



Recommendations
to
The Fifteenth SAARC Summit
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The South Asia Centre for Policy Studies (SACEPS)* has the pleasure in submitting to the member states of SAARC a series of important decisions that the 15th SAARC Summit in Colombo, Sri Lanka, may wish to consider as part of its final Declaration to strengthen and enhance the process of cooperation in South Asia. The current input for the Summit is based on a number of studies conducted by SACEPS that include both introspective exercises on the functioning of SAARC process, as well as some forward looking studies that were done over the past year. The paper also incorporates some of the key recommendations that were made at the Pre-Summit Regional Conference jointly organized by SACEPS and Institute of Policy Studies (IPS) in Colombo on 30th-31st May 2008.

Assessing and Reformulating the SAARC Road Map

Although the contributions of the Group of Eminent Persons Report has been acknowledged and appreciated at several SAARC Summits, the Report itself has never been *fully* discussed at the inter-governmental level nor endorsed in its entirety. In the years following the presentation of the Report a number of steps have been taken in line with the goals and recommendations set out by the Report. However, they have been done on an *ad hoc* basis independent of the recommendations made in the Report which is unfortunate given that the GEP Report was supposed to have served as the road map for the organization and spelt out a step-by-step approach in achieving its vision of a South Asian Economic Union. As part of SACEPS' recommendation to the 15th SAARC Summit, this section highlights what can be done to move the process forward with a view to achieving a South Asian Economic Union.

* See *Annexure* for a list of SACEPS Board Members.

- ***SAFTA: negative lists, NTBs and tariff liberalization***—If SAFTA is to lead to free trade area in South Asia, what needs to be done is quite clear: 1) countries must make binding commitments to reduce their negative lists; 2) countries must eliminate or at least substantively reduce NTBs in the region 3) countries must shorten the period of implementation of the tariff liberalization programme.

The negative lists in the SAFTA agreement have been an issue which has a major impact on trade liberalization in the region. It is significant that unlike in the GEP Report, where it suggests a time-line to eliminate the negative lists, no such binding provision is made in the SAFTA agreement for member countries to reduce the extent of the respective negative lists or eliminate them within a specific time period. Therefore, the SAFTA agreement would be more effective if measures could be drawn up to bind the member countries to gradually reduce their negative lists leading to a total phase-out, in a given time-frame. Similarly, provision should be made and mechanism created to remove trade restrictive NTBs within a specific time-frame.

It is also notable that many bi-lateral agreements provide much better conditions of trade compared to those offered by the SAFTA agreement, e.g. Indo-Sri Lanka FTA (ISFTA), Pakistan-Sri Lanka FTA (PSLFTA). Furthermore, these bi-lateral agreements will come in to force much earlier than SAFTA. Therefore, in order for SAFTA to be meaningful, it should be fast-tracked and the deadlines for the implementation of tariff liberalization programmes should be brought forward.

- ***Measures of Deeper Integration--*** It will not be possible for SAARC countries to move towards Customs Union and an Economic Union without adopting measures of deeper integration. Besides, such measures have the effect of enhancing the trade-creating effects of a free trade area. Moreover, they can be pursued on their own merits even without being related to a free trade area. Some of these measures are listed below.

a. Trade in services—Trade in services already takes place amongst SAARC countries and the region stands to benefit through cooperation in tourism, education, health, and professional services, which in turn, could lead to positive benefits, including peace dividends through regional cooperation. It is encouraging to note that SAARC is interested in incorporating trade in services in the SAFTA agreement and it would be prudent to identify complementarities within region and to liberalize these sectors on a priority basis. In terms of approach to liberalization, SAARC would be best served by following a positive list approach, which would allow countries to undertake progressive and sequential liberalization while keeping in mind the vast asymmetries within the region. SAFTA should also attempt to agree on few agreed sectors to liberalize which are least

contentious to build confidence before moving onto other sectors. Moreover, commitments for cross-sector liberalization of trade in services can also be undertaken during the course of the negotiations.

- b. *Trade facilitation measures***—Given that the SAFTA Agreement has identified a number of trade facilitation measures, it might be ambitious to implement all of these simultaneously and as such a sequential approach may be more feasible given the large investments associated with trade facilitation measures. Thus, it would be more prudent to identify a few areas in trade facilitation where cooperation is relatively easy, where the benefits are large and tangible in the short-medium term. These areas should be more vigorously pursued by creating binding commitments along with special and differential treatment for LDCs together with technical assistance from non-LDCs and international organisations working in the field. In this regard, simplification, cooperation and harmonisation of customs and customs procedure could be starting points especially given that SAARC already has a Standing Group on Customs Cooperation. These should be accompanied with measures to harmonise standards within the region given that divergences in standards prevent free movement of goods across borders. Some ground work is in place due to the existence of the SAARC Standing Group on Standards, Quality Control and Measurements and useful step would be to identify highly traded products within the region that are adversely affected by lack of a common standard. Harmonisation could begin with the standards of these products and then move on in a progressive manner until complete harmonisation has been achieved. Given that substantial ground work has already been done in promoting trade facilitation in the region, it is *imperative that the region moves from the declaratory to the implementation stage with regard to trade facilitation measures*. Enhancing trade facilitation in the region is also important as it would (in addition to reducing tariffs) have a major impact on bringing down the high levels of informal trade taking place in the region and encourage trade via legal routes.
- c. *Coordination of macro-economic policies***—The GEP Report emphasises the importance of member governments making an institutional arrangement for regular consultations and discussion with a view to coordinating their macro-economic policies. A provision to this effect including the suggested institutional mechanism, should be a part of the SAFTA Treaty. The appropriate formulation in this regard can be taken from the relevant portion of the GEP Report.
- d. *Formulation and adoption of common position on international economic issues***—The GEP Report emphasises the importance of member governments formulating and adopting common position on

international economic issues. A provision to this effect including the suggested institutional mechanism should be a part of the SAFTA Treaty. The appropriate formulation in this regard can be taken from the relevant portion of the GEP Report.

- e. Regional Investment Agreement--* Finalisation of the Regional Investment Agreement has been delayed **partly** due to the fact that the countries have not been able to establish the SAARC Arbitration Council as a mechanism to address the post-investment issues as well as due to politics within the region. Therefore, countries should take necessary steps as soon as possible to establish the SAARC Arbitration Council, which is likely to be taken up at the forthcoming summit. Early finalisation of the Regional Investment Agreement would certainly accelerate the creation of SAARC Investment Area which would enable the member countries to take full advantage of free trade within the region. Until it is finalised, the member countries should promote cross-border investments through bilateral agreements which would eventually help to harmonise investment policies across the region and build the economic environment required to establish a regional investment area, facilitating intra-regional investments and attract extra-regional investments into South Asia. One key factor that contributed to stimulating economic cooperation among ASEAN countries was the external investment from Japan. When the cost of production increased in Japan, most firms shifted various components of their operations to ASEAN. SAARC is not in a position to attract similar investment from outside the region and thus, needs to look at new avenues. In this regard, India is a country with exportable capital surplus and could play a major role in other SAARC countries.
- f. Development Fund for the LDCs--* It is very difficult to sustain the interest of the Least Developed Countries (LDCs) of South Asia in any regional integration until their economies are brought to the level of the more advanced countries of the region. One of the recommendations of the GEP is that there should be a large size fund created for these countries. The figures discussed some 15 years ago were \$ 5-6 billion which would be \$ 10-15 billion at present. The help that is being given to Poland for integration with the European Union is € 91 billion over a 5 year period, out of which € 27 billion have been disbursed in the first year. This is how the LDCs can be integrated or brought up to a level where they feel that they are also taking advantage of opportunities presented by integration. Failure to do so was the reason why most of the first wave regional grouping among developing countries failed miserably. This was a very important recommendation of the GEP that needs to be considered at the political level.

- g. *Air connectivity in the region--*** Establishment of SAARC Airline is an ambitious goal set by the GEP. Instead of a SAARC Airline, commencement of direct flights between SAARC capitals should be promoted. This can be facilitated by offering 5th freedom rights by all the member countries to at least few designated airlines from countries in the region. So far, India has given the 5th freedom right to designated airlines from South Asia but on a reciprocal basis. Therefore, as a first step towards enhancing air connectivity, other countries in the region should offer the same in order to improve air connectivity in the region, which remains dismally low.

Making provisions for common ticketing and endorsing arrangements for facilitating travel can be initiated through bilateral negotiations. Countries can learn from the bilateral level experiences and then move towards regional cooperation in this area.

- h. *Strengthening the SAARC Secretariat***—Currently, the powers of the Secretary General (SG) and the Secretariat are quite limited. Therefore, in order to pursue matters of regional interest, it is necessary to take measures to widen the mandate and the scope of operations of the SG. SAARC needs to widen its capacities in terms of finance and human resources. Lack of financial resources has severely hindered the implementation of projects and their monitoring. Another factor that aggravates this situation is lack of experts on different areas in the SAARC Secretariat mainly owing to the lack of funds. Therefore, SAARC should identify possible means of increasing funds available to the Secretariat in order to efficiently handle its operations instead of having to depend on a minute number of workers at the Secretariat. The SG should be given the resources to hire experts when needed for specific projects. Furthermore, the process of choosing Directors is still more or less political in nature, given that the SG has to choose from the nominations made by each government. The SG should be given the freedom to nominate anyone of his choice out of a short list prepared by an expert-level selection committee after which approval may be sought from the respective member state.

The programme resources of SAARC committed by the member governments from time to time should be paid to a fund within a stipulated time limit, and put at the disposal of the SAARC Secretary General.

Regional Response required on Food Crisis and Climate Change

The real price of food, which had been falling since the 1950s, has been on the rise after 2000, with a sharp upturn of prices from mid-2007. This is due to both cyclical (adverse weather, dollar depreciation, hoarding, export bans) and structural factors (rising energy prices, increasing production costs, etc). The rising food prices will severely affect about 1.2 billion people in Asia and, since over 60 percent of the consumption basket of the poor is constituted of food, this price hike would lead to high levels of malnutrition and poverty. However, the impact across households will vary. The macro-economic impacts of high food prices will result in higher inflation, have consequences on our growth rate, lead to fiscal impacts like rising cost of social protection, and increase the risk of crowding out social expenditure and public investments. Short-term measures that could be taken to tackle this problem include: adopting mitigation measures to protect the most vulnerable segments of our society, reducing tariffs and taxes on staples, and establishing buffer-stocks to reduce price volatility. Reducing subsidies and reallocating these funds to more productive uses, improved rural finance, supporting a second Green Revolution are some medium-term responses that are needed to handle the current food crisis facing the region.

As far back as 1987, SAARC established its own Food Security Reserve not only to meet the emergency food situation that the region might face, but also to meet shortages, which could not be met because of balance of payment problems faced by any particular country. However, the Food Reserve has never been utilized despite pressing food demands in the region, including the wheat crisis in Pakistan, cyclone hit situation in Orissa, floods and cyclone in Bangladesh, and the impact of tsunami in Sri Lanka.

At the beginning of 2007, the 14th SAARC Summit in New Delhi recognized the need to make the food security scheme functional. The Summit endorsed the idea of creating a SAARC Regional Food Bank (SRFB).

In order to make the SAARC Regional Food Bank more effective, the 15th Summit may wish to incorporate the following suggestions in its final Declaration.

- First, the new mechanisms that were envisaged by updating Food Reserve to Food Bank, particularly the nodal points and the unit in SAARC Secretariat, have taken over more than a year to materialize. It is crucial to set a time limit to put these

mechanisms in place so that in emergency situation or food shortages member states can draw from the Food Bank to meet their needs.

- Second, transparency could be greater than what has currently been recognized by the Food Bank. How much is held by which country and in what mix (rice and wheat) should come out in prominent newspapers, television and radio. Stocks should be located in the border areas of the member states to ensure quick and easy access in times of crisis. The locations should also be advertised and made public so that there is no confusion on how and from where to access the food stocks when needed.
- Third, the price preference, instead of being expressed in qualitative terms, should be quantified. A modest figure of 10% is reasonable.
- Fourth, for the SRFB to have any real meaning it is important for food surplus countries to provide some small amount as aid to food deficit nations within the region. The gesture would have tremendous impact internationally by demonstrating that the region is capable of feeding its own people. This is particularly important when the developed countries are justifying the retention of their agriculture subsidies on the ground that their food surpluses are required to feed the people in the developing countries.
- Fifth, there is a need to fix a time limit between the entitlement being notified and the delivery of the food, which has not been done so far. Three months may be a reasonable time, but in case of emergency it has to be much shorter as dictated by needs of the member states.
- Sixth, something must be done about the cross boarder passage of such cargoes. The delivery of badly needed food stocks can be slowed down due to long bureaucratic procedures. The regulation for transferring emergency food stocks should be basic. Filling of custom forms should be dispensed with after proper authorization by the central government and the cargo should be allowed to pass freely across the boarder. All the other unnecessary formalities should not be required.
- Seventh, an effective mechanism must be in place to facilitate the sharing of research and best practices among member states, especially in the area of agriculture and forestry, along with free movement of seeds and plants. SAARC needs to encourage and facilitate cooperation and collaboration between educational institutions in the member countries on a fast track basis.
- Eighth, the SAARC Secretary General should be provided with the necessary technical expertise and institutional resources to coordinate the work of the Board and monitor the progress of the Food Bank. A Permanent Headquarters of the Food Bank should be established at the earliest and it should engage in activities to ensure food security in the region.

- And lastly, SAARC also needs to initiate a review of the status of agriculture in South Asia by reexamining if the policy of self sufficiency has been effective and what has happened to the food reserves of the member states. It is generally accepted that if a country's balance of payments is linked with foreign aid policy, then they end up not having a safety net of their own stocks, which is a real safety net. A country's own stock is the most important guarantee and solid insurance policy that a country can have, rather than the safety nets provided by donor agencies. An introspective exercise of this nature has not been taken up in the region, which the 15th SAARC Summit may wish to seriously consider.

The *Fourth Assessment Report of the Intergovernmental Panel on Climate Change of the UN* has examined in detail the impending food crisis facing the world and it remains the most comprehensive scientific study conducted on this subject so far. The Report shows that over the next few decades, due to a rise in the global temperature of around 2.5 degree centigrade, there will be an absolute reduction in the yields per acre by 30-35% in South Asia alone. Thus, the coming decade there will be major reductions in the yields per acre, directly related with the climate change. This is also associated with another phenomenon of variability and increased fluctuations of the agricultural outputs which have not been examined thoroughly in the region so far. It relates to soil depletion for a whole range of reasons. Moreover, the water requirements per acre for the farmer has increased while at the same time the availability of water has declined due to inadequate public investment in irrigation and in improving irrigation efficiencies. So far, this huge and growing water deficit is dealt with by the farmer in a very simple way by depending on the right quantity of the rainfall at the right time, even in the case of irrigated area. Yet, one of the major consequences of global warming is that it has increased the variability of weather (the variability of rainfall—both its quantity and its location), while farmers even in the irrigated regions are more dependent on timely rainfall and rainfall is less timely as a result of the climate change. The increased amplitude of fluctuations in agricultural output that we are now observing directly impacts the poor since the frequency of the bad harvest has increased in the last 30 years. This increased variability of the weather and the associated fluctuations in the cereal production are critical new factors that are intensifying poverty trends.

The great challenge for South Asia and the world at large is how to face the *onslaught of climate change* and its consequences for poverty. This again requires regional cooperation of an unprecedented kind. It means bringing together the finest minds to develop new heat resistant varieties of food grains, devising ways to be able to conserve water, organizing people at the village level to confront the problems of climate change through local level technologies for energy production and for water conservation. Regional cooperation is not just a policy option as far as food security and climate change is concerned. It is an imperative for the very survival of political and social structures in South Asia.

Developing the basic infrastructure for regional integration: Cooperation in the transport and energy sector

The huge jump in trade that SAARC has come to expect through SAFTA leading eventually into an economic union cannot be realized unless South Asia is willing to develop its basic infrastructure to facilitate the process. The two areas of crucial importance that SAARC has already realized are the need to strengthen connectivity in the region and develop the energy sector.

a) Transport connectivity

Although present level of intra-regional trade in South Asia is limited to 5-6 percent of its total global trade, there is great potential for its growth, once there is a change in the political mindset and greater commitment to enhance economic cooperation among SAARC countries. Around 55-60 percent of the current trade among SAARC countries is taking place along land routes. But the transaction costs (transport and logistics) of such trade over land are very high, and ranges between 10 to 80 percent. There is an urgency to bring down this cost so that international trade becomes more competitive. To enhance growth in intra-regional trade and tourism, and to promote people-to-people contact, there is an urgency to establish efficient transport connectivity among SAARC countries. A number of recent studies, including SAARC Regional Multimodal Transport Study (SRMTS), have established that transport infrastructure for such

overland transport connectivity more or less exist in the mainland countries of SAARC, but these are fragmented at the moment.

One of the most crucial barriers for seamless overland movement across borders appears to be lack of transport and transit agreements among SAARC member states. As a result, goods moving overland are required to be transshipped at the border which has considerable cost implications. There is also a lack of compatibility among the rolling stocks in use in different railways in SAARC region. For a smooth movement across borders, there is a need to rationalize the railway gauge differences. In order to put in place a SAARC Regional Multimodal Transport System, only nominal investments would be needed to achieve substantial improvements in regional transport connectivity. Many of the 'building blocks' are already in place, and SAARC can assist in creating an environment where these blocks can be combined to support an efficient regional transport system. To facilitate smooth movement of trade across the border, it is necessary to encourage more and more containerized movement.

It is clear that problems related to transport integration cannot be resolved in isolation. These need to be looked into together with other outstanding problems in trade, environment, water sharing, border disputes, etc. Some of the immediate measures that are necessary to address these problems are as follows.

- The SAARC member states may wish to take the entire range of issues that are standing on the way to establish a 'South Asian Community' and 'SAARC transport connectivity' as a collective agenda that should be discussed together, first bilaterally and then as a South Asian group, with a view to resolve all of them.
- In order to ascertain the real dimensions of the political constraints and reservations which are obstructing integration of the transport system, it would be important to establish an awareness dialogue, involving the entire civil society in each of the South Asian countries, about the mutual benefit of transport integration or cost of non-cooperation among countries, based on the findings of SRMTS study. This could go a long way in finding solutions at the political level.
- The SAARC Transport Minister's meeting held on August 31, 2007 in New Delhi picked up for consideration only a few barriers standing on the way to regional transport integration, while leaving a large number of barriers still to be addressed. Unless the major countries such as Bangladesh and Pakistan take initiatives to address the barriers identified, it is going to take a very long time

before a major break-through could be expected in establishing an integrated transport system in South Asia.

b) Energy

The long term vision of a regional initiative for energy cooperation is to develop a Regional Energy Market in South Asia, maintain an efficient and reliable energy supply and thereby pave the way for energy security and sustained economic growth. Creation of a Regional Energy Market presupposes several conditions, one of which would be to provide adequate legal provisions for easy access to the market. Major advances have been made in India, under the Electricity Act of 2003 which are worth being emulated by other countries of the Region. A notable feature of the Act is the introduction of an availability-based-tariff (ABT) and the use of system frequency support in power trading in India which can provide a significant opportunity for Nepal to sell surplus energy to the Indian market at the attractive price.

The idea of linking the power system networks of Bhutan, Nepal, India and Bangladesh appears to be a very attractive project with power transfer capability ranging from 50 MW to 500 MW and an investment ranging from US\$ 9 million to US\$ 52 million which can be implemented within 5 to 10 years. A feasibility study of the proposal along with an assessment of the benefits and costs of the project to each of the countries appears to be the next logical step, which, if found attractive, deserves to be seriously considered for implementation as a regional project in a public private partnership (PPP) mode.

South Asian countries need to draw up a set of guidelines which can be widely discussed and agreed upon. Such a set of guidelines could answer some of the crucial questions on how to resolve the issues of resource allocation and sharing of benefits, and also the question on how to resolve the issues of regulations or establishing either a regional regulatory framework or letting them happen through bilateral agreements. The guidelines should include the technology related issues and most importantly, the cost of infrastructure. SAARC can play a major role in developing such guidelines for member countries to establish their interconnections, particularly in power and gas transfers. This is particularly important since most of the countries in the region—possibly, with the exception of Sri Lanka, Maldives and Bhutan—are undergoing load shedding and the

impact of dramatic rise in fuel prices has been felt strongly throughout the region. The real problem is not that there is energy deficit in the region. The real challenges are issues of restructuring and allocation of resources so that these resources can be distributed more equitably and traded more effectively among all countries of the region.

Establish a SAARC Task Force on Labor Migration

According to the World Bank report on Global Economic Prospect (2006) South Asia receives annually around \$39.4 billion in remittances from its migrant workers from throughout the world. When the values for unofficial remittances (estimated) are combined with those for official remittances, the total comes to \$64.9 billion for the region. In Pakistan, remittance increased four-fold from just over \$1 billion in 2001 to over \$4 billion in 2003; in Bangladesh, it increased from \$1.9 to \$3.3 billion (latest indicators suggest \$6 billion); in India, it increased from \$12 to \$21.7 billion (Reserve Bank of India has estimated the figure for 2005-06 to be \$24.1 billion; and the World Bank has recently given an estimate of \$27 billion of inward remittances during the year 2007). India came to the top of the countries receiving remittances, some five years ago and has stayed at that position since then. Nepal receives close to \$1.5 billion.

In addition to financial benefits to the sending countries, migration provides opportunities to build their human, capital and social assets. Returning migrants usually bring new skills during employment abroad through what is today recognized as beneficial transfer of know-how and competencies called 'brain gain'. Migrants can also play an important role in their home country by strengthening political debate, strengthening the role of civil society, encouraging the education for non-migrants, and emancipating women and minority groups in countries of origin.

Collaboration of South Asian countries is essential in creating a more uniform policy for sending, receiving and transit countries. There is currently a negative competition among countries in South Asia which works against the need to put collective pressure on the destination countries for the welfare of the migrant laborers. Bilateral cooperation is needed to deal with the problem of illegal migration. However, those who have already migrated illegally cannot be denied their basic human rights in

the place where they are staying. There is greater need today to conduct more action research on labor migration from South Asia since the problems of migration are different in each country.

Some of the issues where more work need to be done through a collective effort include:

- ***Developing the necessary information/data***--Return migration is an inevitable aspect of temporary or contract migration, but there is a paucity of information to evaluate the magnitude of those who return to their country of origin. There is also lack of information on aspects like occupational structure, skills acquired, resource position, investment capabilities and investment plans of return migrants. The lack of data has impaired the formulation of any meaningful reintegration plans for those coming back to their country of origin.
- ***Examining closely the issue of consumption v. investment of remittances***--The impact of remittance on the national economy of South Asian countries is not fully understood. Surveys from a range of countries have found that remittances, up to 80 percent in some regions, are spent on consumption and welfare, while only a small amount is invested in land and housing and new productive activities.

The specific implication of consumption and investments need to be looked at in greater detail to clarify the impact of remittances on poverty and economic development in South Asia. To encourage investment of remittances, the States need to do more to improve the business climate through the development of proper infrastructure or the provision of small business loans to get business started.

- ***Establishing a SAARC Task Force on migration***--Time has come for SAARC to establish a Task Force to look at the complex phenomenon of migration from the point of view of its influence on growth prospects of the South Asian countries and derive relevant conclusions out of that effort. In addition to some of the issues identified above, the Task Force could begin by examining existing laws and existing policy document in the region. Out of the study, it would be possible to come out with recommendations on what kinds of action should be taken. One would be to suggest to other government which do not have such laws or policy documents to adopt the best available one in the region. The other would be to prepare a model law or a model policy declaration for the entire region and make it available to the governments. The recommendations of the Task Force should be based on technical level study on the pattern of migration, evolution of policies and demographic trends, both regionally and internationally. In the course of its work the Task Force should look at the data and the adequacy/inadequacy of it, and also its conformity to international standards and whether there could be regional standards of collecting such data.

Monitoring of Social Charter

One of the objectives of SAARC is to bring benefit to the people. The implementation of the SAARC Social Charter is directly related to what happens to the people at the grassroots levels. It is related to their rights, entitlements and actual conditions. It is, therefore, essential that the review of the implementation of the SAARC Social Charter should be a recurrent item on the agenda of the SAARC Summit Conference. During the discussion on this item, the country reports on the monitoring of the implementation of the Charter should be reviewed at the regional level with a view to identifying shortfalls in implementation and suggesting remedial measures. The SAARC Heads of Government should also ensure that the arrangements and mechanisms envisaged in the Charter for monitoring of implementation at the country level – that is, the establishment of National Steering Committees, the preparations of an Action Plan which includes specific targets by each member State, and the preparation of a country report by each member government, are put in place and, complied with. Moreover, civil society organisations should be adequately represented in the National Steering Committees and the preparation of and discussion on the country reports should be fully participatory.

In the ultimate analysis, the monitoring of the implementation of a regional Social Charter can be best done on the basis of national social charters which have been developed on a participatory basis and which are essentially right-based. Member governments should encourage and assist civil society organizations in preparing such national social charters. Where such charters have been prepared by citizens' organisations, the member governments should assist them in broadening their support base and undertaking the monitoring of their implementation. The outcome of such monitoring should be used as an input for the preparation of the country papers by the governments.

Lessons learned from SACEPS' work on "Monitoring SAARC Policies and Programmes"

An extensive study recently done by SACEPS on SAARC activities over the past two decades suggests that the organization must take various initiatives to correct the drawbacks of the past in order to make its programmes more meaningful in the future.

- ***SAARC Integrated Programme of Action (SIPA)***—From the very inception of SAARC its Integrated Programmes of Action have served the backbone of its programmes designed to enhance cooperation in South Asia. The nature, extent and level of activities carried out under the IPA have been beneficial from the regional perspective only to a limited extent. In order to make SIPA activities meaningful and effective there must be well-identified target oriented and time-bound programmes, proper *monitoring, implementation and evaluation* on a continuing basis.
- ***Regional Conventions concluded under the SAARC umbrella***—Over the past two decades SAARC has concluded a number of important conventions. They include a number of Regional Conventions, such as on *suppression of terrorism, narcotic drugs and psychotropic substances, and preventing and combating trafficking in women and children for prostitution*. Although all these agreements were signed with good intentions they have, however, not produced the desired results.

The regional convention on preventing and combating trafficking in women and children for prostitution can be more effective if it is allowed to be truly participatory in nature. NGOs that are part of SAARC's Apex/Regional Body working in this field should be given the responsibility of implementing this Convention with full support from the SAARC member countries. SAARC may also wish to establish a separate fund to manage the crucial issues like rehabilitation of trafficking victims.

- ***Involvement of the private sector***—There is an urgent need to synergize and integrate strengths of the private sector in the region to develop key sectors of economy, such as energy, tourism and other investment potentials into the trading basket.
- ***SAARC Regional Centres***—There are seven regional centres currently operating under the SAARC umbrella. These centres have proved to be useful in not only bringing regional institutions and experts to a common platform, but also identifying regional issues of common concerns and devising strategies to tackle them. However, the performance of the centres has not been uniform.

The challenge for the next decade is to consolidate the activities already carried out in the last two decades. This involves disseminating the output of their activities, spreading the accumulated knowledge as reflected in the volumes of publications, working very closely with other agencies who work on delivery of services, including NGOs, schools, colleges and private sector players. The centres must be manned by professionals and experts only and should be engaged only on regional projects.

If the lessons learned from a review of SAARC Policies and Programmes of the past 23 years were to be summarized in a gist, it must be as follows:

- i) For SAARC activities to succeed, they must be wherever possible more participatory in nature. Implementation of obligations undertaken by SAARC under the Social Charter, Convention on Narcotic drugs and Psychotropic Substances, or Convention on Preventing and Combating Trafficking in Women and Children for Prostitution, etc. can succeed only if governments are willing to collaborate with civil society and NGOs to achieve the objectives.
- ii) For regional integration to be meaningful and succeed in South Asia the private sector must be involved as a partner in this process. Representatives of the private sector can work together with the member countries to overcome the hurdles, real or imaginary, which the governments may encounter.
- iii) The governments in South Asia do not need to micro-manage every little activities and goals that SAARC wishes to promote in the region. More emphasis should be made in the future to work through partnership and participation with other stakeholders in the region.

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2. Hon. Mohamed Jaleel, Minister of Economic Development and Trade, Government of Maldives

Nepal

1. Dr. Mohan Man Sainju, Vice Chairperson, Poverty Alleviation Fund and Member, Governing Council and Former Chairman, Institute for Integrated Development Studies (IIDS) and Former Deputy Chairman, Planning Commission, Nepal
2. Dr. Bhekh Bahadur Thapa, Former Minister of Foreign Affairs, Former Minister of Finance
3. Ms. Rita Thapa, Coordinator, Tewa and Chief Executive Officer, Nagarik Awaaz
4. Mr. Binod K. Chaudhary, President, Confederation of Nepalese Industries (CNI), President & Managing Director Chaudhary Group Nepal
5. Mr. Basudev Dahal, Executive Director, Institute for Integrated Development Studies (IIDS), Kathmandu, Nepal
6. Prof. Sridhar K. Khatri, Executive Director (SACEPS), Former Executive Director, Regional Centre for Strategic Studies (RCSS) Colombo, Sri Lanka

Pakistan

1. Dr. Syed Babar Ali, Co-Chairperson (SACEPS), Pro-Chancellor, Lahore University of Management Sciences (LUMS) and Former President, World Wild Life Fund
2. Dr. Syed Akmal Hussain, Managing Director, Syed Engineers Ltd, Pakistan; Member of the Economic Advisory Board, Government of Pakistan; and Senior Fellow, Pakistan Institute of Development Studies.
3. Ms. Khawar Mumtaz, Senior Coordinator, Shirkat Gah, Lahore
4. Dr. Humayun Khan, Former Foreign Secretary, Pakistan and Former Director, Commonwealth Foundation, London
5. Mr Hussain Dawood Chairman, Engro Chemical Pakistan, Ltd and Dawood Hercules Chemical Ltd. Chairman of the Board of Directors of Pakistan Poverty Alleviation Fund

Sri Lanka

1. Dr. Saman Kelegama, Executive Director, Institute for Policy Studies (IPS), Sri Lanka
2. Dr. Godfrey Gunatilleke, Executive Governor, Marga Institute
3. Mr Abbas Esufully, Group Director Hemas Holdings PLC and Hemtours (Pte) Limited, Director, Hemas Development (Pte) Limited, Hemas Hotels (Pte) Limited, Heladhanavi Ltd and Forbes Air Services (Pte) Limited, Hon. Consul for Bhutan in Sri Lanka

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4. Dr. Saman Kelegama
5. Dr. Mohan Man Sainju
6. Mr. Ibrahim H. Zaki

7. Prof. Sridhar K. Khatri (Executive Director)

INTERNATIONAL ADVISERS

1. Professor Amartya Sen, Nobel Laureate, Master, Trinity College, Cambridge University
2. Professor Nurul Islam, Emeritus Professor, IFPRI and Former Deputy Chairman, Bangladesh Planning Commission
3. Mr. Rafeeuddin Ahmed, Former Associate Administrator, UNDP, New York
4. Mr. K. K. Bhargava, Former Secretary General, SAARC
5. Dr. Mohammad Latheef, Permanent Representative of the Maldives to the United Nations, New York and Former Minister of Education, Maldives
6. Dr. Gowher Rizvi, Director, Ash Institute for Democratic Governance and Innovation, Harvard University