC ahead, economic thrust is the core regional discussion.

In order to make SAARC viable, tangible, and institutional resources would be available. We need to link national priority with regional priority. In this process, we might have defined regional link. However, institution lacks processes. SAFTA must have the perspective. What is required in my view that we need to link national priority into international priority. In this process, we might have to define regional link. We have good policies, but if we don’t have institutional capacities that will not work. So, we must have right mix of institutions and resources. The idea of regional good we have to maintain if you want to secure political commitment and understanding support from all the member states. SAARC projects and cooperative activities gardeners from all the member states.

Since Nepal is hosting 18th SAARC Summit, people, government, everyone should have highest level of commitment and dedication to SAARC process to concrete planning not only revitalizing SAARC process, but also we need to think seriously, the role of SAARC Secretariat is enhanced in order to give momentum to the process and the secretariat should take the initiative.
Distinguished Chairs, Commentators and Paper Presenters,
Esteemed Office Bearers of the Institute of Foreign Affairs,
Distinguished Participants,

On behalf of the Institute of Foreign Affairs of Nepal and the SAARC Secretariat,
I am privileged to deliver closing remarks at the tail-end of this Seminar
devoted to the theme, Bringing SAARC Closer to the People: A Nepalese
Perspective.

With the convening of this one-day Seminar, all of us have greatly benefitted
from the insightful views of several eminent personalities of Nepal who are
in one way or the other connected to the SAARC process. The deliberations
were lively and thought-provoking and the recommendations arrived at are
indeed far-reaching.

I would like to congratulate the distinguished Chairs of various sessions for so
ably chairing their respective Session during the course of the Seminar today.
I would like to thank them for their insightful contributions on several themes
covered. The recommendations emerging out of various sessions of today’s
Seminar will provide invaluable inputs for the stakeholders in Nepal for
shaping the future of SAARC for the common good of peoples in the region.

I would like to thankfully congratulate the esteemed presenters of theme
papers today. The issues raised in their presentations and their subsequent
interventions enriched the deliberations. The discussions held have brought
to the fore several important issues having a far-reaching bearing on SAARC.

I would also like to felicitate the distinguished commentators on various
themes for very skillfully articulating the issues touched upon during the
course of the Seminar today. Their insightful comments and interventions
have provided enough food for thought for strengthening the SAARC process
in general, and for bringing SAARC closer to the people, in particular.
Distinguished Participants,

Indeed, SAARC has no dearth of mechanisms and processes to carry forward the process of regional cooperation for the mutual benefit of our Member States. However, there is an urgent need to reinvigorate them so that benefits of regional cooperation become evident on the ground. Likewise, there is no lack of worthy recommendations and decisions in SAARC. However, when it comes to the question of implementation, there has been a whole lot of faltering on the part of the implementing agencies in all the Member States. I am sorry for being frank but this is the reality. This unbecoming trend must be reversed for the better. With an earnest desire to do so and with the due mandate from the Member States, the SAARC Secretariat has recently come out with a comprehensive Study on strengthening SAARC mechanisms, including the SAARC Secretariat, Regional Centres and Specialized Bodies. This Study has been already circulated to the Member States and their views and comments have been invited to ensure a meaningful discussion when it is formally discussed at the forthcoming Inter-Summit Session of the SAARC Council of Ministers to be held in the Maldives next month.

I am not an expert on SAARC. But with the little experience I gathered over the past one and a half year as Director at the Secretariat and before as Under Secretary dealing with SAARC issues at the Nepalese Foreign Ministry, I have gained some insights into the functioning of SAARC as a regional organization. With this little knowledge and experience I have, I would like to make just two points before this august gathering. Firstly, while a good beginning has been made with the establishment of the SAARC Development Fund, it is high time that SAARC began project-based sub-regional and regional collaboration to deliver tangible benefits to the people at the grassroots to promote their welfare, which is the primary objective with which SAARC came into being. Secondly, given the enormous potential it offers, SAARC should be taken seriously by all the Member States so that it starts bearing fruits for the prosperity of our peoples and countries. For this to happen, all the Member States must emphasize on the implementation of decisions taken with effective monitoring mechanisms in place. I repeat implementation is the key to the success of SAARC. Let us all please agree today that “implementation” is the buzzword for SAARC. Yes, implementation.

I thank you.
INTRODUCTION

The Institute of Foreign Affairs (IFA) and the South Asian Association for Regional Cooperation (SAARC) Secretariat jointly organized a Seminar on "Bringing SAARC Closer to the People: Nepalese Perspective" on January 2014 at Hotel Soaltee Crowne Plaza, Kathmandu. The Seminar was divided in two sessions: Inaugural and Paper Presentation session.

INAUGURAL SESSION

Chief Guest Hon. Mr. Madhav Prasad Ghimire, Home and Foreign Affairs Minister of Nepal inaugurated the Seminar. While inaugurating the Seminar, Hon. Minister Ghimire portrayed a clear picture of SAARC, giving emphasis on the need to improve connectivity among the people of South Asia. However, he frankly admitted that SAARC is lagging behind other regional groupings both in terms of visibility and progress. He further said that SAARC needs to work hard to grasp the emerging opportunities at the global level. In his Inaugural Address, the Hon. Minister expressed the firm commitment of Nepal to hold the 18th SAARC Summit in the near future. Prioritizing the importance of regional cooperation, he added, “I am pleased to note that the South Asian region is sitting on enormous wealth of resources of one sort or the other. The richness of the region in terms of human and natural resources, historical and cultural heritage and natural diversity is incomparable.”

The Hon. Minister shared his perceptions about regional cooperation with the gathering present on the occasion. Throwing light on the importance and challenges of regional cooperation, the Hon. Minister clarified, “We must positively build on these enabling factors to achieve the substance, scale and speed (3S) of regional cooperation that is commensurate with our development needs and challenges in the region. I am of the view that there
is every possibility of promoting a meaningful regional integration given the region’s huge resources, socio-cultural richness and close and cooperative relationship among the countries. There is no reason why South Asia should not move faster. This region must fully realize its huge potentials and make determined efforts to catch up with the rest of the world.”

Delivering his opening remarks at the seminar, H. E. Mr. Ahmed Saleem, SAARC Secretary General, highlighted the need to implement the commitments made by the Member States. Although SAARC has strengthened the connectivity among the people in the region, the progress has not been as expected, he added. The 18th SAARC Summit scheduled to be held in Nepal is expected to focus on the implementation aspects of the previous commitments in order to further strengthen connectivity and cooperation regionally, he stated.

In his closing Address as the chair, Dr. Rishi Raj Adhikari, Executive Director of IFA, raised the important issues before the upcoming SAARC Summit, particularly climate change, peace and security and socio-cultural cooperation. With the objective of reviewing the activities, policies, strategies and pending issues at the regional level, he recommended that SAARC should analyze and propose appropriate policies and strategies towards resolution of pending issues. SAARC should act multi-laterally rather than bilaterally, he asserted.

In his welcome remarks, Mr. Khush Narayan Shrestha, Deputy Executive Director, IFA, brought to the fore the issues to be discussed during the Seminar.

**PAPER PRESENTATION**

After the Inaugural Session, the experts presented their papers on different aspects relating to SAARC.

Dr. Netra Prasad Timsina, Regional Coordinator of South Asia Alliance for Poverty Eradication (SAAPE) presented a paper on the topic ‘People’s Perspective on SAARC: An Introspection’. Besides prioritizing the problems and challenges of SAARC, his paper focused on various sectors like social development, poverty and hunger, human rights and social justice, food security, climate change, and trade and economic cooperation.

In his presentation, Dr. Timsina said, “South Asia is the second most violated place in the world. India, Sri Lanka, Pakistan, Afghanistan and Nepal have experienced long running conflicts resulting the human misery, destruction of infrastructure and social cohesion and death. SAARC has made several commitments and has different bodies aiming to address the unequal socio economic relationships including eradication of poverty injustice and conflicts
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towards promotion of social harmony. However, despite the commitments, formation of the SAARC has not been successful in addressing the regional agenda of creating regional economic union such as socio economic development of the region, quality of life, democratic governments, creation of opportunities, fostering economic growth of regions.”

H. E. Mr. Shankar Das Bairagi, Officiating Foreign Secretary of Nepal as chair of the session said that SAARC pursued almost all the issues of development and that it needed to focus more on the implementation of decisions taken. He further told that SAARC is making good progress, but it needs to be strengthened institutionally. Briefly recapitulating the progress made by SAARC over the years, he emphasized on the need to expand trade and investment and reduce poverty in the region.

Mr. Yub Raj Ghimire, senior journalist and the commentator of the session said that common agendas for development and security have not been formalized within the ambit of SAARC because of reservations of some of the Member States. The concept of founding SAARC in itself is effective and a great step forward, but the implementation of the commitments made by the Member States is poor. Therefore, the focus must be on the implementation rather than only searching for challenges and solutions. The uneasy political situation between India and Pakistan, heavy bureaucratic layers and non-tariff barriers, poor connectivity among SAARC member countries, and poor follow-up of decisions are major obstacles to SAARC.

Mr. Narendra Kumar Basnet, President, Confederation of Nepalese Industries (CNI) presented a paper titled, ‘SAARC Success and Failure: A Critical Look from Business Prospective’. In his presentation, he underscored the importance of regional integration, including promotion of trade and investment from SAFTA perspective, besides highlighting challenges and opportunities before SAARC. He said, “Political conflicts among the member states are also taking their own toll in the functioning and in meeting the SAARC objectives.” Concerning the SAFTA issues, he further said, "One of the major concerns from South Asia in the present economic situation is the sustainability of its economic growth. SAFTA serves as an instrument for ensuring its sustainability by expanding the markets and making the industries and other sectors more competitive globally. The ultimate aim of SAFTA is to create a 'South Asian Economic Union' but it appears that we are nowhere near to meeting the objectives for which SAFTA was formed."

The session chair, Dr. Ram Sharan Mahat, Former Foreign and Finance Minister of Nepal said, “Non-implementation of the agreements reached
among the SAARC countries in socio-economic development and free trade was a worrying factor. Even the commitments made by the Heads of State or Government of the SAARC countries and by their governments were ignored.” He further said that it was a trust deficit of the member states and there is a need to add the competitive capacity of production in the SAARC countries. While talking about the economy, Dr. Mahat disclosed the fact that the region itself is poor, though rich in resources. Conflict between the member states, critical security situation, lack of mutual trust among the member states are some of the major problems in the region as stated by Dr. Mahat, “Nevertheless, it might be an exemplary region in the world only if it meets the objectives of SAARC through mutual cooperation.’, He said.

Commenting on the paper, Professor Dr. Bishwombher Pyakuryal said, "SAARC process has not taken its speed as expected, only due to lack of modern technology although the service sector has seen some positive effects. Besides these, the SAARC Secretariat must be strengthened and allowed to be independent to fulfill the goals of SAARC, although the commitment of member states do play a crucial role in its success. Trade facilitation and economic connectivity can play a significant role in enhancing trade and investment compared to preferential tariffs." He further said, “Time and again, SAARC has made reference to implementing trade facilitation measures and improving economic connectivity but the progress has been slow. Lack of a strong institutional structure to take forward multiple initiatives is a major lacuna in SAARC.”

Mr. Yagya Bahadur Hamal, Joint Secretary, Ministry of Foreign Affairs presented a paper on ‘SAARC: Challenges and Prospects’, which focused on SAARC-related issues. According to him, since its establishment, SAARC is slowly and steadily fulfilling its purpose. He made references to the positive aspects of SAARC rather than focusing on challenges and problems. SAARC has provided a platform to promote the South Asian identity among its people all over the world. It is an association, formed for consolidating regional integration through cooperation among its members.

Mr. K. P. Sharma Oli, Former Deputy Prime Minister and Foreign Minister of Nepal stated that formation of economic association and economic unification was impossible till the thoughts of the political leaders and bureaucrats of the SAARC member countries are changed. According to Mr. Oli, political instability in this region was another obstruction to achieve the SAARC goals. He also clarified differences between SAARC and its Secretariat; SAARC consists of member states whereas its Secretariat coordinates and facilitates the member states.
Prof. Dr. Shusil Raj Pandey, the commentator of this paper, pointed out SAARC’s failure to meet its objectives since its establishment. Neither it has benefited the landlocked people nor enhanced the connectivity among people in the region. He opined that the paper presented by Mr. Hamal is positive, however, it has failed to highlight the bilateral process and common goals. He stressed on the need to make SAARC effective for economic prosperity of the South Asian people. SAARC needs to be made more dynamic and effective to meet its goals and objectives, he added.

**FLOOR DISCUSSIONS**

Deliberations have begun in the capital on ways to make the upcoming 18th SAARC Summit in Kathmandu productive and meaningful. The Summit is expected to promote the principles of the SAARC Charter and prove to be a milestone in uplifting the socio-economic wellbeing of the people in the region.

Dr. Bishnuhari Nepal, former Ambassador of Nepal to Japan, expressed his view that SAARC’s natural resources should be used. Nepal situated in between India and China should play the role of a bridge. India and China have big markets. SAARC should target these markets in the near future. Tourists from China must be promoted and attracted. New ideas must be formulated to run SAARC in a dynamic manner; but it has been following the same path in the past 27 years.

Dr. Sambhuram Simkhada, former Ambassador of Nepal to UN Switzerland and also raised the concern as some others did. He stated that SAARC is lacking in implementation. Holding seminars regularly and raising challenges on the floor do not strengthen SAARC, but the implementation of the commitments made by the member states does. He compared the SAARC Secretariat as a government entity as the Ministry of Foreign Affairs itself. The people-to-people connectivity must be enhanced to improve SAARC’s performance. SAARC must be an independent body, rather than merely an inter-governmental entity. SAARC must focus on four major subjects: poverty, political balance, good governance and control on the corruption and state capability. If these issues are not addressed, the people will continue to be 'Hungry and Angry'.

Mr. Buddhi Narayan Shrestha, the border expert, expressed the view that SAARC must address the cross-border issues. Promotion of visa-free travel within the region; ensuring security of the South Asian people, and control of
cross-border terrorism, coupled with effective implementation mechanisms can yield tangible benefits to the people, he opined.

Dr. Anjan Shakya, former Deputy Executive Director of IFA, maintained that the South Asian mindset must be positive. The issues like poverty, food crisis and hunger, and gender discrimination that are still pervasive in this region must be addressed to make SAARC an effective regional body.

Mr. Chauyenlai Shrestha, Member of the Foreign Department, Nepali Congress, stated that SAARC structure should be changed. It must be an independent body like Europen Union (EU) and other regional organizations. The SAARC Secretariat is a virtual postal office and does nothing especial, he said.

Mr. Anil Giri, Correspondent, The Kathmandu Post, said that the time is not opportune to compare SAARC with EU and other regional bodies. However, it is the time for SAARC to focus on achieving its objectives for the common good of the people of the region. Marred by the persistent political crisis in the region, SAARC has turned out to be a a poor people’s club, he concluded.

In his remarks, HE Mr. Wu Chuntai, the Chinese Ambassador to Nepal, said that his country has initiated various measures for the economic unification. This process would be materialized by expanding it through India, Myanmar and Bangladesh. He suggested that Rasuwa-Kerung entry point would be very useful for the economic unification in Nepal. China is an observer to SAARC.

HE Ms. Rensje Teerink, Ambassador of the European Union Delegation in Nepalsaid, "EU has been promoting the access of the products from least developed countries to the market. EU is the observer to SAARC".

Mr. Dev Raj Dahal, Head, FES-Nepal, charged all the member states of being bogged down with internal problems with a very little time spent to improve the connectivity among the people of the region.

Dr. Gopal Prasad Pokharel, Former Executive Director of IFA, stated that it is time to reform the institutional structure of SAARC to provide better results. He said, "It is not that SAARC is short of institutions as SAARC has a number of regional centers focusing on human resource development, energy, agriculture research, health etc. It has many technical, standing, and working committees. In other words, a heavy bureaucratic set-up with several layers of decision-making characterizes the SAARC institutional structure.'

Mr. Kosh Raj Koirala, Correspondent, The Republica, suggested that with the improvement of India-Pakistan relations in recent years, the political
environment may be conducive for the member countries to commit themselves to reform and strengthen SAARC’s institutional structure. If this is not done soon, improving connectivity among SAARC countries and implementing trade facilitation measures will be a far cry.

Ms. Pramila Rijal, Women Entrepreneur SAARC and Board Member, IFA; Kedar Bhakta Shrestha, Former Foreign Secretary; Shusil Lamshal, Under Secretary, MoFA; Purushowattam Ojha, former Secretary of the Government of Nepal; and Deepak Dhital, Joint Secretary, Ministry of Foreign Affairs emphasized on the need to focus on the implementation of the decisions taken by SAARC to promote the welfare of the people of the region. The speakers also maintained that accelerating economic, social and cultural development will ultimately result in mutual trust for effective regional cooperation.

In concluding the Seminar, H. E. Mr. Shanker Das Bairagi, Officiating Foreign Secretary of Nepal expressed concern over the problems and challenges put forth by the experts and promised to address them in the upcoming SAARC Summit and in different meetings during the coming days. As the host of the next Summit, Nepal will try its best to flag these problems and challenges for the mutual benefit of the Member States, he concluded.

Delivering a Vote of Thanks at the conclusion of the Seminar, Mr. Dhan Bahadur Oli, Director, SAARC Secretariat, pointed out the urgent need to make SAARC mechanisms more effective in order to boost the efficiency of the organization. He stated, "With the convening of this one-day Seminar, all of us have greatly benefitted from the insightful views of several eminent personalities of Nepal who are in one way or the other connected to the SAARC process." Mr. Oli added, “I would like to felicitate the distinguished presenters, commentators and participants for very skillfully articulating the issues touched upon during the course of the Seminar. Their insightful comments and interventions have provided enough food for thought for strengthening the SAARC process in general, and for bringing SAARC closer to the people, in particular.”
Annexes
Annex 1:
List of Participants in the Seminar

1  Hon'ble Mr. Madhav Prasad Ghimire
   Home and Foreign Affairs Minister
   MoFA.

2  Hon'ble Mr. K. P. Oli
   Member of Parliament and Former DPM
   and Minister of Foreign Affairs

3  Hon'ble Dr. Ram Sharan Mahat
   Member of Parliament and
   Former Foreign Minister of Nepal

4  Mr. Leela Mani Paudyal
   Chief Secretary
   Government of Nepal.

5  H,E,Mr. Shankar Das Bairagi
   Officiating Foreign Secretary
   MoFA

6  His Excellency Mr. Ahmed Saleem
   Secretary General
   SAARC Secretariat

7  Mr. Yubaraj Ghimire
   Senior Journalist of Nepal

8  Mr. Narendra Kumar Basnyat
   President
   Confederation of Nepalese Industry

9  Dr. Bishwambhar Pyakuryal
   Eminent Economist and Professor
   Tribhuvan University
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10 Mr. Yagya Bahadur Hamal  
Joint Secretary  
SAARC Division, MoFA

11 Dr. Netra Prasad Timsina  
Regional Coordinator of South Asia Alliance  
for Poverty Eradication (SAAPE)

12 Prof. Dr. Shushil Raj Pandey  
Political Science Department  
Tribhuwan University

13 Mr. Dhan Bahadur Oli  
Director  
SAARC (Nepal)

14 Mr. Ibrahim Zuhuree  
Director  
SAARC (Maldives)

15 Mr. WGS Prasanna  
Director  
SAARC (Sri Lanka)

16 Mr. Y.B. Thapa  
Former Member  
NPC

17 Mr. Buddhi Narayan Shrestha  
Board Member, IFA

18 Ms. Pramila Rijal  
Board Member, IFA

19 Prof. Dr. Gopal Prasad Pokharel  
Former Executive Director of IFA
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20 Dr. Anjan Shakya
Former Deputy Executive Director of IFA

21 Mr. Deepak Dhital
Joint Secretary & Spokesperson
MoFA

22 Mr. Prakash Kumar Subedi
Joint Secretary
MoFA.

23 Mr. Ramesh Prasad Khanal
Director General
Department of Passport

24 Mr. Nirmal Raj Kafle
Under Secretary
MoFA

25 Mr. Sushil Kumar Lamsal
Under Secretary
MoFA

26 Ms. Rita Dhital
Under Secretary
MoFA

27 Mr. Mani Prasad Sharma
Under Secretary
MoFA

28 Mr. Ananda Sharma
Under Secretary
MoFA
29 Mr. Kali Prasad Pokharel
Chief of Protocol
MoFA

30 Mr. Durga Prasad Bhandari
Department of Passport

31 Mr. Dipak Adhikari
Under Secretary
MoFA

32 Mr. Lok Bahadur Paudel Chhetri
Under Secretary
MoFA.

33 Mr. Janga Bahadur Gurung
Under Secretary
DOP of MoFA

34 Mr. Suresh Adhikari
DOP of MoFA

35 Mr. Keshav Chand
MoFA

36 Mr. Binod Mukhiya
Section Officer
DOP of MoFA

37 Mr. Prem Raj Gautam
Section Officer
DOP of MoFA

38 Mr. Santosh Paudel
TU
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39 Prof. Dr. Shreedhar Gautam
Member
Foreign Relation Department
NCP (NRP)

40 Mr. Khem Raj Sedai
Law Campus

41 Mr. Lila Prasad Sharma
Former Ambassador

42 Dr. Bisnu Hari Nepal
Former Ambassador

43 Mr. Gajendra Sharma
B.P. Thought

44 Ms. Sharu Joshi
UNIFWOM

45 Mr. Dhanapati Kharel (Jeevan)
Executive Director
Centre for Policy Research and Development Nepal

46 Mr. Sundar Nath Bhattarai
AFCAN, Former Ambassador

47 Mr. Kedar Bhakta Shrestha
AFCAN, Former Ambassador

48 Mr. Kapil Pokharel
CPN (ML)

49 Mr. P. Church
US Embassy
50  Mr. Huang Chao
   Attache'
   Chinese Embassy

51  Mr. Mohammad Barikul Islam
    Third Secretary
    Bangladesh Embassy

52  Mr. Jacquainture Growth
    German Embassy

53  Mr. Dev Raj Dahal
    Head, FES-Nepal

54  Mr. Chandra Dev Bhatta
    FES

55  Mr. Mahesh Adhikari
    GI

56  Mr. Chauyen Lai Shrestha
    NC

57  Mr. Yam P. Chaulagain
    IFA, Researcher

58  Mr. Shayam Bandhu Subedi
    Department of International Relations
    TU

59  Mr. Dela Prasai
    NTV

60  Mr. Chandra Shekhar Adhikari
    Annapurna Post Daily

61  Ms. Kesita Adhikari
    Nepal 1 TV
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62 Mr. Sasin Maharjan
   Nepal 1 TV

63 Mr. Sushil Banskota
   Himalaya TV

64 Mr. Ramkrishna Bhandari
   KTV

65 Mr. Anil Giri
   Kathmandu Post

66 Mr. Akal Kunwar
   STV

67 Mr. Shailendra Govinda Amatya
   ATV

68 Mr. Sharad Bhandary
   RSS

69 Mr. Bishnu Nepal
   RSS

70 Mr. Kosh Raj Koirala
   Republica

71 Mr. Ranjana Paudel
   T TV

72 Ms. Urmila Basnet
   Himalaya TV

73 Ms. Menon Raj Rajbhandari
   Him Shikhar TV

74 Mr. Ram Chitrakar
   Sagarmatha TV
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75 Mr. Parshu Ram Kaphle
Ragadhane

76 Mr. Bikash Joshi
KTV

77 Mr. Radheshyam Malla
Himalaya TV

78 Mr. Niraj Tamang
Himalaya TV

79 Dr. Rishi Raj Adhikari
Executive Director, IFA

80 Mr. Khush Narayan Shrestha
Deputy Executive Director, IFA

81 Mr. Mahendra Joshi
IFA

82 Mr. Subhash Lohani
IFA

83 Ms. Binita Shrestha
IFA

84 Mr. Sanuraja Puri
IFA

85 Mr. Rajendra Magar
IFA

86 Mr. Nish Magar
IFA

87 Ms. Mina Magar
IFA.
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Annex:2 Photos

Lighting the lamp to inaugurate the program by Hon. Mr. Madhav Prasad Ghimire, Minister for Foreign Affairs.

Launching the book From a buffer towards a bridge Nepal’s new foreign policy agenda by Hon. Mr. Madhav Prasad Ghimire, Minister for Foreign Affairs.
Welcome remarks addressed by Mr. Khush Narayan Shrestha, Deputy Executive Director, Institute of Foreign Affairs

Delivering speech by Mr. Ahmed Saleem, Secretary General of SAARC
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Delivering speech by Hon. Mr. Madhav Prasad Ghimire, Minister for Foreign Affairs.

Participants concentrating in the program.
A session chaired by Mr. Lila Mani Paudyal, Chief Secretary, Government of Nepal.

Paper presentation session chaired by Hon. Mr. K P Oli, Former Foreign Minister.
1. Report on the National Seminar on Nepal’s Foreign Policy – 1993
7. Policy Study Series II (Security in South Asia) – 2001
8. नेपाल-भारत स्तुल्ला सिमाना : संकारात्मक तथा नकारात्मक पक्षहरु विषयक गोष्ठीहरुको प्रतिवेदन – 2002
11. Future of South Asia: A New Generational Perspective – 2004
18. New Life within SAARC in Cooperation with FES – 2005
22. Report on Special Orientation Programme for Nepalese Foreign Service Officials (Deputed) working in different missions abroad – 2007
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<td>A Report on Briefing-Cum-Interaction Programme for the Nepalese Ambassadors (Designate) to Different Missions Abroad.</td>
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<td>27.</td>
<td>Expansion of SAARC: Challenges and Opportunities</td>
<td>2008</td>
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<td>Nepal-German Relations</td>
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<td>Foreign Policy of Nepal: “Challenges and Opportunities”</td>
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<td>Foreign Policy of Nepal: Enhancing Effective Participation of Nepal in Regional and International Systems &amp; Risk of Climate Change in South Asia</td>
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<td>From a buffer towards a bridge: Nepal’s new foreign policy agenda</td>
<td>2013</td>
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<td>41.</td>
<td>Role of NRN in Effective Mobilization of Economic Diplomacy in Nepal</td>
<td>2014</td>
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<td>“International Cooperation in Commercialization &amp; Industrialization of Nepalese Agriculture: From Policy to Practice”</td>
<td>2014</td>
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<td>43.</td>
<td>Principles and Strategies of Nepal’s Foreign Policy and Protocol</td>
<td>2014</td>
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