



# NEWSLETTER

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## SAARC consensus on key issues

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**Food and energy security, terrorism, climate change, water, poverty alleviation get top billing**

COLOMBO: A productive and fruitful 15th 'Heads of State' SAARC summit was concluded at the BMICH in Colombo yesterday, with high priority and strong focus laid on taking collective action to confront Food and Energy Hikes in the region as well as the scourge of terrorism. The Colombo Declaration on the basis of 'Partnership for Growth for Our People' was also considered and adopted.

On reaching consensus on several issues by the Heads of State, Foreign Ministers of the respective countries also inked the Agreements on the; a) Charter of SAARC Development Fund (SDF) b) Agreement on the Establishment of South Asian Regional Standards Organisation

(SARSO); SAARC Convention on Mutual Assistance in Criminal Matters and the Protocol on Accession of Islamic Republic of Afghanistan to the Agreement on South Asian Free Trade Area (SAFTA). They also agreed to host the 16th Summit meeting of the SAARC Heads of State in the Maldives in 2009.

Addressing the media at the end of the Summit at the BMICH, President Mahinda Rajapaksa underscored the prime importance of economic and commercial cooperation in the region.

Outlining the global ramifications of reduced food availability in turn leading to high prices, and increasing energy costs, if not addressed to, he said, would reverse the progress and the development achieved by the respective governments.

(contd. on page 7)



*SAARC Heads of State meet in Colombo*

# RCSS Hosts a Roundtable as a Precursor to the Colombo SAARC Summit

As a precursor to the SAARC Summit held in Colombo in July/August 2008 the Regional Centre for Strategic Studies (RCSS) organized and hosted a Roundtable Discussion on the Expanding Role of SAARC in Promoting Peace and Development in the Region on 7<sup>th</sup> July, 2008, in Colombo, Sri Lanka.

The Roundtable Discussion was attended by Dr. Palitha Kohona, Secretary of the Ministry of Foreign Affairs in Sri Lanka, Mr. Mir Akram of the High Commission of Bangladesh, Mr A. Manickam, Deputy High Commissioner for India, Ambassador Durga Prasad Bhattarai, of Nepal and High Commissioner Shahzad A. Chaudhry of

Pakistan representing SAARC member countries. Mr. Ge Chuanyou, Charge d'Affaires of the Embassy of China; Mr. Guy Platon, Charge d'Affaires of the Delegation of the European Commission, Ambassador Michel Lummaux of France, Ambassador Behnam Behrouz, of Iran, Ambassador Kyoshi Araki, of Japan; Ambassador Choi Ki Chul, of the Republic of Korea, High Commissioner Mookhesswur Choonee of Mauritius who flew in from New Delhi to attend the event, and Ambassador Robert O Blake of the USA represented the Observer states. Other officials from the Missions of SAARC countries and observer states were also present on the occasion. (contd. on page 7)



# Highlights of the Statements of SAARC Leaders

**P**resident Mahinda Rajapaksa of Sri Lanka in his opening statement declared that most countries of our region are faced with the curse of terrorism that threatens the peace and stability that is needed so much for the forward march of the people. Hence, there is a need to redouble efforts for collective action to combat terrorism in all its forms and manifestations. President Rajapaksa also strongly suggested that in-depth studies are carried out to understand the social impact of this menace and that it was also necessary that as a region to endeavour to set right the many wrong impressions that exist, or are promoted elsewhere, about the actions that are imperative to protect the people and societies from the brutalities of terrorism. He highlighted that the Colombo Summit was taking place amidst a background of significant political events and major international issues, such as food and fuel insecurity and degradation of the environment to which the Colombo SAARC Summit should pay adequate attention.

**P**resident Hamid Karzai of Afghanistan- made special reference to the threat of terrorism in the region said that while the people of Afghanistan today are bearing the brunt of international terrorism on a daily basis, it is also with tremendous trepidation that they are watching the wildfire of terrorism spreading across the region. The tragic assassination of Benazir Bhutto in Pakistan, the indiscriminate attacks on civilians in Colombo earlier this year, the recent terrorist bombings in the Indian cities of Bangalore and Ahmedabad, and attacks in Kabul are yet other grim reminders of the growing reach of terrorists across the wider region.

All countries should focus together on fighting extremism and terrorism as they are enemies common to all. This challenge must be overcome to facilitate greater regional economic integration to bring prosperity to the people in South Asia.

**C**hief Adviser Dr. Fakhruddin Ahmed of Bangladesh drew attention to the intra-regional investment flows in South Asia. He observed that the existing flows were very small and given the right kind of environment and confidence, the potential for increased intra-regional investment was immense. He felt that restrictive investment regimes were one of the inhibiting factors in attracting foreign direct investment. It was important he stressed, that the Draft Agreement on Promotion and Protection of Investments was finalised at the earliest.

In order to move the process of trade liberalization forward, he said it may be useful to set-up a consultative mechanism to identify the bottlenecks and recommend effective ways to move the process of trade liberalization towards a Customs Union, and finally to an Economic Union.

**P**rime Minister Lyonchhen Jigmi Y. Thinley of Bhutan focused on the necessity to build a 'Partnership for Prosperity' which underlined the importance of physical, economic and people-to-people connectivity. In order to achieve this 'partnership' it was necessary to expedite the implementation of the recommendations of the SAARC Multimodal Transport Study including the sub-regional and regional projects that have been identified. Urging the necessity for the poor and destitute to break free from the shackles of poverty and realize their potentials he stressed that reasonable headway is made and that the national efforts should complement the regional consensus and the Plan of Action on Poverty Alleviation.

**P**rime Minister Dr. Manmohan Singh of India referred to the fact that South Asia had not moved as fast as expected and drew attention to the rapid integration within ASEAN and its emergence as an important economic bloc in Asia. He stated that SAARC must make its voice heard in the councils of the world to ensure that there is an effective global response regarding energy issues. The region should also pool its resources to tap renewable sources such

as solar energy, hydropower and wind energy, all of which South Asia has in abundance. The Prime Minister emphasized the necessity for the countries in South Asia to work collectively towards achieving a quantum leap in agricultural productivity, foodgrain output and farm incomes so that the spectre of food shortages and hunger vanishes from the region.

**H**is Excellency Maumoon Abdul Gayoom, President of the Republic of Maldives stated that the SAARC Environment Ministers have recognized South Asia as the most vulnerable region in the world to climate change, putting the livelihood of the South Asian people at serious risk. It was imperative that policy decisions of the governments should reflect the social and human rights implications of climate change. On the energy crisis, President Gayoom proposed harnessing alternative energy resources, introduce sustainable and efficient energy consumption, develop greater cooperation with other economic partners such as the ASEAN bloc and to ensure that economic activity is supported by plans to protect and sustain the natural environment.

**Prime Minister Girija Prasad Koirala of Nepal** welcomed the establishment of the SAARC Development Fund to assist regional and sub-regional projects in the areas of social, economic and infrastructure

development. Special efforts should be made to tap the growing strength of the private sector of the region for projects under the public-private partnership scheme. The involvement of the international and regional financial organizations in consonance with the SAARC objectives and principles should also be sought. He articulated the desirability of adopting enabling national legislation to fully implement the existing conventions and mechanisms to address these issues in a harmonized way, by, among other things, involving the civil society organizations and the private sector.

**P**rim Minister Syed Yousuf Raza Gilani, of Pakistan in his statement encouraged a move towards project-based cooperation under SAARC to implement regional and sub-regional projects in agreed priority areas. Prime Minister Gilani proposed that each Member State as a "lead country" should take one or two projects and may also involve SAARC Observers and other international development institutions in these efforts. Public-private sector collaboration was shown to be another avenue to achieve the development objectives. As the region seeks to evolve modalities to associate Observers with the work of the Organization, Prime Minister Gilani emphasized that the option of granting "dialogue partnership" status to those Observer states that wish to deepen their relationship with SAARC for mutual benefits should be considered.

## Excerpts from the Declaration of the Fifteenth SAARC Summit Colombo, 2-3 August 2008

- ◇ The Heads of State or Government strongly condemned all forms of terrorist violence and expressed deep concern over the serious threat posed by terrorism to the peace, stability and security of the region.
- ◇ They reiterated their commitment to strengthen the legal regime against terrorism, including by undertaking to implement all international conventions relating to combating terrorism to which Member

States are parties, as well as the SAARC Regional Convention on Suppression of Terrorism and the Additional Protocol to the SAARC Regional Convention on the Suppression of Terrorism.

- ◇ The Heads of State or Government further emphasized the importance of completing all legislative and other relevant measures to implement within Member States, the provisions of the Regional Convention on Narcotic Drugs and Psychotropic Substances

## Excerpts... (contd. from page 4)

- ◇ The Heads of State or Government expressed satisfaction on the finalization of the text of the SAARC Convention on Mutual Legal Assistance in Criminal Matters at the Fifteenth Summit and its signing. The Heads of State or Government urged for early ratification and implementation of the Convention.
- ◇ The Heads of State or Government recognized the importance of connectivity for realizing the objectives of SAARC. They accordingly directed the SAARC mechanisms to continue to embody in their programs and projects a strong focus on better connectivity not only within South Asia, but also between the region and the rest of the world. They further stressed the necessity of fast-tracking projects for improving intra-regional connectivity and facilitating economic, social and people-to-people contacts.
- ◇ The Heads of State or Government observed that the escalation of oil prices threatens both the energy security of the region, as well as the economic growth witnessed in South Asia. In this context, they recognized the need to expeditiously develop and conserve the conventional sources of energy and to build up renewable alternative energy resources including indigenous hydro power, solar, wind and bio, while introducing energy reforms, energy efficiency and the trade and sharing of technology and expertise.
- ◇ The Heads of State or Government stressed the urgent need to develop the regional hydro potential, grid connectivity and gas pipelines.
- ◇ The Leaders expressed satisfaction at the adoption of SAARC Action Plan and Dhaka Declaration on Climate Change by the SAARC Environment Ministers.
- ◇ They also emphasized the need for assessing and managing its risks and impacts. In this regard, they called for an in-depth study on “Climate Justice: The Human Dimension of Climate Change,” to come up with a rights-based approach that would highlight the human impact when responding to the impacts of climate change.
- ◇ The Heads of State or Government directed that a Natural Disaster Rapid Response Mechanism be created to adopt a coordinated and planned approach to meet humanitarian emergencies under the aegis of the SAARC Disaster Management Centre.
- ◇ The Heads of State or Government expressing their deep concern at the looming global water crisis, and directed initiation of processes of capacity building and the encouragement of research, combining conservation practices such as rain water harvesting and river basin management, in order to ensure sustainability of water resources in South Asia.
- ◇ The Heads of State or Government expressed satisfaction at the signing of the Charter of the SAARC Development Fund (SDF), and finalization of its By-laws, and called for an early ratification of the SDF Charter.
- ◇ The Heads of State or Government reiterated the critical importance of an efficient multi-modal transport system in the region for integration and for sustaining the region’s economic growth and competitiveness. They urged early implementation in a gradual and phased manner of the proposals of the SAARC Regional Multimodal Transport Study (SRMTS).
- ◇ The Heads of State recognized the need to continue to address the major barriers hindering effective trade liberalization in the region, which include sensitive lists of items and Non-Trade Barriers (NTBs), they directed that the decision to revise the sensitive lists by the SAFTA Ministerial Council (SMC) be implemented early. They also recommended that while revising the Sensitive Lists, special consideration be given to the LDCs.
- ◇ The Heads of State or Government welcomed the substantial progress made in the establishment of the South Asian University in New Delhi and directed that the University should begin its Session from 2010.
- ◇ The Heads of State or Government welcomed the Observers namely the People’s Republic of China, the Islamic Republic of Iran, Japan, the Republic of Korea, Mauritius, the United States of America and the European Union and appreciated their participation in the Summit. They also welcomed Australia and Myanmar to be associated as Observers to SAARC.

# Recommendations of the RCSS Roundtable

**Observer States to SAARC** - South Asia cannot function in isolation. Therefore, SAARC should be a part of the global community. Towards this end, the Observers should be considered as partners of SAARC and the partnership between SAARC members and Observer States should be strengthened.

**Making SAARC more People Friendly** - The people in the region should be aware that the benefits of SAARC can be shared by everyone in the region. It is necessary for people to 'embrace' SAARC. SAARC should also operate at a people's level, particularly at the bottom line of the society.

**Connectivity** - SAARC should focus on connectivity as a means of enhancing regional integration. Closer connectivity builds up a People-to-people contact and is also needed to counter issues such as terrorism, drug trafficking, human trafficking, small arms proliferation etc. A multi-modal transportation system, air connectivity, visa regulations, intra-regional tourism, development of ports, and exchanges of youth/scholars are some means of improving connectivity. The historic Silk Route can be revived and a railway transportation system set up along that route embracing not only South Asia but the larger Asia as well.

**The Necessity to have a Region-Building Initiative** - The cooperation of SAARC countries should take place in a bilateral and multilateral context also with sub regional cooperation. SAARC should maintain a united position on all major issues and have an effective common voice in international fora. There should be continuous interaction with other regional organizations such as EU and ASEAN.

**Civil Society Networks** - Regional integration cannot be achieved only through governmental participation. Civil Societies of member countries should be a part of regional integration. Efforts should be made to reach out to the civil society to supplement the role of the respective governments and private sectors.

**Problems of Implementation** - Considering that SAARC is almost 25 years old it is imperative that it becomes more dynamic through hard work and effective implementation. The decisions taken at a regional level should be fully implemented through the national agendas of Member Countries.

**Institutional Capacity** - Make the SAARC Secretariat more effective in its role by including professionals in the institution. A SAARC audit mechanism can be used to monitor the progress of the organization. Experts outside the SAARC region should be approached for their advice, on short or long term basis.

**Regional Integration through Free Trade** - The South Asian Free Trade Agreement (SAFTA) is a positive development leading to regional integration. However, it needs to be implemented fully with the participation of all member countries, at all levels, as substantial economic development can be achieved with deeper economic integration.

**Poverty Alleviation** - South Asia needs to combat widespread hunger and poverty. Therefore, the alleviation of poverty and food security should be high on its agenda. The SAARC Development Fund should be publicized in order to receive contributions from Observers as well as other organizations or individuals.

**Development of Infrastructure/ Energy related issues** - Infrastructure development is an area which needs urgent attention and basic infrastructure facilities should be improved for economic development. In view of the energy crisis, sharing of energy resources and multilateral cooperation is necessary.

**Environment** - Climate change and environmental degradation are issues not only the South Asia region but the whole world is now faced with. Hence South Asia should work together with the global community to minimize the damages and help each other.

**Empowerment of Women** - Women and children need special attention due to their vulnerability. The Convention on Trafficking of Women and Children needs full implementation. Also empowerment of women as a means of enhancing their contribution to the society and economy would have a preventive effect on their migration for employment. A gender unit at the SAARC Secretariat should be established to deal with these issues.

**Good Governance** - It is necessary to ensure political stability in the region in order to achieve sustainable development. Lack of democratic governance and corrupt political systems are issues that all South Asian countries face, hence good governance practices should be encour-

aged. Terrorism has been/is a critical challenge and every country faces security threats. Protracted conflicts have also been a hindrance to development in many of the

countries. Therefore it is necessary to maintain peace for the development of the economies and improving the quality of life in the region.

### **SAARC consensus on key issues** (contd. from page 1)

He opined that in the field of Energy, we should strive to develop alternative and renewable sources of energy, and make the necessary reforms in increasing energy efficiency, transferring technology and in energy trading.

The Energy Ministers of the SAARC countries are due to meet in Colombo next year to pursue this matter further.

“In the field of energy, we have decided that our approach will be built on several pillars. Firstly, we shall try to develop and conserve conventional sources of energy.

Secondly, there will be a strong focus on alternative and renewable energy sources, including hydro-power, solar, wind and bio,” he added.

President Rajapaksa also underscored the importance of combating global terrorism, a menace particularly rampant in the region which if not eradicated, would affect the region’s stability and security.

“It is in recognition of this reality, that we have ensured the signature at this summit of the Convention on Mutual Legal Assistance in Criminal Matters. We have condemned all forms of terrorist violence, and emphasized that our States should firmly cooperate, especially through the exchange of information on terrorism and organised crime”, President Rajapaksa reiterated.

He stressed the importance of implementing the South Asian Free Trade Agreement (SAFTA) in both letter and in spirit, accompanied by the resolution of the non-tariff barriers within the region, which result in the dilution of the benefits derived.

He said that as a far-sighted SAARC project to unite the youth of the region, they have directed the South Asian University in New Delhi to commence its first session in 2010.

(Courtesy Daily News, 4 August 2008)

### **RCSS Hosts a Roundtable as a Precursor to the Colombo SAARC Summit** (Contd. from page 2)

A panel of experts on regional cooperation drawn from think tanks, the academia and the private sector added the civil society component to the event.

Dr. Rifaat Hussain, Executive Director of RCSS in his welcome address thanked all Heads of Missions of SAARC countries and Observer states and made reference to the SAARC Summit which was scheduled to be held in Colombo later that month highlighting that key focus of the Roundtable Discussion was the expanding role of SAARC in promoting peace and development in the region.

The Secretary, Ministry of Foreign Affairs Dr. Palitha Kohona made the keynote address and a statement on behalf of Sri Lanka. In his keynote address he made reference to the fact that SAARC has been in existence for over two decades where in the formative years, safeguards with regard to certain issues were necessary but that it was now appropriate to take up all contentious issues and address common problems in the region. Dr. Kohona mentioned development, combating terrorism, poverty eradication, inter-regional trade, global warming and climate change and investments and services as important areas of focus for the future.

Ambassador Nihal Rodrigo, former Secretary General of SAARC made the opening remarks and together with Executive Director, Dr. Rifaat Hussain, facilitated the discussion which was held in two sessions – the first where representatives of SAARC countries made their country statements while representatives of Observer states made presentations expressing the views of their respective countries on the theme of the Roundtable in the second session. Both sessions were followed by discussions. Issues the region is confronted with, weaknesses of SAARC as a mechanism in addressing these issues and recommendations to improve the organization were highlighted in the presentations and discussions.

The recommendations that emanated from the Roundtable Discussion were submitted to the Minister of Foreign Affairs of Sri Lanka, Secretary General of SAARC in Kathmandu and representatives of SAARC Member countries and Observer States as well as the experts who participated in the Roundtable Discussion.

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