

## Early Steps towards Regionalism in South Asia: SAARC and Other Arrangements

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South Asia is the modern term for what geographers have for long called the 'Indian sub-continent'. With the end of British rule in India in 1947 the political landscape of the sub-continent changed once again, as it had through the centuries, with the creation of new nations. The Republics of India and Pakistan came into being. The two, along with the Kingdoms of Nepal and Bhutan and the Republic of Sri Lanka defined the broad contours of the new 'South Asia'. In a fascinating essay on the influence of geography on the shaping of the Indian State, strategic analyst George Friedman offers a geopolitical perspective on how to view the region.

"The geopolitics of India must be considered in the geographical context of the Indian subcontinent — a self-contained region that includes India, Pakistan, Bangladesh and, depending how one defines it, Nepal and Bhutan. We call the subcontinent "self-contained" because it is a region that is isolated on all sides by difficult terrain or by ocean. In geopolitical terms it is, in effect, an island.

This "island" is surrounded on the southeast, south and southwest by the Bay of Bengal, the Indian Ocean and the Arabian Sea. To the west, it is isolated by mountains that rise from the Arabian Sea and run through Pakistan's Baluchistan province, stretching northward and rising higher and higher to the northwestern corner of Pakistan. There, at the Hindu Kush, the mountain chain swings east, connecting with the Pamir and Karakoram ranges. These finally become the Himalayas, which sweep southeast some 2,000 miles to the border of Myanmar, where the Rakhine Mountains emerge, and from there south to India's border with Bangladesh and to the Bay of Bengal."<sup>1</sup>

Friedman does not refer to the island Republics of Sri Lanka and Maldives but his framework explains the more recent inclusion of Afghanistan into the South Asian fold. There has been some debate from time to time whether Myanmar should also be included in South Asia. It could indeed, given its historical and civilisational links with the Indian sub-continent. South Asia is not merely a geographical or a geopolitical entity, it is also a civilisational entity. This latter notion would be rejected by many in each of the countries of the region since each one of them is seeking to establish not just their individual national identity, but also a distinct cultural identity. Unlike in Europe, where the effort has been to emphasise the civilisational oneness of the region, in South Asia nascent State formation has meant that each country has sought to focus on what

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<sup>1</sup> George Friedman, "The Geopolitics of India: A Shifting, Self-contained World", STRATFOR, December 2008. Available at: [www.stratfor.org](http://www.stratfor.org)

differentiates one nation from another, rather than the common roots of their contemporary identity. However, the fact is that racial and cultural similarities are threads that run through the fabric of the region.

What geography proposes, history disposes. Despite the ties that bind South Asia, post-colonial nation building, the geopolitics of the Cold War and unsettled political and territorial disputes have hobbled regional cooperation. As part of its own nation-building project Pakistan sought to 'look west' to the Islamic nations of West and Central Asia. In due course India, Nepal, Bhutan and Sri Lanka began looking East. It is in the face of such hurdles that a regional association for cooperation was sought to be formed. The creation of the South Asian Association for Regional Cooperation was an act of faith. It remains the most important framework for regional cooperation in South Asia, even though alternatives forums have come into being aimed at speeding up the process of regional integration.

This paper will discuss the evolution of South Asian regionalism, in the context of the re-emergence of historical, pre-colonial, links within Asia and their implications for Asian regionalism. It will identify what have been defined as the 'supra-structure institutions', the 'infra-structure institutions', the 'off-shoot institutions' (of supra-structure institutions), the 'facilitating institutions' (like ADB), the 'supporting institutions' (like Track-II and business associations) and the 'ad-hoc multilateral arrangements', if any.

The paper will identify existing and potential areas for regional cooperation and institution building, commenting on likely future trends, likely role of extra-regional actors and the potential for regional cooperation in addressing global issues like multilateral trade negotiations, terrorism, maritime security, non-proliferation, climate change and global economic developments.

The paper will follow the structure set out in the ADB Concept Paper, and will discuss the five Cs - Context, Circumstance, Challenge, Commonality and Capacity - with respect to four key institutions of South Asian regionalism, namely, South Asian Association for Regional Cooperation (SAARC), Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC), South Asian Sub-regional Economic Cooperation (SASEC) and Indian Ocean Rim Association for Regional Cooperation (IOR-ARC). While SAARC, BIMSTEC and IOR-ARC are the three "supra-structure" institutions, following the classification defined by Soesastro.<sup>2</sup> The ADB supported SASEC and the South Asian Growth Quadrangle (SAGQ) are 'infra-structure' institutions.

While the 'infra-structure' institutions, including those that function under the SAARC umbrella, like the regional institutions we discuss here, have a project or policy focus, the 'supra-structure' institutions have wider political agendas. The two must work in tandem for regional institutions to be an effective Instrument of regional cooperation.

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<sup>2</sup> Hadi Soesastro, "Towards an Anatomy of Institutions for Regionalism in Asia", in ***Institutions for Regionalism: Enhancing Asia's Economic Cooperation and Integration***, Asian Development Bank, 2009.

## **The paper is divided into four sections:**

- I. The Evolution of South Asian Regionalism.
- II. Institution Building for Regional Cooperation (Governance, structure and functions of these institutions)
- III. Role of Civil Society (Business, Media and Academia)
- IV. New Opportunities for Regional Cooperation (economic, security, disaster management, climate change)

### **I. The Evolution of South Asian Regionalism**

Three factors have shaped the formation of 'regional cooperative institutions' in the post-War period. First, what may be termed as 'state' driven factors, namely, the dynamics of the Cold War and its resultant alliance formations; second, 'market' based factors, namely, the globalisation of business and the dynamics of cross-border investment and trade flows; third, 'civil society' and 'political' factors, namely national security and economic interests of member-nations.

Unlike in other regions, most importantly western Europe and south-east Asia, none of these factors played an important role in driving the process of regional cooperation in South Asia. There are few 'shared security concerns' and hardly any shared security threat to bring the nations of South Asia together, at least till recently. In fact, the Cold War divided the region than unite it, unlike in western Europe and south-east Asia. The roots of both the European Union (EU) and the Association of South-East Asian Nations (ASEAN) lie in the Cold War era when shared security concerns brought the nations of these regions together. Nor indeed did cross-border mergers and the "Flying Geese" factor play a role in South Asia, given the relatively low levels of foreign direct investment in the region, compared to Europe and South-east Asia.

As Gowher Rizvi, a perceptive analyst of Bangladeshi origin, has observed:

"Even though the compulsion towards regional cooperation in South Asia is enormous, the process of the establishment of an organisation has been slow, hesitant and uncertain. Not only have the economic linkages with the metropolis, Indo-Pakistan rivalry and the fear of India acted as brakes on cooperation, but South Asia also lacks some of the preconditions which have facilitated cooperation in other regions. There is no perception of external or internal threat common to all the States of South Asia. The threat to security is perceived to come from each other, not from an external enemy." <sup>3</sup>

Furthermore, the size imbalance in the membership composition, with India dominating the region both economically and politically, sets South Asia apart from most other regions. This imbalance has in fact contributed to SAARC being viewed by some as a 'trade union' of India's smaller neighbours rather than a regional 'association' of equals. In no other regional grouping is there such a size imbalance. Even in the North American Free Trade Association (NAFTA), the US does not quite have the larger than

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<sup>3</sup> Rizvi (1993), p. 153

life image that India has in the South Asian region. This imbalance in itself makes this association inherently unstable.

India has evolved a nuanced policy on regionalism given this warped structure of its own immediate neighbourhood. On the one hand, India has moved from an earlier policy of seeking strict reciprocity on concessions to neighbours to one of “asymmetric reciprocity”, willing to unilaterally offer concessions to its smaller, less developed, neighbours, without pre-condition.<sup>4</sup>

The policy of ‘asymmetric reciprocity’ has been focussed on providing duty free access to goods from SAARC less developed countries, like Afghanistan, Nepal, Bhutan, Bangladesh and Maldives, to the Indian market. India has also been offering aid and technical assistance to these countries. Indian funding for joint infrastructure projects and Indian support for SAARC financed projects has also been pursued with a view to help neighbouring LDCs.

India has also been pro-active in offering bilateral free trade agreements to its neighbours, even as it has worked to implement a regional free trade agreement. On the other hand, India has also pursued a second track of building bridges with more distant neighbours, especially the south-east Asian nations and the Gulf states. Thus, while working to widen SAARC’s agenda, India has helped create BIMSTEC and IOR-ARC and seek the creation of a wider East Asian Community.

Against the background of internal political differences, SAARC chose to stay away from bilateral political issues and focus on opportunities for regional economic and civil society cooperation. The launch of a South Asian Free Trade Agreement (SAFTA) and other South Asian projects and programmes, both inter-governmental and non-governmental (see Appendix I) have imparted further momentum to the association. Thus, institution building in SAARC has largely been around opportunities for economic cooperation.<sup>5</sup>

SAARC’s slow progress in its first decade, owing mainly to India-Pakistan bilateral problems, encouraged the formation of other regional forums like BIMSTEC and BBNI, that excluded Pakistan and sought to take regional cooperation forward. On its part Pakistan too has flirted with associations involving the countries of Central and West Asia. As India increases its engagement with East and South-east Asia, on the one hand, and with West Asia and East Africa, on the other hand, it is entirely possible that a new geography of Asian sub-regionalism may develop, around the Bay of Bengal and the Arabian Sea.

Hence, while SAARC is the most important regional institution in South Asia, one cannot rule out the emergence of other equally important institutions. Regional institution building in the wider ‘Southern Asian’ region, from the Persian Gulf to the Malacca Straits, should therefore not be viewed in static terms of existing objectives, geopolitical definitions of what constitutes a region and strategic and economic

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<sup>4</sup> See Baru (2008)

<sup>5</sup> For detailed history of South Asian regionalism and the evolution of SAARC see, among others, Bhargava, Bongartz & Sobhan (1995), Dash (1996), Dash (2008), Gonsalves & Jetley (1999), Mendis (1991), Muni & Muni (1984) and Rizvi (1993).

objectives, but must be alive to changing geo-political and geo-economic realities and relations.

## **II. Institution Building for Regional Cooperation**

### ***II.1 SAARC: Institutional Evolution – Context, Circumstance and Commonality***

Apart from its geographical unity, as mentioned earlier, South Asia is defined by its shared civilisational and cultural past. Even though British India was partitioned on religious lines, the countries of the region share a common cultural inheritance expressed in shared language, cuisine, clothing, music and such like. Hence, it is not surprising that a few years after partition and after individual South Asian states attained freedom from colonial rule, they chose to come together to create an association for regional cooperation.

The idea of regional cooperation took shape within the anti-colonial freedom struggles of the region. Even though India and Pakistan were caught up in the politics of partition and nation-building both were interested in building relations as independent nations with other countries around them. India's first Prime Minister was, of course, deeply committed to "Asian" unity and cooperation. The foundations of Asian 'regionalism', therefore, were laid at such gatherings as the Asian Relations Conference, 1947 and the Colombo Powers Conference, 1954. However, the Cold War disrupted this process for nearly three decades. It was only in the 1980s that concrete steps for the formation of a regional association were taken.

The idea of a 'South Asian' association for regional cooperation was first proposed by Bangladesh President Ziaur Rehman in May 1980. According to Dash (1996), President Rehman in fact discussed the idea with Indian Prime Minister Morarji Desai during his visit to New Delhi in December 1977. The political timing is relevant. Earlier that year Indira Gandhi had been defeated in elections to the Parliament. Her exit, and the election of her arch-rival Morarji Desai as Prime Minister, may have encouraged Rehman, who had come to power through a coup d'etat, to build a new equation with India. At the Colombo Plan Consultative Committee Meeting in Kathmandu in December 1977 King Birendra of Nepal spoke of the need for 'regional cooperation in river water sharing'. Rehman visited Sri Lanka in November 1979 and further explored the idea of 'South Asian Regional Cooperation' (SARC). Between 1980 and 1984 four rounds of meetings were held at the Foreign Secretary level involving Bangladesh, India, Nepal, Pakistan and Sri Lanka during which the "principles of organisation" were discussed.

The first South Asian Foreign Ministers Conference was held in New Delhi on 1-3 August, 1983, at which a Declaration on Regional Cooperation was adopted and SARC was formally launched. The Conference also adopted an "Integrated Programme of Action" on mutually agreed areas of cooperation that included agriculture, rural development, telecommunications, meteorology, health and population control, transport, sports, arts and culture, postal services, and scientific and technical cooperation. This was followed by three foreign ministers' conferences (Male, 1984; Thimpu, 1985; Dhaka, 1985). The first SARC Summit was held on 7-8 December 1985 in

Dhaka where the group decided to adopt the name South Asian Association for Regional Cooperation (SAARC).

Dash cites several factors as shaping the course of events at the time. These include the emergence of a new leadership in South Asian countries, the economic pressure being felt by these countries owing to the second oil shock and an increasingly hostile global economic environment and the negative impact on regional security caused by the Soviet invasion of Afghanistan.<sup>6</sup> SAARC has emerged as the most important regional association for cooperation.

As in the case of most regional institutions, institution building in SAARC was also a 'top-down' process, with the initiative being taken by member Governments. Civil society and other stake-holder participation is a more recent phenomenon and focused mainly on business opportunities and academic interaction. SAARC's focus has been on "iconic" projects like SAFTA and more recently the South Asian University, and on building programme specific regional centres that facilitate regional cooperation at the ground level. (See Section II.3 below)

## **II.2 Capacity and Challenge**

SAARC's institutional capacity is limited by the absence of a strong, well staffed and well funded Secretariat. SAARC Heads of Government chose to create a Secretariat but did not empower it with any independent powers. The SAARC Charter does not define the role of the Secretariat but a Memorandum of Understanding on the Establishment of the Secretariat, November 1986, states that the "role of the Secretariat shall be to co-ordinate and monitor the implementation of SAARC activities and to service the meetings of the Association."<sup>7</sup>

Apart from being the administrative head of a Secretariat whose main function is to implement the resolutions of the SAARC Summit and decisions taken by the Council of Ministers and the Standing Committee (Foreign Secretaries of member countries, and assist in organising various ministerial and official meetings, the SAARC Secretary-General is expected to "act as the channel of communication and linkage, when so empowered by the Standing Committee, between SAARC and other international organisations on matters of mutual interest. In doing so, the Secretary-General shall be guided by the decision of the Council of Ministers that initiatives for collaboration with external agencies should stem from SAARC itself based on its own determination of priorities and keeping in mind the relevant provisions of the SAARC Charter."

The role of the Secretariat, its funding and powers, its staffing and the status of the Secretary-General have become a subject of much discussion within official circles in SAARC member countries. This came through conversations and interviews with various officials and retired diplomats and scholars in SAARC countries.<sup>8</sup> Apart from the

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<sup>6</sup> Kishore C. Dash, "The Political Economy of Regional Cooperation in South Asia", *Pacific Affairs*, Vol.69, No.2, 1996, p.185-209.

<sup>7</sup> SAARC Documents, SAARC Secretariat, Kathmandu.

<sup>8</sup> Interviews with SAARC Secretary-General, Sheel Kant Sharma and SAARC Directors (Bangladesh, Bhutan, Nepal, Pakistan and Sri Lanka). Kathmandu and New Delhi, July 2009. Interviews with Mr. Javid Shahid Burki (Pakistan) and Mr. Iftekhar Chowdhary (Bangladesh), Singapore June-July 2009; Mr. Shiv Shankar Menon, Foreign Secretary of India, New Delhi, July 2009.

Secretary-General, the Secretariat in Kathmandu is staffed by 8 country-directors, 13 professional staff from member-countries, and 13 administrative staff from host country, making up a total of 35. Opinion is divided on whether this skeletal staff should be augmented and the existing institutional arrangement be changed. Should the Secretary-General have a ministerial rank? Should the S-G have direct control of the Secretariat budget and activities? Should the S-G have the authority to speak as a representative of SAARC and express his own views?

At present the S-G does not have the authority to guide the activities of SAARC member countries by pro-actively proposing any plan of action. However, the S-G's report to the annual SAARC Summit offers the S-G and the secretariat to put forward their own view on matters since this report is prepared by the S-G without necessary consultation with member-governments. Bangladesh diplomat and former foreign minister Iftekhar Ahmed Chaudhury calls this "SAARC's institutional deficit".<sup>9</sup>

Chaudhury believes SAARC country leaders were unanimous in not wanting to "endow the Secretariat with too many powers." He underlines the fact that the SAARC S-G is the "Secretary-General of the Secretariat, not of SAARC!" He also believes time is not ripe to give the S-G more powers. Pakistan's former finance minister Burki does not share this view, arguing in favour of a stronger secretariat and a more empowered S-G. While India's foreign secretary Shiv Shankar Menon chose to be more guarded, stating that there was as yet no consensus within SAARC on secretariat related issues and that India would prefer to wait and allow others to generate the consensus on reform.<sup>10</sup>

None of the member countries wants to see the S-G emerge as an independent entity. At the SAARC Summit the S-G does not share the same table with SAARC Heads of Government. The S-G sits on a separate table, symbolising his lesser status. All the Directors at the SAARC Secretariat are serving officials, mostly mid-level officers, of the respective foreign ministries of SAARC Governments. They constantly refer every decision they have to take as officials of the Secretariat to their parent ministry for guidance. As a result, instead of the Directors acting as an independent 'collegium' they function as representatives of their respective countries at the Secretariat.

This has a positive and a negative dimension. The positive dimension is that almost every decision of the Secretariat gets taken after reference has been made to individual member countries. The negative dimension is that this prevents the Secretariat from acquiring an independent regional status, with a stake in pushing member countries to work more closely together on regional issues.

SAARC S-G Sheel Kant Sharma does not see this as a handicap. He says that he has never had a problem in dealing with member Governments, in securing meetings with Heads of Government on his visit to member countries and in taking the initiative on issues of common interest to the region.<sup>11</sup> Sharma says the Secretariat has been able to push member Governments to work together on a range of issues including multilateral trade negotiations, climate change and infrastructure development. Under

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<sup>9</sup> Interview with Iftekhar Ahmed Chaudhury, Singapore 24 July 2009.

<sup>10</sup> Interview with Shiv Shankar Menon, New Delhi, July 2009.

<sup>11</sup> Interview with Sharma, New Delhi, 10 July 2009.

Sharma's leadership the Secretariat has chosen to focus on specific regional 'projects' rather than grand declarations. Sharma claims that the Secretariat would now like to adopt a building block approach, using newly available funds to implement regional development projects that will improve regional connectivity and focus on human development.

Most of the interviewees that I spoke to, mostly present and former officials from SAARC countries, agreed that the empowerment of the Secretariat and of the S-G was linked to the underlying suspicion within the membership of each other's intent. As the bigger powers in the association India and Pakistan do not wish to see a SAARC S-G from one of the smaller countries exercise undue influence on regional matters. In turn, the smaller powers among the other members remain wary of an Indian or Pakistani S-G usurping too much power. Clearly, SAARC's size imbalance and the India-Pakistan bilateral problem have combined to limit the jurisdiction and autonomy of the S-G.

Some take the view that if the SAARC Secretariat were to be staffed by professionals with diverse backgrounds, including officials from economic and social ministries, economists and other professionals, and not just diplomats on secondment from the foreign ministries of member countries, some of the problems created by the 'mindset' of foreign ministries in the region may get resolved. The SAARC S-G himself does not see this as a problem. On the other hand, he takes the view that for SAARC Secretariat to function effectively and efficiently it must work in tandem with the foreign ministries of the member countries, given the organisational structure of SAARC in which the Council of Ministers and Standing Committee are manned by the respective foreign ministers and foreign secretaries.

The Secretariat does not have a separate budget for publicity, media relations and brand and image building, nor does it have a professional media person to project the institution's image regionally and globally. Its unimpressive campus in Kathmandu does no credit to the region's profile as a whole. Interestingly, none of the member Governments wants to be seen pushing too eagerly for a more empowered Secretariat. In my discussions with serving and former diplomats of Bangladesh, India, Nepal and Pakistan I got the distinct impression that while each of them recognised the usefulness of a bigger, better funded and more politically empowered Secretariat, they believed no member Government would like to push the idea for fear of being misunderstood. The smaller countries do not wish to see a Secretariat dominated by citizens of India and Pakistan, perhaps Bangladesh too, while the larger countries do not wish to feel encumbered by an over active Secretariat. However, almost all the persons I interviewed recognised the need for a more better staffed Secretariat if only to speed up the implementation of recent SAARC initiatives, especially project implementation under SAARC Development Fund.<sup>12</sup>

### ***II.3 Iconic Projects and Programmes***

Regional groupings of nations have always thrived on iconic projects and programmes. The creation of the EU 'Single Market' had huge symbolism for the European Union, apart from practical relevance for the unification project. SAARC took a long time to

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<sup>12</sup> Interviews with Shiv Shankar Menon, foreign secretary of India, Iftexhar Chowdhary, former foreign minister of Bangladesh, and SAARC Secretary-General and country directors.



define such an iconic regional project or even programme. It launched a series of 'regional' institutions (See Appendix I) but few have had any significant regional impact. At last count SAARC had established as many as 13 regional institutions covering a wide range of activities. These include: SAARC Agricultural Information Centre (Bangladesh), SAARC Tuberculosis and HIV/AIDS Centre (Nepal), SAARC Human Resources Development Centre (Pakistan), SAARC Documentation Centre (India), SAARC Energy Centre (Pakistan), SAARC Coastal Zone Management Centre (Maldives), SAARC Meteorological Research Centre (Bangladesh), SAARC Forestry Centre (Bhutan), the SAARC Audio Visual Exchange Committee (Nepal) and more recently the South Asian University (India) and SAARC Disaster Management Centre (India),

The Secretariat is actively involved in overseeing the functioning of these institutions. The capital cost and administrative budget for each regional institution is borne by the host country, while programme budgets are shared by all member governments in proportion to their GDP. The Secretariat is responsible for reporting to the Summit on the activities of these institutions. The activities of these centres are approved by the Programme Committee and SAARC summits, while the implementation responsibility vests with host country government.

SAARC has created a number of Technical Committees and Working Groups (Appendix I) that bring together a range of subject experts from member countries. These institutions enable closer interaction between professionals and institutions in member countries. The TC and WG span a wide range of subjects including infrastructure, science and technology, biotechnology, tourism, energy, human development and agriculture and rural development.

The establishment of a South Asian University is a major step forward both in SAARC's institutional development and in the promotion of greater civil society interaction. This institution could emerge as an "iconic" SAARC project, like the Food Bank. SAARC desperately needs such iconic projects that make wider civil society impact for regional cooperation to acquire popular appeal. The Regional Centres have not been able to make that impact, despite there being numerous such centres. Poor funding and inability to attract good talent could be one reason for these regional centres not making a regional impact. If the South Asian University has to make an impact and emerge as an iconic project it would need adequate funding and high profile and high quality leadership.

#### ***II.4 Trade, Development and Finance***

From its inception SAARC's agenda has been dominated by economic issues. It is, therefore, not surprising that the most important institution that has come out of the SAARC process is the South Asian Free Trade Agreement (SAFTA). More recently the creation of the SAARC Development Fund and the SAARC Finance Ministers consultative process on financial sector issues have helped the region coordinate policy on economic issues. Strongly backed by the Report of the SAARC Eminent Persons' Group, 1997, SAFTA is seen as a major step forward in regional economic integration.

However, Pakistan's refusal to extend MFN status to India, its grievance (shared by Bangladesh) that India imposes far too many non-tariff barriers to trade, the refusal

of both Pakistan and Bangladesh to give India road access (to Afghanistan, in one case, and to north-eastern parts of India, in the other) have all combined to limit the scope of SAFTA till now. Apart from policy impediments to regional cooperation, South Asia is hamstrung by the fact that the overall trade/GDP ratio for the region is very low. As Debroy has shown,<sup>13</sup> while the trade/GDP ratio has doubled for the region between 1994 and 2008, it remains way below that of other regions of Asia. (Table 1)

**Table 1: Trade/GDP ratio**

| Trade/GDP ratio     | 1980        | 1994        | 2008        |
|---------------------|-------------|-------------|-------------|
| East Asia Summit    | 27.6        | 26.0        | 57.4        |
| Integrating Asia 18 | 28.7        | 31.2        | 63.4        |
| <b>Asia</b>         | <b>28.7</b> | <b>31.3</b> | <b>63.2</b> |
| Northeast Asia      | 25.7        | 26.0        | 58.5        |
| Southeast Asia      | 57.6        | 94.9        | 133.8       |
| South Asia          | 16.3        | 19.1        | 41.5        |
| Central Asia        | n.a.        | 60.9        | 69.3        |
| Europe              | 46.3        | 42.7        | 65.6        |
| Americas            | 20.4        | 20.4        | 30.2        |

Source: Direction of Trade Statistics and World Economic Outlook, International Monetary Fund (2009).

The economic case for SAFTA has been made very effectively.<sup>14</sup> Burki has argued that South Asia could add at least one percentage point to its rate of economic growth by going in for regional integration.<sup>15</sup> He has, however, emphasised the importance of transit rights to India, from all its neighbours, if the benefits of regional integration are to follow. The absence of transit rights, on the one hand, and Pakistan's refusal to extend to India the 'most favoured nation' treatment, which is a WTO obligation, has meant that a substantial part of bilateral trade has been pushed under ground. Some analysts estimate that as much as 2/3 of India- Pakistan trade is not accounted for, since it is shown in national trade data as trade with a third party, normally Dubai, Colombo or even Singapore. While intra-regional trade in South Asia remains low, by comparison to other regional economic groupings like EU and ASEAN, it is on the rise. (See Table 2)

<sup>13</sup> Bibek Debroy, **South Asia's integration with East Asia Evidence from manufacturing and parts and components trade, (mimeo), Asian Development Bank, 2009.**

<sup>14</sup> See Burki (2006), Francois & Wignaraja (2008), Kalegama (2004) & Wickramasinghe (2006)

<sup>15</sup> Burki's comments on this paper at ADB Workshop, Manila, September 2009.

**Table 2: Intra-regional Trade in SAARC**

| SAARC                                |       |         |      |      |      |      |      |                                    |  |
|--------------------------------------|-------|---------|------|------|------|------|------|------------------------------------|--|
| Indicator                            |       | Partner | 1990 | 1995 | 2000 | 2005 | 2008 | Source                             |  |
| Intra-regional Trade Intensity Index | Trade | SAARC   | 3.03 | 3.89 | 4.05 | 4.42 | 3.34 | IMF Directions of Trade Statistics |  |
| Intra-regional Trade Share (%)       | Trade | SAARC   | 2.91 | 3.98 | 4.28 | 6.02 | 5.50 | IMF Directions of Trade Statistics |  |

Available at:

[http://www.aric.adb.org/indicators.php?sort=country&filter=all&r\\_indicators\[\]=TCINTINR\\_DOT&r\\_indicators\[\]=TCINTSHR\\_DOT&r\\_reporters\[\]=ASEAN&r\\_reporters\[\]=SAARC&r\\_partners\[\]=SAARC&r\\_years\[\]=1990&r\\_years\[\]=1995&r\\_years\[\]=2000&r\\_years\[\]=2005&r\\_years\[\]=2008](http://www.aric.adb.org/indicators.php?sort=country&filter=all&r_indicators[]=TCINTINR_DOT&r_indicators[]=TCINTSHR_DOT&r_reporters[]=ASEAN&r_reporters[]=SAARC&r_partners[]=SAARC&r_years[]=1990&r_years[]=1995&r_years[]=2000&r_years[]=2005&r_years[]=2008)

SAFTA will enable the countries of the region to re-establish centuries-old cross border trade links and restore economic connectivities. SAFTA can also enable the smaller economies to derive the benefits of economies of scale by catering to the large Indian market. These trade links cannot be established without better physical connectivity. A major barrier to improved connectivity is the problem of security and the issue of transit rights for India in Pakistan and Bangladesh. Economists and business leaders in both countries have been making a case for granting India such transit rights so that they can benefit from access to Indian markets and from India's trade with central Asia and south-east Asia.<sup>16</sup>

While trade cooperation is improving gradually, the recent instance of SAARC governments discussing issues relating to the global financial crisis and, more importantly, global warming and climate change, open new windows of economic cooperation. Taken together with infrastructure projects aimed at re-building regional connectivity, including telecommunications, air links, sea and land links, power and food security links, such cooperation will strengthen regional connectivity.<sup>17</sup> The development of these connectivities has been hobbled by a denial of transit rights to each other. India has long complained that Pakistan does not extend transit rights to Indian goods destined for Afghanistan and that Bangladesh does not allow movement of people and goods between peninsular India and the north-eastern region. There are signs of a thaw on this issue in all countries concerned, especially in Bangladesh. Bangladesh has recently agreed to allow access to its ports from north-eastern India.

The SAARC Development Fund, at the 14<sup>th</sup> SAARC Summit in New Delhi in April 2007, and the SAARC Food Bank have opened a new window of development financing for regional projects. The SDF has three lending windows for Social, Economic and Infrastructure projects. The Secretariat hopes to increase its relevance by becoming the nodal institution for overseeing the implementation of these projects.

Apart from the governmental institutions, SAARC has also encouraged the growth of a large number of non-governmental institutions, including business forums. (Appendix I). These are facilitating increased civil society and business contacts. The

<sup>16</sup> Burki (2006)

<sup>17</sup> See Burki (2006), Banerjee & Manoharan (2008)

SAARC Chamber of Commerce ([www.saarcchamber.org](http://www.saarcchamber.org)) has become an important forum of regional business leaders. It is only through increased people-to-people and business-to-business contacts that greater economic connectivity and political understanding will develop in the region.

However, business-to-business interaction in the region is more at a bilateral level, than a regional level, with most bilaterals involving India. Thus, India-Sri Lanka and India-Bangladesh chambers of commerce and industry are very active and have been able to influence government policy, but the India-Pakistan chambers have not been as active, nor is the SAARC chambers as influential a body. While the business community is active in proclaiming its support for regional integration, it has not yet had any visible impact on government policy in this regard.

### ***II.5: More Observers Than Members***

Despite these limitations, in recent years SAARC has begun to attract the interest of a large number of global and Asian powers. All plurilateral and regional associations invite "observers" to attend some part of their summit meetings. Typically, such observers have some interest in the agenda of the group and so value this status. The role of "observers" varies from one group to another. Typically there would be three types of observers: first, observers who wish to become members; second, observers with no interest in membership, but interested in keeping a tab on the proceedings; and, third, observers who may wish to be present at gatherings not to observe what members are doing, but to observe other observers! Interestingly, there has been a sudden surge in countries seeking observer status at SAARC summits. So much so today the observers (9) outnumber the members (8)!

Myanmar is an example of an 'observer' that might expect to become a member. Myanmar, on the east, like the new member Afghanistan on the west, has deep links with the "Indian sub-continent". A second motivation for observer status is for countries to utilize a summit for networking and derive the benefit of some decisions, like market unification and infrastructure development. It appears that either of these motives would explain the presence of most of the countries at the annual summit of the South Asian Association for Regional Cooperation (SAARC). But it is also possible that some of the observer countries at SAARC are there to observe what other observers are up to!<sup>18</sup> The third motive!

It should be noted at the outset that few plurilateral groups have any rigid criteria for observers. Indeed, some have purely arbitrary criterion. For example, the Organisation of the Islamic Conference (OIC) has consistently denied India an observer status, while extending this status to countries like Russia and Thailand, even though India is the world's second largest home to muslims, next to Indonesia.

Clearly, few plurilateral groups have found it necessary to offer any rationale for inclusion or exclusion of observers since there are as yet no such global consensual norms. Given this fact, one need not search for criteria that explain the composition of

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<sup>18</sup> See Sreeradha Datta, 'SAARC: A Potential Playground for Power Politics', *Power & Interest News Report*, April 2006. At: [http://pinr.com/report.php?ac=view\\_report&report\\_id=473&language\\_id=1](http://pinr.com/report.php?ac=view_report&report_id=473&language_id=1)

SAARC observers. Rather, the more interesting question may be why there has been a recent rush of countries securing such observer status, almost two decades after SAARC was formed. The revitalisation of SAARC, especially at the Dhaka Summit, has generated new global interest in the grouping.<sup>19</sup>

This interest has gained salience against the background of rising global concern with 'jehadi' terrorism, especially in the Afghanistan-Pakistan region, the 'nuclearisation' of the sub-continent and the creation of a sub-continent wide free trade area. Regional economic integration, especially against the background of stalled Doha Round negotiations, has increased outside interest in SAARC, particularly in the context of the recent improved economic performance of the region as a whole, and India in particular.

Led by India's improved economic performance in the 2003-08 period, when India's economy grew at an annual average rate of growth of close to 9.0% compared to around 6.0% growth in the preceding decade, other South Asian economies too experienced an improvement in their economic performance. Pakistan's economy too showed an improvement in its performance post-2001, with economic growth averaging closer to 6.0% per year in 2001-08, compared to around 4.0% growth in the decade 1991-2000.<sup>20</sup> South Asia's improved economic performance has imparted momentum to regional economic integration.<sup>21</sup>

Apart from experiencing higher economic growth, South Asia has also become more open to global trade and capital flows. Led by India's unilateral trade liberalisation in 1991, the region became part of the World Trade Organisation and also pursued regional trade liberalisation. Clearly South Asia's improved economic performance, combined with its greater openness to global trade and capital flows contributed to the interest of 'extra-regional' powers in South Asian regionalism and the proceedings of SAARC summits.

Beginning with Japan, SAARC has so far invited Australia, China, European Union, Iran, South Korea, Myanmar, Mauritius and the United States as 'observers'. Russia has expressed its interest in observer status, but no decision has been taken yet. Clearly "Big Power" interest in the region follows both from the region's improved economic performance and increased strategic relevance, and from India's rise. SAARC members are, therefore, in the process of defining the criteria for admission of more observers.

In his remarks at the Delhi Summit of SAARC in 2007, India's Prime Minister Manmohan Singh offered a framework to define who SAARC observers could be, stating:

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<sup>19</sup> At the Dhaka and Delhi Summits in 2006 and 2007 SAARC adopted wide-ranging programmes of action including the setting up of a South Asian University and a SAARC Disaster Management Centre.

<sup>20</sup> Razmi, Arslan, "Analysing Pakistan's Economic Prospects in an Increasingly Integrated World: External Constraints on Sustainable Growth". Paper presented at International Symposium on Pakistan, Institute of South Asian Studies (ISAS), Singapore, May 2007. Available at: <http://www.isas.nus.edu.sg>

<sup>21</sup> World Bank, "South Asia: Growth and Regional Integration", Dec 2006. Available at: [http://www-wds.worldbank.org/external/default/WDSPContentServer/WDSP/IB/2007/02/07/000020439\\_20070207135607/Rendered/PDF/378580SAS.pdf](http://www-wds.worldbank.org/external/default/WDSPContentServer/WDSP/IB/2007/02/07/000020439_20070207135607/Rendered/PDF/378580SAS.pdf)

*"We also had the privilege of welcoming Observers for the first time. They are among our major civilisational neighbours and economic partners. This manifests our common desire for SAARC to be outward looking and engaged with the world community; to be a springboard for exploiting the vast physical and intellectual resources of South Asia."*

Singh defined 'observers' as "civilisational neighbours" and "economic partners". This definition fits all existing observers. Iran and China are without doubt South Asia's 'civilisational neighbours', while Japan, the United States, European Union, Korea and Australia are important economic partners. Myanmar and Mauritius are 'geographical neighbours' and in fact very much part of the "South Asian" civilisation.

The criterion of 'economic partner' is open ended and can change over time as economic relationships evolve. Indeed, Russia could claim to be an 'economic partner', though such a claim would have been stronger two decades ago. The collapse of the Soviet Union and the decline in Russia's trade with South Asia has weakened this claim. While Russia cannot claim to be a 'civilisational neighbour', it may carry conviction as an economic partner if it presses its claim more forcefully. If SAARC members widen the definition to include 'strategic partners' then Russia will certainly qualify, given its relations with India.

## **II. 6 SAARC's Open Regionalism**

The concept of 'open regionalism' has been used in the literature on regional associations in the more limited context of trade openness. However, in the case of the Indian sub-continent 'open regionalism' has a wider civilisational import. India has been an "open society" and an "open economy" for thousands of years. Notwithstanding the physical barrier created by the high Himalayas, India had trade and cultural links with the Arab world and Central Asia and beyond, on the West, and with South-East Asia (called "Indo-China" by Europeans) and China on the East.

This cultural and economic "openness" was reversed during the post-colonial period with most countries of the region pursuing inward-looking economic policies. The Partition imposed political barriers. What SAARC has done in the past two decades is mainly to try open doors to trade that were in fact shut by Partition and the pursuit of inward-looking economic policies.

Since the SAARC region has historically and 'civilisationally' been "open" to outside influences and interests, it collectively adopted a liberal and open attitude to the interest shown by other powers in joining in as observers. While SAARC is presently in the process of spelling out the criteria for granting Observer status, we can ask the question who else qualifies for that status given the rationale spelt out by Manmohan Singh.

An obvious qualifier would be ASEAN. The member countries of ASEAN are both civilisational neighbours of SAARC and its increasingly important economic partners. Similarly the Arab countries of West Asia and the Persian Gulf. They too are civilisational neighbours and economic partners. SAARC could consider inviting a representative of ASEAN and the Gulf Cooperation Council as Observers.

SAARC has the potential to reach out to both East and West Asia. Through BIMSTEC and through bilateral relations with ASEAN, several SAARC members have already established a link with south-east Asia. Through IOR-ARC some of them have a link with the Persian Gulf. India straddles both sides and the Indian Ocean region and is, therefore, the natural link between the various regional institutions that have come into being in this region.

### **III. Other South Asian institutions**

#### **1. Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC)**

Next to SAARC the second most important regional association in the region is BIMSTEC, the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation. Originally called “Bangladesh, India, Sri Lanka, and Thailand Economic Cooperation” (BISTEC) at the time of its formation in 1997, the association became BIMSTEC with the inclusion of Myanmar later in the year. At the first BIMSTEC Summit in Bangkok in July 2004 leaders agreed to retain the acronym but change the name of BIMSTEC to the “Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation”. With the inclusion of Nepal and Bhutan in 2003, BIMSTEC became SAARC *minus* Pakistan *plus* Myanmar and Thailand.

The “Bangkok Declaration on the Establishment of BIST-EC” stated that the association seeks “to create an enabling environment for rapid economic development, accelerate social progress in the sub-region, promote active collaboration and mutual assistance on matters of common interest, provide assistance to each other in the form of training and research facilities, cooperate more effectively in joint efforts that are supportive of, and complementary to national development plans of member states, maintain close and beneficial cooperation with existing international and regional organizations, and cooperate in projects that can be dealt with most productively on a sub-regional basis and which make best use of available synergies.”

BIMSTEC was originally a Thai initiative and the product of Thailand's 'Look West' policy. It matched India's 'Look East' policy, offering India and other SAARC members a fast track to greater regional cooperation, skirting the impediments created by India-Pakistan bilateral tensions and Pakistan's decision to slow down the progress of SAFTA. BIMSTEC is also seen by its members as a link between ASEAN and SAARC. While Pakistan continues to view BIMSTEC as an attempt by India to move away from SAARC, and this motivation may well have been one factor behind its initial conceptualisation, the fact remains that BIMSTEC was in fact a Thai initiative. Moreover, Bangladesh, Nepal and Bhutan find BIMSTEC a useful forum for greater interaction with Thailand and Myanmar and as a bridge to south-east Asia. These factors define the CONTEXT and CIRCUMSTANCE and underline the COMMONALITY shaping BIMSTEC.<sup>22</sup>

From its inception BIMSTEC opted for a programme-oriented approach. It has eschewed any political and security agenda, apart from counter-terrorism, among its

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<sup>22</sup> Baru (2001) and Nirmala Devi (2007)

thirteen Priority Sectors for cooperation. These are Trade & Investment, Technology, Energy, Transport & Communication, Tourism, Fisheries, Agriculture, Cultural Cooperation, Environment and Disaster Management, Public Health, People-to-People Contact, Poverty Alleviation and Counter-Terrorism and Transnational Crimes. For each area BIMSTEC has identified a 'lead country' that takes the initiative to coordinate cooperation among members, including holding of meetings. (See *Appendix II*)

|   |            |
|---|------------|
| 1. Trade & Investment                         | Bangladesh |
| 2. Technology                                 | Sri Lanka  |
| 3. Energy                                     | Myanmar    |
| 4. Transportation & Communication             | India      |
| 5. Tourism                                    | India      |
| 6. Fisheries                                  | Thailand   |
| 7. Agriculture                                | Myanmar    |
| 8. Cultural Cooperation                       | Bhutan     |
| 9. Environment and Disaster Management        | India      |
| 10. Public Health                             | Thailand   |
| 11. People-to-People Contact                  | Thailand   |
| 12. Poverty Alleviation                       | Nepal      |
| 13. Counter-Terrorism and Transnational Crime | India      |

BIMSTEC's "CHALLENGE" remains the creation of institutional "CAPACITY" and improving the range and scope of "communication" among its members. BIMSTEC does not have a fulltime secretariat, and its activities are coordinated by the Thai foreign ministry. The key to BIMSTEC's success would lie in the region implementing cross-border infrastructure projects, including road and rail projects, and in the member's ability and willingness to deal with shared security concerns like terrorism and insurgency.

The absence of a designated official exclusively responsible for BIMSTEC in the foreign ministries of member countries, while in the case of SAARC there is now a senior foreign ministry official devoted to SAARC agenda implementation, also suggests that BIMSTEC is still at a nascent stage of development.

## **2. Bay of Bengal Programme Inter-Governmental Organisation <sup>23</sup>**

The Bay of Bengal Programme Inter-Governmental Organization (BOBP-IGO) is a good example of a 'sector specific' regional organization. It provides technical and management advisory services for coastal fisheries development. Its members include Bangladesh, India, Sri Lanka, Thailand and Maldives. Myanmar has expressed interest in joining. The BOBP-IGO, set up in 1999, has evolved from the erstwhile Bay of Bengal Programme of the Food and Agriculture Organization (FAO), established in 1979.

According to the BOBP-IGO it is a regional body "specifically mandated to assist the member- countries in increasing the livelihood opportunities and improving the

<sup>23</sup> Information regarding BOBP-IGO available at: [www.bobpigo.org](http://www.bobpigo.org)



quality of life of the small-scale/ artisanal fisher folk in the Bay of Bengal region. It aims to promote, facilitate and secure the long-term development and utilization of coastal fisheries resources of the Bay of Bengal based on responsible fishing practices and environmentally sound management programmes. The goal is to connect member-countries to knowledge, experience and resources to help their fisher folk build a better life."

Member countries are represented at the level of the seniormost official responsible for fisheries development. Hence, it is a body of officials and technical experts, like some of the Regional Centres of SAARC. BOBP-IGO lists its 'core objectives' as: "(a) Increase awareness and knowledge of the needs, benefits and practices of coastal fisheries management; (b) Enhance skills through training and education; (c) Transfer appropriate technologies and techniques for development of small-scale fisheries; (d) Establish a regional information networking; (e) Promote women's participation in coastal fisheries development at all levels." <sup>24</sup>

### **3. South Asia Growth Quadrangle (SAGO) & South Asia Sub-regional Economic Cooperation (SASEC)**

The South Asia Growth Quadrangle (SAGO) was launched in April 1997 by the Foreign Ministers of Bangladesh, Bhutan, India, and Nepal (BBIN). The Ninth Summit of SAARC at Male in 1997 endorsed SAGO as a sub regional initiative under SAARC, with a focus on project implementation. The sector focus is on multimodal transportation and communication, energy, trade and investment facilitation and promotion, tourism, optimal utilization of natural resource endowments, and environment. The Asian Development Bank was invited to help in the implementation of SAGO cooperation and responded through the South Asia Sub Regional Economic Cooperation (SASEC) initiative. According to ADB:

"The regional cooperation strategy and program for South Asia (RCSP), 2006–2008 ... (aims) to enable South Asia to participate effectively in wider Asian integration. To achieve this goal, the RCSP has five key operational objectives: (i) improve connectivity, (ii) facilitate trade and investment, (iii) develop regional tourism, (iv) facilitate cooperation in energy, and (v) promote private sector cooperation. In inherently sensitive and complex areas such as water and environment, knowledge-based cooperation and capacity development activities can be supported in the short and medium term." <sup>25</sup>

SASEC has defined its role as one of facilitation, as an 'infrastructure' agency, helping the two main 'super-structure' organisations, namely, SAARC and BIMSTEC. <sup>26</sup> While SAARC and BIMSTEC provide the political 'cover' for regional cooperation, SASEC provides the financial and institutional support for implementation of regional projects and programmes that yield tangible benefits. SASEC's activities are handled by the South Asia Department of ADB and cover areas such as environment, energy and

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<sup>24</sup> *ibid*

<sup>25</sup> Asian Development Bank, Regional Cooperation Operations Business Plan, South Asia 22009-10, August, 2008. Available at: [www.adb.org/Documents/CPSSs/REG/RCOBP-REG-2009.pdf](http://www.adb.org/Documents/CPSSs/REG/RCOBP-REG-2009.pdf)

<sup>26</sup> See Kunio Senga, Regional Cooperation in South Asia, Paper presented to ADB Mid-term Review Workshop, September 2009, Manila.

power, information and communication technology, tourism and transport, trade, investment and private sector cooperation. SASEC focus on connectivity and infrastructure is well placed and based on the correct assumption that better intra-regional linkages are vital to regional cooperation. SASEC seeks to articulate its relevance for the region by remaining actively in contact with SAARC secretariat and BIMSTEC member governments.

ADB has also established a Regional Cooperation and Integration Fund (RCIF) and a Investment Climate Facilitation Fund (ICFF) under its Regional Cooperation and Integration Financing Partnership Facility to provide financial and technical assistance for the implementation of sub-regional projects. An important project that has been funded through this window is the SASEC Information Highway Project.

#### **4. Indian Ocean Rim Association for Regional Cooperation (IOR-ARC)**

The Indian Ocean Rim-Association for Regional Cooperation (IOR-ARC), initially known as the Indian Ocean Rim Initiative, was the initiative of South Africa and Australia, with India taking active interest in it. As the south-eastern and south-western extremities of the Indian Ocean, South Africa and Australia hoped to use the forum to increase their interaction with the rim countries and establish a parallel organization to the Asia-Pacific Economic Community (APEC).<sup>27</sup> South Africa saw the association as a way of overcoming the burden of isolation in the apartheid era and linking up to non-African 'neighbours', and acquiring influence in the Indian Ocean region. Australia too sought maritime 'neighbours' partly as a hedge against south-east Asian regionalism in which it was being kept out, and India sought to reinforce its unique links to the Indian Ocean region. For India IOR-ARC was also yet another regional option that could liberate it from the limiting confines of South Asia.

Together these Indian Ocean 'Big Three' worked with Mauritius, Singapore, Yemen and Oman to put together the association. (See *Appendix III*). IOR-ARC's membership includes the 18 member states of Australia, Bangladesh, India, Indonesia, Iran, Kenya, Madagascar, Malaysia, Mauritius, Mozambique, Oman, Singapore, South Africa, Sri Lanka, Tanzania, Thailand, U.A.E. and Yemen. Mauritius, where the association was formally launched in 1997, hosts a small Secretariat of two fulltime officials on secondment from the Mauritius foreign ministry.

The Association's website claims that it "disseminates information on trade and investment regimes, with a view to helping the region's business community better understand the impediments to trade and investment within the region. These information exchanges have been intended to serve as a base to expand intra-regional trade." However, as in the case of BIMSTEC, and indeed SAARC, IOR-ARC was inhibited from the start by the low level of economic engagement within the region. India's trade with the Ocean rim countries, barring import of oil from West Asia, was not of any consequence. Low intra-regional trade, even lower intra-regional capital flows and the absence of any major shared security concern meant that the association could not put together a sizeable agenda to keep itself active.

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<sup>27</sup> Wriggins, *et al* (1992), Chanda and Sasidharan (2008).

IOR-ARC meetings are held primarily at the level of officials and junior ministers, and not yet at the level of Heads of State and Government. One can not rule out the possibility of IOR-ARC regaining momentum in the future with issues pertaining to climate change, maritime security, sea piracy and Indian Ocean security emerging as focal points of such a group's shared agenda. In terms of the 5Cs - context, circumstance, commonality, capacity and challenge – IOR-ARC has as yet a weak foundation. The 'context' and 'circumstance' are nebulous, with each of the key initiators – Australia, India and South Africa – having different objectives. The 'commonality' remains weak, beyond a shared water body, and the capacity of the institutions built so far is limited. Hence, the challenge ahead both in terms of creating a sense of community and then creating the institutional basis for cooperation is enormous.

### **III: Role of Civil Society (Business, Media and Academia)**

Regional institution building in South Asia has followed a 'top-down' approach and has mostly been a 'Government-led' process. However, any sustainable process of regional cooperation and integration requires other legs to stand on, most importantly, business, media and academic institutions. Successful regionalism, as in the case of the European Union, is based on such 'bottom-up' processes. While South Asian business and academic communities have experienced a sharp increase in regional interaction, these are mostly on a bilateral basis and not within a regional framework.

In purely institutional terms South Asia has regional business institutions, like the **SAARC Chamber of Commerce**. This has emerged as an influential platform for South Asian business leaders to lobby with regional Governments for better investment and trade opportunities. In purely quantitative terms, however, both intra-regional trade and investment flows remain very low. While the Chambers have been active in creating platforms for regional interaction, they have not had much success in promoting regional economic integration.<sup>28</sup>

The **South Asian Free Media Association (SAFMA)** and the **South Asian Network of Economic Research Institutes (SANEI)** (See Appendix I) have been very active in increasing regional interaction between journalists and scholars in the region. SAFMA's annual gatherings are inaugurated by Heads of Government and the organisation has facilitated travel across the region for its members. The growth of privately owned media, especially television, has also brought the region's media closer together. Coordinating telecasting of major events, including natural disasters, has helped increase intra-media interaction and connectivity.

It is expected that the establishment of the **South Asian University** will play an important role in increasing elite contact within the region. The SAU could emerge as a major platform for regional research projects and also bring together talented young people from across the region to study together at an impressionable stage in their life. This could lay the long term foundation for regional cooperation through increased civil society, especially elite, interaction.

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<sup>28</sup> For information on SAARC related business activities see .....

The importance of business and civil society engagement in building institutions for regionalism cannot be over-emphasised. In western Europe's long march to unification the creation of the 'Single Market', with a single currency and visa-free travel became important cementing elements of regional institution building. Recognising this fact India's Prime Minister Manmohan Singh observed in an oft-quoted speech, "I dream of the day when, while retaining our individual national identities, one can have breakfast in Amritsar, lunch in Lahore and dinner in Kabul. That is how our forefathers lived, that is how I hope our grandchildren can live." <sup>29</sup>

An important reason for limited civil society engagement is the problem of terrorism and the limits imposed on cross-border travel. Only India and Nepal have a bilateral visa-free travel arrangement. An exceedingly limiting visa regime between India and Pakistan remains a barrier to greater people-to-people contact. What is truly lacking in South Asia, compared to South-east and East Asia is greater elite contact. Elites have played an important role in facilitating regional cooperation and integration. Till South Asian elites, both business and intellectual elites, become more active in this regard, it is unlikely that government-to-government contact alone can generate a movement in favour of institution building for regional cooperation.

Compared to even the limited amount of 'civil society' engagement within SAARC, there is as yet virtually no institutional framework for business-to-business and civil society engagement within the BIMSTEC and IOR-ARC regions. Such engagement will have to be promoted to enhance people-to-people contact within these associations. Without such popular support, these organisations may remain essentially official bodies with a limited appeal for the peoples of the region.

#### **IV: New Opportunities for Regional Cooperation (Economic, Security, Disaster Management, Climate Change, etc)**

The basic thrust of our analysis thus far is that regional institution building in South Asia, the wider "Southern Asian" region and around the Indian Ocean rim is as yet at a nascent stage of development. While SAARC has been active for over two decades, the level of intra-regional economic and social engagement is limited, compared to western Europe or south-east Asia. Yet, it is clear that the countries of the region recognize the need for regional cooperation and, indeed, regional integration. This need is felt more strongly within the business communities of the region than among the political and even civil society leaderships. <sup>30</sup> However, the creation of regional media and academic networks has helped create a body of intellectual opinion in favour of greater regional cooperation.

Notwithstanding the less than encouraging experience thus far, there are good reasons to believe that a variety of local and global factors will increasingly push the

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<sup>29</sup> Manmohan Singh, Public Speech at Amritsar, ....., Available at [www.pmindia.nic.in/speeches.htm](http://www.pmindia.nic.in/speeches.htm)

<sup>30</sup> Interview with Dr Amit Mitra, Secretary-General, Federation of Indian Chambers of Commerce and Industry, New Delhi, July 2009; and Mr. Javid Shahid Burki, former finance minister of Pakistan, June 2009. Also Isher Ahluwalia, *et al*, (1998).

countries of the region in the direction of increased regional cooperation. Among these factors are:

- (a) shared concerns about low level of human development, mass poverty and the consequent problems of social and political instability and violence, migration, disease and such like;
- (b) recognition of new synergies in industrialization and growth of services economy;
- (c) shared platforms in dealing with multilateral trade negotiations;
- (d) shared concerns regarding climate change and multilateral regimes pertaining to environmental standards;

There is growing recognition in the sub-continent that their shared historical and socio-economic legacies have imposed a shared burden in terms of inadequate human development and poverty alleviation. The Late Dr Mahbub ul Haq, an eminent Pakistani economist and initiator of the UNDP Human Development Reports, took the initiative to publish an annual South Asian HDR focusing on such issues. The SAARC's Social Charter and agendas for poverty eradication and eradication of illiteracy and disease takes some of these ideas forward. The region can benefit collectively from shared programmes of population control, women's education and empowerment given the complex religio-cultural barriers to change.

In the field of industrial development, earlier fears of a regional free trade agreement being a zero-sum game in favour of India are being replaced by growing recognition that this could be a win-win process.<sup>31</sup>

Finally, the region has collectively benefited from working together at the World Trade Organisation and other such multilateral economic forums and organizations. Even at the IMF and World Bank and at the Asian Development Bank south Asian governments resist 'beggar-thy-neighbour' approaches and try to work together on regional and national issues.

Apart from such shared concerns, regional cooperation would be pushed forward by the need of the sub-continental neighbours, India, Pakistan, Bangladesh, Nepal and Bhutan to arrive at consensual frameworks for river water utilization. All these countries are critically dependent on snow-fed rivers originating in the upper Himalayas and flowing through the Tibetan peninsula. The sub-continental countries will have to work together to ensure that China does not curtail their access to these waters and, at the same time, ensure that they arrive at equitable and practical agreements for river water sharing. Till now India has had bilateral water-sharing agreements with its neighbours. It is possible that in future countries may seek regional solutions involving all riparian States.

These issues have come to the fore in the on-going discussions on climate change. There is a recognition, especially after recent earthquakes and the tsunami that the region has a shared geography that necessitates not just working together on natural disaster management but also on larger issues of environmental change. South

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<sup>31</sup> The success of the India-Sri Lanka FTA in benefitting both partners, especially Sri Lanka, has added to this understanding. Also see Burki (2006) on Pakistani attitudes to SAFTA.

Asia could well adopt a consensual position in the negotiations on climate change and carbon emission norms.<sup>32</sup>

Finally, shared security concerns, especially the threat of terrorism, is forcing the Governments of the region to work more closely together, especially in the field of intelligence sharing.

Despite the slow progress of regional institution building in South Asia, a growing realization that the region faces common natural, economic and political challenges is forcing the pace of regional cooperation in South Asia. This could, in turn, contribute to better institution building.

## **5. The Case for Pan-Asian Regionalism**

The growing recognition of the importance of external trade, in general, and regional trade, in particular, in South Asia, on the one hand, and the region's frustrations with India-Pakistan related impediments to regional free trade and transit arrangements has increased the appeal of closer integration with East and South-east Asia. Of course, the fact that East and South-east Asia also offer attractive markets for goods and services has made such integration even more attractive to India and some of its neighbours. On its part India has vigorously pursued the India-ASEAN free trade agreement that has now come into force. Equally, India is engaged in the East Asian Community building process. But the region as a whole, barring Afghanistan and Pakistan, is now engaged with some south-east asian economies through BIMSTEC.

As a consequence, South Asia's trade with East Asia has grown, with manufacturing imports from East Asia growing faster than exports to East Asia. This is contributing to a rising trade deficit for South Asia with East and Northeast Asia.<sup>33</sup> Francois, Rana and Wignaraja (2009) and Francois and Wignaraja (2008) make a convincing case for "Pan-Asian" integration linking East and South Asia. Building a case for a Pan-Asian free trade agreement, the papers establish the benefits from Asian regional integration to all of South Asia. The India-ASEAN FTA could be a stepping stone to a SAARC-ASEAN and SAARC-ASEAN+3 FTA given the benefits accruing to all players from closer regional integration. It would appear that this is the direction in which South Asia would move if countries like India become part of East Asian supply chains, integrating the economies of Japan, South Korea, even China, and ASEAN with India and rest of South Asia.

The Dhaka Summit of SAARC (2005) marked an important turning point for the organization. Not only was it a very productive summit in terms of the number of concrete decisions taken, including the decisions to create the SAARC Development Fund, the SAARC Poverty Alleviation Fund, the operationalisation of SAFTA, the SAARC Arbitration Council, a Working Group on Energy, SAARC Forestry Centre, a South Asian University, and so on. The leaders, however, agreed to pursue the institutional development of SAARC only at an "incremental" pace. The Summit Declaration stated, "The Heads of State or Government agreed that with the incremental broadening of the SAARC agenda and increased emphasis being placed on implementation of plans and

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<sup>33</sup> Debroy (2009).

programmes, there was a need for a commensurate strengthening of institutional capabilities of SAARC."

The Summit agreed to undertake a "comprehensive review and reform of all SAARC institutions and mechanisms, including the Secretariat and the Regional Centres". A committee of experts is to be constituted for this purpose. While SAARC summits have become more businesslike, its activities have increased and the Secretariat is to be strengthened, the idea of regional cooperation remains hobbled by continuing bilateral problems.

India's growing interest in the building of an East Asian Community (through the ASEAN+6 process) and its increasing commitment to SAFTA and regional integration in South Asia could drive a wider, Asia-wide integration process in years to come. In fact, India's inability to push SAFTA forward, and the growing impatience within the region at the slow pace of regional integration may well encourage India, and some of the other South Asian economies to seek a closer link with East and South-east Asia. India's "Look East Policy" would then have fulfilled its stated goal of reintegrating India with Asia to its East.

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## **Appendix I**

### **Profile of Institution-SAARC**

#### **A. Basic Information**

**Name:** South Asian Association of Regional Cooperation

**Acronym:** SAARC

**Flag/Logo:**



**Year Established:** 1985

**Location:** Kathmandu, Nepal

**Contact Details:**

SAARC Secretariat,

PO Box 4222,

Tridevi Marg, Kathmandu, Nepal.

Tel: +977 1 4221785, 4226350, 423134, 4221411.

Fax: +977 1 4227033, 4223991

Webpage: <http://www.saarc-sec.org/>

#### **Basic Indicators**

**Size:** 5,130,746 km<sup>2</sup>

**Population:** 1.5 billion (approx.)

**GDP:** US\$ 4,074,031 million

**Per-capita GDP:** US\$ 2,777

**Language:** English

**Religion:** Hinduism, Islam, Buddhism and Christianity

#### **Membership**

**Total Number:** 8

**Full Members:**

- Afghanistan
- Bangladesh
- Bhutan
- India
- Maldives
- Nepal
- Pakistan
- Sri Lanka

**Observers:**

- Australia
- China
- European Union
- Iran
- Japan
- Mauritius
- Myanmar (Burma)
- South Korea
- United States

**Secretariat**

**Yes/No:** Yes

**Location:** Kathmandu, Nepal

**Number of Staff:** 18

**Activities and Operations**

**Functional area:** Economic and Social Cooperation

**Activities:** Regional cooperation in the following five areas:

- Agriculture and Rural Development
- Telecommunications, Science, Technology and Meteorology
- Health and Population Activities
- Transport
- Human Resource Development

**Projects:**

SAARC undertakes projects in various fields, each of which have a Technical Committee. The SAARC Information Centre therefore provides a list the Projects as follows<sup>34</sup>:

1. Agriculture (TC01)
2. Communications (TC02)
3. Education, Culture and Sports (TC03)
4. Environment (TC04)
5. Health and Population Activities (TC05)
6. Meteorology (TC06)
7. Prevention of Drug Trafficking and Drug Abuse (TC07)
8. Rural Development (TC08)
9. Science and Technology (TC09)
10. Tourism (TC10)
11. Transport (TC11)
12. Women in Development (TC12)

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<sup>34</sup> These headings carry a small summary of what the particular Technical Committee has been doing. However, there seem to be no recent activities or projects in 'coherent' terms being pursued. The latest projects and achievements date back to the mid nineties for most Technical Committees and the latest year of activity seems to be 2000. <http://www.saarc-sic.org/beta/index.php>

Besides the above mentioned 'Projects' ; The Agreement on SAARC Preferential Trading Arrangement (SAPTA) was signed in Dhaka during the 7th SAARC Summit, in 1993. It aims to promote and sustain mutual trade and the economic cooperation among the South Asian States, through exchanging concessions. Later, with the broad objective of moving towards a South Asian Economic Union (SAEU), the SAARC Member States signed the Agreement on SAARC Free Trade Area (SAFTA) on 6 January 2004 at the 12th SAARC Summit held in Islamabad and came into force on 1 January 2006. SAFTA has six core elements covering trade liberalization programme, rules of origin, institutional arrangements, safeguard measures, special and differential treatment for least developed countries (LDCs), and dispute settlement mechanisms.

### **Outputs and Outcomes:**

#### **Publications:**

The SAARC Secretariat has printed a number of publications in the following categories:

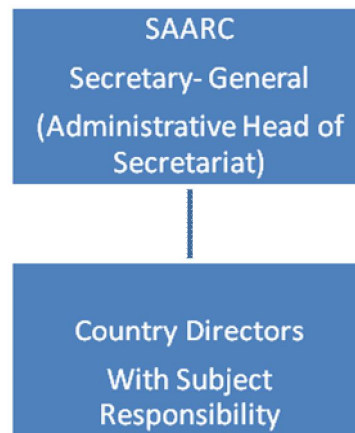
**SAARCNEWS** is a regular publication which reports on the on-going activities of the Association and is free for distribution.

**Brochures and booklets** are printed on general information about SAARC as well on thematic issues. The publications are distributed free of cost on demand.

**Priced Publications** contain compilation of documents approved by various SAARC bodies. The publications can be bought by sending an email to the SAARC Secretariat. The price will include cost of the publications and the postage charges.

### **Organisational Structure**

#### **Organigram:**



#### **SAARC Secretariat**

The SAARC Secretariat is based in Kathmandu, Nepal. The Secretariat coordinates and monitors implementation of activities, prepares and services meetings, and serves as a channel of communication between the Association and its Member States as well as other regional organizations.

The Secretariat is headed by a Secretary General, who is appointed by the Council of Ministers from member countries in alphabetical order for a three-year term. The SAARC Secretary General has a rank between that of a Foreign Minister and Foreign Secretary. He is essentially an 'administrative head' of the Secretariat, rather than an independent political entity. Dr. Sheel Kanta Sharma from India currently (as of June 2009) serves as the Secretary General of SAARC.

**Management:** The Secretary General is assisted by Directors on deputation from Member States, each heading a 'Working Division'<sup>35</sup>. The Secretary General and Directors are supported by the General Services Staff.

**Staff Policy:**

**Staff (Permanent/ Contract):** All staff are contractual

**Vision and Aspiration**

**Aims and Objectives:** SAARC provides a platform for the peoples of South Asia to work together in a spirit of friendship, trust and understanding. It aims to accelerate the process of economic and social development in Member States.

**Idea of Region:** South Asia

**External Orientation:**

**Basic norms/principles:**

**Institutional Process**

**Political Leadership:** The highest authority of the Association rests with the Heads of State or Government.

**Decision Making:** A **Council of Ministers**, comprising the Foreign Ministers of Member States, is responsible for formulating policies, reviewing progress, deciding on new areas of cooperation, establishing additional mechanisms as deemed necessary, and deciding on other matters of general interest to the Association. The Council meets normally twice a year and may also meet in extraordinary sessions by agreement of Member States.

**Rule Making:** A **Standing Committee**, comprising the Foreign Secretaries of Member States, is entrusted with the task of overall monitoring and coordination of programs, approving of projects and programs, and modalities of financing, determining inter-sectoral priorities, mobilizing regional and external resources, and identifying new areas of cooperation. Usually this Committee meets twice a year preceding the Council of Ministers and submits its reports to the Council of Ministers. It may also meet in special session as and when necessary by agreement among Member States.

The Standing Committee is authorized to set up Action Committees comprising Member States concerned with implementation of projects involving more than two but less than seven Member States.

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<sup>35</sup>The Working Divisions are- Media and Integration of Afghanistan Division, Agriculture and Rural Development Division, Environment Bio-technology and Observers Division, Economic, Trade and Finance Division, Social Affairs Division, Information and Poverty Alleviation Division, Energy Tourism and Science Division, Human Resource Development, Security Aspects and Culture Division.

**Voting Mechanism:** All decisions in SAARC are by consensus. There is no voting mechanism

**Budget Constraint:** The **Programming Committee** (which is not a SAARC Charter body), comprising senior foreign ministry officials of member States assists the Standing Committee in the preparation of the Secretariat Budget. The Standing Committee finalises the budget which is then approved by the Council of Ministers. The Programming Committee also prepares SAARC's annual Calendar of Activities.

**National Stakeholders:** SAARC has now developed several civil society institutions that function as 'social bridges' promoting regional cooperation. These include SAARC Chambers of Commerce and Business, SAARC Media Forums, etc.

**Enforcement Mechanism:** SAARC's activities are implemented through Technical and Working groups.

### **Technical Committees**

The SAARC Technical Committees are responsible for determination of the potential and the scope of regional cooperation in agreed areas, formulation of programmes and preparation of projects, determination of financial implications of sectoral programmes, formulation of recommendations regarding apportionment of costs, implementation and coordination of sectoral programmes, and monitoring of progress in implementation.

### **Working Groups**

In addition to the Technical Committees, various Working Groups are established to consider specific issues and make recommendations to the appropriate SAARC bodies. Currently five Working Groups are established in the areas of Telecommunications and ICT, Biotechnology, Intellectual Property Rights and tourism.

### **Dispute Settlement**

SAARC does not have any explicit mechanism for dispute settlement. Bilateral issues are in any case not discussed.

### **Self Assessment Mechanism**

SAARC has used the institution of an "Eminent Persons Group" to undertake an assessment of its activities and future development.

### **Official Meetings**

**Area Coverage:** South Asia

**Participants:** Member States

**Frequency:** Yearly Summits, Biannual meetings of the Council Of Ministers and the Standing Committee. The SAARC Charter provides that the Heads of State or Government shall meet once a year or more often as and when considered necessary by

the Member States. The country which hosts the summit holds the Chair of the Association.

### **The SAARC Umbrella Institutions**

#### **1. SAARC Agricultural Information Centre**

Member Director (Planning & Evaluation) and Member, SAC GB: Dr. Sk. Ghulam Hussain- [ghussain@agni.com](mailto:ghussain@agni.com)

Web: <http://www.saarcagri.net/>

The SAARC Agriculture Centre, which is located at the Bangladesh Agricultural Research Council (BARC) complex, Dhaka, Bangladesh, is the first regional centre of the South Asian Association for Regional Cooperation (SAARC). The Centre was established on 8 December 1985 with the aim of accelerating the process of economic and social development among Member Countries through joint action in the agreed areas of cooperation. It started functioning from 1989.

#### **2. SAARC Documentation Centre**

Director: Mrs. Setara Banu Chowdhury- [bansdoc@cgscomm.net](mailto:bansdoc@cgscomm.net)

SAARC Documentation Centre established in the year 1994, is one of the Regional Centre of SAARC. It acts as an effective information system for the SAARC member states that enables exchange of information in the areas of biological, physical, chemical, engineering and life sciences as well as in developmental matters. SAARC Documentation system comprises a central facilities i.e. SDC and its sub-units in all the member states i.e. National Focal Points, which act as the repositories of the centre. SDC acts as a repository of documents/reports produced in region and on the region in scientific, technical, economical, industry-related and developmental matters. Publications of the SDC include the Directory of Research and Industrial Institutions in the SAARC Region and Select Bibliography on Alternative Systems of Medicine in the SAARC Region.

Web: <http://www.sdc.gov.in/>

#### **3. SAARC Tuberculosis and HIV/AIDS Centre**

STAC is one of the Regional Centres of SAARC working for prevention and control of TB and HIV/AIDS in the (SAARC) region by coordinating the efforts of the national Tuberculosis Control Programmes (NTPs) and National AIDS Control Programmes (NACPs) of Member States. It is located in Kathmandu, Nepal.

Web: <http://www.saarctb.com.np/index.phpp>

#### **4. SAARC Human Resources Development Centre**

Director: Dr. Muhammad Aslam Khan

The main objective of the SHRDC is to enhance capacity of regional Human Resource Development (HRD) functionaries, policy makers and trainers. The main objectives of SHRDC are to develop knowledge, conduct research, provide a forum for professional interaction, capacity building and information dissemination regarding HRD issues. Its activities include: development of a database in the areas of education, health, gender, poverty, children and environment; preparation of a directory of HRD institutions in SAARC countries; development of a SHRDC website; publication of a SHRDC newsletter; and holding of a training programme on poverty alleviation.



Web: <http://www.shrhc-isb.org.pk>

### **5. SAARC Energy Centre**

SAARC Energy Centre was established on 1<sup>st</sup> March 2006 in Islamabad. SAARC Energy Centre has been created through Dhaka Declaration in 2005, as the Special Purpose Vehicle to realize the vision of SAARC leaders to establish an Energy Ring in South Asia. It has started journey from 1st March 2006 in Islamabad. SAARC energy cooperation program provides a major substantive element for economic prosperity of South Asia through meeting the energy demand of the countries. SAARC Energy Centre is converting energy challenges into opportunities for development. It is the platform involving officials, experts, academics, environmentalists and NGOs to tap potentials of cooperation in energy sector including development of hydropower, renewable and alternative energy, promoting technology transfer, energy trade, energy conservation and efficiency improvement in the region.

Web: <http://www.saarcenergy.org/web>

### **6. SAARC Disaster Management Centre**

Director: P.G. Dhar Chakrabarti- [director.sdmc@gmail.com](mailto:director.sdmc@gmail.com)

SAARC Disaster Management Centre (SDMC) was set up in October 2006 at the premises of National Institute of Disaster Management in New Delhi. The Centre has the mandate to serve eight Member Countries of South Asia Association of Regional Cooperation (SAARC) - Afghanistan, Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan and Sri Lanka - by providing policy advice and facilitating capacity building services including strategic learning, research, training, system development and exchange of information for effective disaster risk reduction and management in South Asia.

<http://saarc-sdmc.nic.in/home.asp>

### **7. SAARC Audio Visual Exchange Committee (SAVE)**

The SAVE programme was first launched on 2 November 1987 coinciding with the opening of the Third SAARC Summit (Kathmandu, 2-4 November 1987). The successive SAARC Summits had lauded the smooth functioning of SAVE programme as being a useful medium for promoting a South Asian consciousness among the people in the region. The SAVE Committee aims at increasing the awareness of each other among the peoples of the region through disseminating information on the socio-cultural, economic and technical aspects of the Member States. The SAVE programmes include joint productions on thematic issues of Environment, Disabled Persons, Youth, Literacy, Participatory Governance, Safe and Clean Water, and Mountains and Hills and so on.

<http://www.saarc-sec.org/?t=2.3.3>

### **8. SAARC Meteorological Research Centre**

A SAARC Meteorological Research Centre was established in 1995 with a clear set of objectives to further regional cooperation in meteorology. It continues to contribute to cooperative endeavours in this field. Recognizing the progress in technology and emerging trends, the Centre has recently revised its objectives and goals.

<http://www.saarc-smrc.org/>

### **9. Technical Committee on Agriculture and Rural Development (TCARD)**

As per the reconstituted SAARC Integrated Programme of Action (SIPA), the two Technical Committees on Agriculture and Rural Development were merged into one as the Technical Committee on Agriculture and Rural Development. The reconstituted Committee under the chairmanship of Nepal started functioning in 2000. The functioning of the Technical Committee has been helpful in bridging critical knowledge gaps and in identifying many concrete areas for pursuing regional actions and projects. TCARD has identified many thematic areas for exchanging knowledge and best practices, harmonization of regional approaches and priority actions to be pursued both at the national and regional levels.

Web: <http://www.saarc-sec.org>

### **10. South Asia University**

At the Thirteenth SAARC Summit held in November 2005 in Dhaka, India proposed to create a Centre of Excellence, in the form of a South Asian University, which can provide world class facilities and professional faculty to students and researchers drawn from every country of the region.

A regional Expert Group was set up to draw up the modalities for establishing the South Asian University. The University's main campus will be located in New Delhi. Four Task-Forces have been constituted to help the CEO of the University, Professor G K Chadha (formerly Vice-Chancellor, Jawaharlal Nehru University, India). These Task Forces are in the areas of Academics, Infrastructure, Business Plan and Governance and Legal Structure. Each Task Force comprises a Convener, an Expert and members from each SAARC member country.

CEO, South Asian University: Prof. G.K. Chadha

Web: <http://www.southasianuniversity.org>

### **11. SAARC Coastal Zone Management Centre**

The establishment of a Regional Coastal Zone Management Centre was recommended in the SAARC Study on the Causes and Consequences of Natural Disasters and the Protection and Preservation of the Environment (SAARC, 1992). It is currently based in the Maldives. Comprehensive information about nature of activities is unavailable; the website however provides a brief of activities undertaken in 2008. These activities are aimed at infrastructure building of the organisation and are of the nature of acquiring resources and information. The list can be viewed at <http://www.sczmc.org>

### **12. South Asia Cooperative Environment Programme (SACEP)**

The South Asia Co-operative Environment Programme, also known as SACEP, is an inter-governmental organization established in 1982 by the South Asian governments to promote and support protection, management and enhancement of the environment in the region.

[www.sacep.org](http://www.sacep.org)

### **13. SAARC Forestry Centre, Bhutan**

### **SAARC - Non Governmental Initiatives**

#### **1. Association of Management Development Institutions in South Asia**

Director: Mr. Karma Tshering- [karma\\_tshering@rim.edu.bt](mailto:karma_tshering@rim.edu.bt)

The Association of Management Development Institutions in South Asia (AMDISA) was established in 1988, with the initiative of leading management development institutions in the South Asian Association of Regional Cooperation (SAARC) region. AMDISA is an international not-for-profit association, recognized by SAARC, the inter-governmental agency, as a professional association for consultative purposes. It has 208 members, of which 178 are Institutional Members, 2 Affiliate Members, 14 Corporate Members and 14 Reciprocal Members. Membership is available to management development networks all over the world.

<http://www.amdisa.org/>

## **2. Climate Action Network –South Asia (CANSA)**

Chairman: Dr. A. Atiq Rahman- [atiq.rahman@bcas.net](mailto:atiq.rahman@bcas.net)

The Climate Action Network (CAN) International is a global network of over 360 Non-Governmental Organizations (NGOs) in 85 countries working to promote government and individual action to limit human-induced climate change to ecologically sustainable levels. South Asian NGOs and scientists concerned of Global Climate Change issues and engaged in the INC and UNCED processes responded to the emerging challenge and threat of climate change by establishing CAN South Asia CANSA, in 1991.

The Vision of CANSA is a world striving actively towards the protection of the global climate in a manner that promotes equity and social justice between peoples, sustainable development of all communities, and protection of the global environment. CANSA's Mission is to support and empower civil society organizations to influence the design and development of an effective global strategy to reduce greenhouse gas emissions and ensure its implementation at international, national and local levels in the promotion of equity and sustainable development.

**Secretariat:** Bangladesh Centre for Advanced Studies (BCAS), Dhaka, Bangladesh.

### **Member List:**

- Bangladesh
- Bhutan
- India
- Maldives
- Nepal
- Pakistan
- Sri Lanka

<http://www.can-sa.net/index.htm>

### **3. Independent Scholars of south Asia (ISOSA)**

The organization began almost fifteen years ago to provide an academic "home" for those with a passion for South Asia, a commitment to serious scholarship, and a career path without a tenure track academic position. Over the years, members have included, for example, museum curators, administrators in related scholarly organizations, musicians and dancers, retired colleagues, and curriculum development officials. ISOSA has welcomed therapists, those in the international development, banking, business, and aid communities, librarians, art collectors, foreign scholars, and academics in temporary positions.

<http://www.indiastudies.org/isosa>

### **4. South Asia Foundation (SAF)**

Founded in India by UNESCO Goodwill Ambassador Madanjeet Singh in 2000, the South Asia Foundation (SAF) is a secular, non-profit and non-political organization, comprising eight autonomous chapters in: Afghanistan, Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan and Sri Lanka. SAF is a cooperative organization designed to promote regional cooperation between South Asian communities through education, cultural interaction, and sustainable economic development with the vision of establishing a common currency in the SAARC countries. SAF has been recognized as an Apex Body of South Asian Association of Regional Cooperation

<http://www.southasiafoundation.org/index.htm>

### **5. South Asia Free Media Association (SAFMA)**

The media-persons from the print and electronic media from the countries of South Asia, having held extensive deliberations on the state of the media in South Asian Countries (lack of transparency, problems faced by media persons in pursuit of truth etc) at the South Asian Media Conference, organized by The News Pakistan, in Islamabad on July 1-2, 2000, decided to come together under the banner of SAFMA. Its activities include regular conferences (latest was the V Conference held at Hyderabad ,India ) and its online presence is in the form of South Asia Media Net.

<http://www.southasianmedia.net/>

### **6. South Asian Media Net**

Editor-in-chief: Imtiaz Alam

The **South Asian Media Net** is an independent and comprehensive website providing in-depth news coverage from across the South Asian region. It covers all seven countries of South Asia – Bangladesh, India, Pakistan, Sri Lanka, Nepal, Maldives and Bhutan – as well as Afghanistan, and brings together news, views, analyses and information from a diverse collection of sources under one banner.

<http://www.southasianmedia.net/>

## **7. South Asia Health Project**

South Asian Health Project (SAH Project) views healthy life and access to medical care as a right and as an issue of social justice. As an emerging community-based health initiative, SAH Project vision includes all individuals of South Asian origin are provided equal opportunity to be healthy in mind and body as well as to a high quality of daily living. SAH Project aims to achieve health equity for individuals of South Asian origin through individual and community empowerment. SAH Project is operated by committed staff, volunteers, and consultants and receives guidance from a Board of Directors and Advisors. Individuals involved with SAH Project offer diverse perspectives in public health, including advocates, researchers, policymakers, funders, and service providers, representing industry sectors, such as not-for-profit, private, government, and academia

<http://www.southasianhealth.org/default.aspx>

## **8. South Asia Partnership International (SAP-I)**

South Asia Partnership International (SAP - I) is a South based, South led International NGO. As the coordinating body of South Asia Partnership Network, SAP - I facilitate solidarity between other community based organizations and issue based networks within South Asia. South Asia Partnership network comprises of six national member organizations based in Bangladesh, Canada, Nepal, Pakistan and Sri Lanka.

The SAP - I secretariat works with a network of local and regional organizations to create and implement programs that will improve the state of human development in South Asia. SAP - I's three major intervention areas are livelihood, governance and peace.

<http://www.sapint.org/>

## **9. South Asia Terrorism Portal**

The South Asia Terrorism Portal was launched in March 2000, SATP is the largest website on terrorism and low intensity warfare in South Asia, and creates the database and analytic context for research and analysis of all extremist movements in the region. SATP has been set up to counter the progressive distortions regarding, and the international community's neglect of, the wide range of terrorist movements within South Asia, and particularly in India. SATP establishes a comprehensive, searchable and continuously updated database on all available information relating to terrorism, low intensity warfare and ethnic/communal/sectarian strife in South Asia

[www.satp.org](http://www.satp.org)

## **10. South Asian Fund Raising Group (SAFRG)**

Chief Executive Officer: Pallavi Kumar

South Asian Fund Raising Group is an NGO with the mission to provide state of the art resource mobilization capacity building for fundraisers and community organizations. It has been building fundraising capacity in South Asia since 1989. SAF's vision is a Civil Society Sector that is Independent and Sustainable; they define their mission- To provide state of the art resource - mobilization capacity building for fundraisers and community organizations.

<http://www.safrg.org/>

### **11. South Asian Journalists Association (SAJA)**

President: Sandeep Junnarkar

The South Asian Journalists Association (SAJA) was formed in March 1994 with 18 members and was incorporated as a New York non-profit organization in 1996. SAJA serves as a networking and resource forum for journalists of South Asian origin and journalists interested in South Asia or the South Asian Diaspora. Its mission includes acting as a resource to facilitate and promote thorough, accurate coverage of South Asia and the South Asian diaspora, including South Asians in North America. This includes coverage of media freedom and censorship issues affecting South Asian communities.

<http://www.saja.org/>

### **12. South Asian Marrow Association of Recruiters**

President and CEO: Rafiya Peerbhoy Khan

South Asian Marrow Association of Recruiters (SAMAR) is a community based Network member of the National Marrow Donor Program (NMDP). South Asian Marrow Association of Recruiters (SAMAR) serves patients diagnosed with leukaemia and other fatal blood disorders from the South Asian community (people from India, Afghanistan, Bangladesh, East Africa, Guyana, Nepal, Pakistan, Sri Lanka, West Indies) and other minority groups who are in search of Blood Stem Cell /Marrow donors.

<http://www.samarinfo.org/index.asp>

### **13. South Asian News Agency (SANA)**

South Asian News Agency (SANA), Pakistan's totally independent news and photo service, was launched on January 26, 2001, to highlight events in one of the world's dangerous regions.

SANA replaced the Kashmir Press International (KPI), which was established in December 1989 as Pakistan's first Urdu language news service. SANA first started English news service and started its Urdu service on February 1st, 2002. It disseminates national, regional and international news without receiving any support by the government. The agency has also started Arabic service.

<http://www.sananews.com.pk/english/>

#### **14. South Asian Public Health Association (SAPHA)**

South Asian Public health Association was established in 1999. The mission of the South Asian Public Health Association is to:

- Promote the health and well-being of South Asian communities
- Advancement of public health professionals

<http://www.sapha.net/>

#### **15. South Asian Regional Cooperation Academic Network (SARCAN)**

SARCAN is a network of practitioners working on multi-faceted issue areas of South Asian Regional Cooperation around the world. It acts as an online forum for discussion and blogs on all issues that deal with regionalism.

<http://sarcan.ning.com/>

#### **16. South Asian Research Centre for Advertisements, Journalism and Cartoons (SARJAC)**

Chief Patron of SARCAJC: Lord Prof. Meghnad Desai

South Asian Research Centre for Advertisement, Journalism & Cartoons (SARCAJC) is committed to the study, research and promotion of advertisements, journalism and cartoons.

[https://www.sarcajc.com/Home\\_Page.html](https://www.sarcajc.com/Home_Page.html)

#### **17. South Asian Researchers forum ( SASRF)**

The South Asian Social Researchers' Forum (SASRF) was formed as an independent group in 1994 to provide South Asian researchers with support and opportunities to network by bringing them together in seminars, discussion groups and conferences. In doing that, encourage the dissemination of research findings through the production of newsletters and other appropriate methods and advance the knowledge of methodologies appropriate to research with South Asian communities.

<http://www.sasrf.ac.uk/>

#### **18. South Asian Strategic Stability Institute (SASSI)**

Director: Ms Maria Sultan

The South Asian Strategic Stability Institute (SASSI) is an independent think tank dedicated to promoting peace and stability in South Asia. The South Asian Strategic

Stability Institute takes a multi-disciplinary approach focused on strategic stability, aimed at bringing together the various streams of thought from the social and natural sciences, the policy makers and academia.

<http://www.sassu.org.uk/index.htm>

### **19. South Asian Women's Empowerment and Resource Alliance (SAWERA)**

SAWERA's mission is to promote the independence and dignity of South Asian women through education, empowerment and solidarity. SAWERA is a grassroots non-hierarchical, volunteer driven organization.

<http://www.sawera.org/>

### **20. The South Asian Women's Network (SWANET)**

SWANET is a forum for and about women from Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan, and Sri Lanka. Sawnet is a completely volunteer affair, and the organization has no formal structure, no finances, and no board of directors. It exists entirely in the electronic medium, has no bylaws, and is not registered as an organization anywhere.

<http://www.sawnet.org/about.php>

### **21. South Asian Network of Economic Institutes (SANEI)**

South Asia Network of Economic research Institutes (SANEI) is a regional initiative to foster networking amongst economic research institutions in South Asia. It aims to establish research interlinkages among diverse economic research institutes in the South Asian region.

SANEI was created in 1998 as an initiative of the World Bank and was initially funded by it, with an aim to support research capacity building in South Asia and establish a network of economic policy research in the subcontinent. The network presently claims membership of 48 research institutions, with 11 from Bangladesh, 22 from India, 3 from Nepal, 7 from Pakistan and 5 from Sri Lanka. The Indian Council for Research on International Economic Relations (ICRIER), New Delhi, India, was the original anchor institution, and the then Director and Chief Executive of ICRIER, Dr Isher Judge Ahluwalia was the Founder Co-ordinator of SANEI. SANEI is presently anchored with the Pakistan Institute of Development Economics (PIDE), Islamabad, Pakistan.

SANEI is guided by a Steering Committee and a Research Advisory Panel, comprising three internationally renowned economists from South Asia, evaluates research proposals submitted from the network of institutions. The panel reviews the progress of the projects and provides expert guidance with the objective to improving the quality of research.



Dr. Rashid Amjad, Secretary (Coordinator) SANEI, Pakistan Institute of Development Economics, Islamabad.  
Web: [www.saneinetwork.net](http://www.saneinetwork.net)

## Appendix II

### Profile of Institution-BIMSTEC

#### Basic Information

**Name:** Bay of Bengal Initiative for Multi Sectoral Technical and Economic Cooperation

**Acronym:** BIMSTEC

**Flag/Logo:**



**Year Established:** 1997

**Location:** Bangkok, Thailand

**Contact Details:** Institute of Trade Strategies

Building No.20, 5th Floor

University of Thai Chamber of Commerce

126/22-25 Vibhavadee-rangsit Rd.,

Dindang, Bangkok 10400

Thailand

Tel: +66 2 692 3162-3

Fax: +66 2 692 3161

E-Mail: [bimstecinfo@tradestrategies.org](mailto:bimstecinfo@tradestrategies.org)

Webpage: <http://www.bimstec.org/>

#### Basic Indicators

**Size:** 4875688 km<sup>2</sup> (approx.)

**Population:** 1.478 billion (approx.)

**GDP:** \$ 3838 billion (approx.)

**Per-capita GDP:** \$2596.75

**Language:** English (Operating Language)

**Religion:** Hinduism, Buddhism, Christianity, Islam

#### Membership

**Total Number:** 7

**Full Members:**

- Bangladesh
- Bhutan
- India

- Myanmar
- Nepal
- Sri Lanka
- Thailand

**Observers:**

**Secretariat**

**Yes/No:** No

**Location:**

**Number of Staff:**

**Activities and Operations**

**Functional area:** Multi Sectoral Economic<sup>36</sup> and Social Cooperation

**Activities:**

Six priority sectors of cooperation were identified at the 2nd Ministerial Meeting in Dhaka in November 1998. These are:

1. Trade and Investment
2. Transport and Communication
3. Energy
4. Tourism
5. Technology
6. Fisheries

At the 8th Ministerial Meeting in Dhaka in December 2005, seven new areas were added. These are:

7. Agriculture
8. Public Health
9. Poverty Alleviation
10. Counter-Terrorism and Transnational Crime
11. Protection of Biodiversity / Environment and Natural Disaster Management
12. Culture
13. People to People Contact

**BIMST-EC Project Proposals**

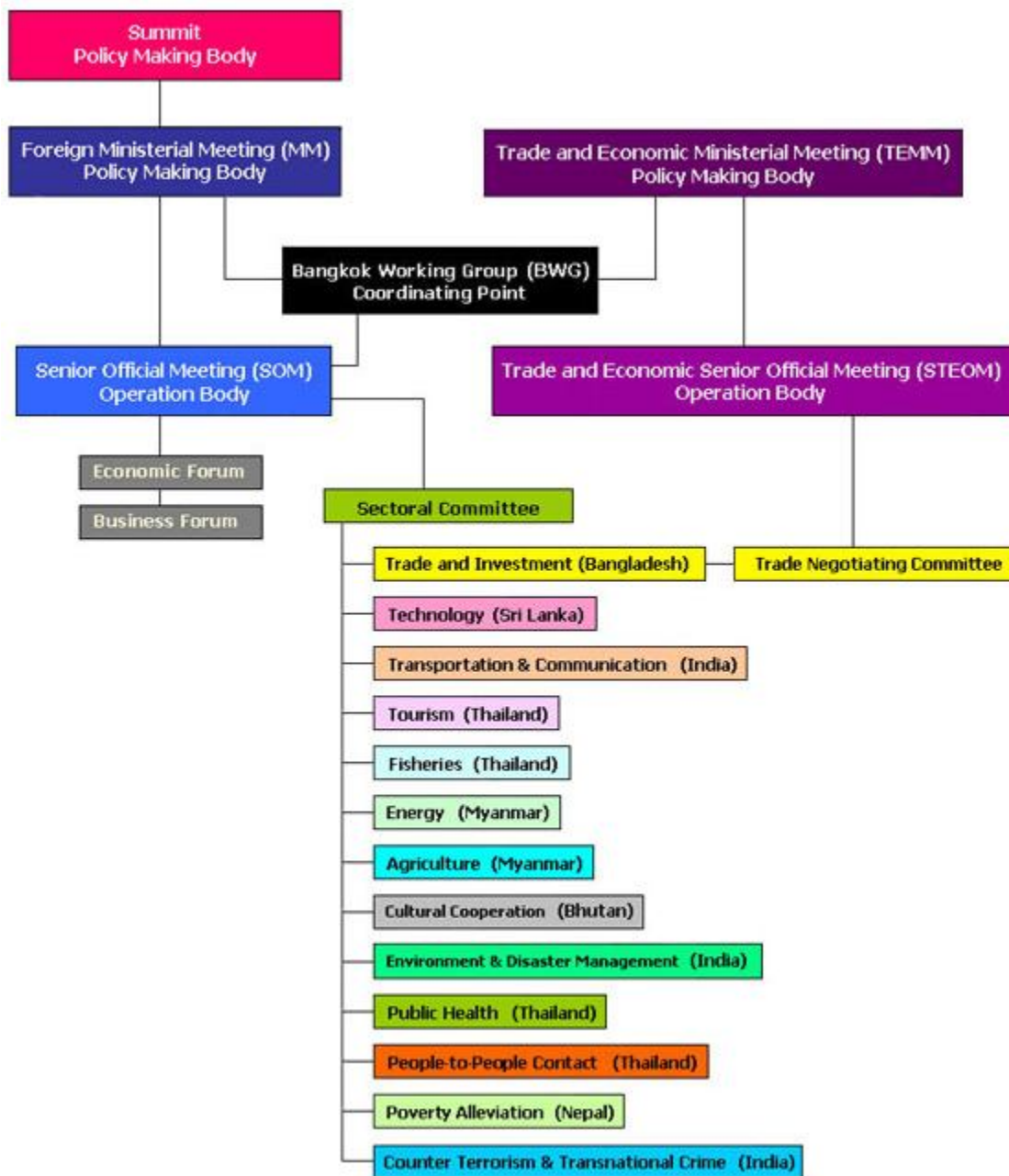
|                                      |   |
|--------------------------------------|---|
| 1. Trade and Investment              | 1. Establishment of Free Trade Area                                   |
| 1.1. Processed Food                  | 2. Establishment of Federation of Processed Food Associations         |
| 1.2. Trade & Investment Facilitation | 3. Trade Facilitation in the BIMST-EC Sub-region                      |
|                                      | 4. Establishment of BIMST-EC Account Trade                            |
|                                      | 5. Seminar on BIMST-EC Regulations, Standards & Conformity Assessment |

<sup>36</sup> Infrastructure Development

|  |   |
|--|---|
| Banking<br>Arrangement<br>Standards and<br>Conformity                  |   |
| 2. Tourism   | <ol style="list-style-type: none"> <li>1. Visit BIMST-EC Year</li> <li>2. Establishment of BIMST-EC Tourism Cooperation Centre</li> <li>3. Feasibility Study on the Promotions of Religious Circuit in BIMST-EC</li> <li>4. Training Program on Information Technology in Tourism</li> <li>5. BIMST-EC Tourism Master Plan</li> </ol>   |
| 3. Energy<br>Natural Gas<br>Renewable Energy                           | <ol style="list-style-type: none"> <li>1. Energy Infrastructure Development Project (Natural Gas)</li> <li>2. Demonstration Project for Small &amp; Medium Scale Industries using Biomass Gasifier System</li> <li>3. Training Program on Renewable Energy Technologies and their application</li> <li>4. Strengthening Educational Infrastructure through the Use of Renewable Energy Technologies</li> </ol>  |
| 4. Technology<br>Agro-based<br>Technology<br>Information<br>Technology | <ol style="list-style-type: none"> <li>1. Database on traditional knowledge on food &amp; function foods</li> <li>2. Low Cost Irrigation Project</li> <li>3. Collaborative Work on Policy &amp; Development of Protocols of Genetically Modified Food</li> <li>4. Technology Exchange Program (Seed Techno, Micro-Irrigation System, Agro Machineries/tools)</li> <li>5. Training Programme (Detection of Anti-biotic Residues/Food Toxins, Oceanography, Aqua Culture, Certified Reference material for Foods &amp; Analytical Services, Herbal Drug Evaluation, Post Harvest Management Of Fruits, Vegetables, and Fish)</li> <li>6. BIMST-EC Website</li> <li>7. School Net Programme</li> </ol> |
| 5. Fishery   | <ol style="list-style-type: none"> <li>1. Directory on BIMSTEC Fishery Organizations</li> <li>2. Directory of law and regulations on fisheries of BIMSTEC</li> <li>3. Fisheries Training Program</li> <li>4. Exchange of Experts Program</li> <li>5. Joint Survey of Migratory Fish Stock in Indian Ocean</li> </ol>  |
| 6. Transport &<br>Communication  | <ol style="list-style-type: none"> <li>1. Feasibility Study in Short-Sea Shipping Development (Thai Proposal)</li> <li>2. Preparation of BIMST-EC Framework Agreement on Multimodal Transport (Thai Proposal)</li> <li>3. Detailed Design of Kanchanaburi – Three pagoda Pass Railway line</li> </ol>   |

### **Organisational Structure**

### Organigram:



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**Management:** No Secretariat

**Staff Policy:**

**Staff (Permanent/ Contract):**

**Vision and Aspiration**

**Aims and Objectives:** BIMSTEC's objectives stretch from creation of economic and social prosperity based on equality, to enhancement of mutual benefits in economic,

<sup>37</sup> Source: [http://www.bimstec.org/working\\_stuc.html](http://www.bimstec.org/working_stuc.html)

social and technological aspects. They also involve intra-regional assistance in the form of training, research and development as well as beneficial cooperation in the areas of agriculture, industry, expansion of trade and investment, improvement in communication and transport, for the purpose of improving living standards and cooperation with other international organisations.

**Idea of Region:** South Asia / Bay of Bengal Community

**External Orientation:**

**Basic norms/principles:**

**Institutional Process**

**Political Leadership:** BIMSTEC uses the alphabetical order for the Chairmanship. The Chairmanship of BIMSTEC has been taken in rotation commencing with Bangladesh (1997 - 1999), India (2000) Myanmar (2001-2002), Sri Lanka (2002 - 2003), Thailand (2003 – 2005), Bangladesh (2005-2006). Bhutan asked for the skip. So it's turned to India (2006-present).

**Decision Making: Leaders' Summit:** The first BIMSTEC Leaders' Summit was held in Thailand in July 2004. The second Summit was held in New Delhi in November 2008.

**Rule Making:**

**Voting Mechanism:**

**Budget Constraint:**

**National Stakeholders:**

**Enforcement Mechanism:**

**Dispute Settlement:**

**Self Assessment Mechanism:**

**Official Meetings**

**Area Coverage:** South Asia/ Bay of Bengal Community

**Participants:** Member States

**Frequency:**

- Annual Ministerial Meetings, which shall be hosted by the Member States on the basis of alphabetical rotation.
- Senior Officials Committee, which shall meet on a regular basis as and when required.
- A Working Group, under the chairmanship of Thailand and having as its members the accredited Ambassadors to Thailand, or their representatives, of the other Member States, to carry on the work in between Annual Ministerial Meetings.
- Specialized task forces and other mechanisms as may be deemed necessary by the senior Officials to be coordinated by Member States as appropriate.

**Processes:**

The priority sectors of Co-operation are headed by a particular member state-‘Lead Country’.

| Sectors  | Lead Countries |
|--|----------------|
| 1. Trade & Investment/Sub-sector                         | Bangladesh     |
| 2. Technology/Sub-sector                                 | Sri Lanka      |
| 3. Energy/Sub-sector                                     | Myanmar        |
| 4. Transportation & Communication/Sub-sector             | India          |
| 5. Tourism/Sub-sector                                    | India          |
| 6. Fisheries/Sub-sector                                  | Thailand       |
| 7. Agriculture/Sub-sector                                | Myanmar        |
| 8. Cultural Cooperation/Sub-sector                       | Bhutan         |
| 9. Environment and Disaster Management/Sub-sector        | India          |
| 10. Public Health/Sub-sector                             | Thailand       |
| 11. People-to-People Contact/Sub-sector                  | Thailand       |
| 12. Poverty Alleviation/Sub-sector                       | Nepal          |
| 13. Counter-Terrorism and Transnational Crime/Sub-sector | India          |

### **Roles and Functions of Lead Country:**

1. Where sub-sectors have been identified, the designated Chair Countries will seek to identify specific projects for facilitating cooperation.
2. The Chair Country will function in consultation with an Expert Group drawn from member countries.
3. The Chair Country will chair and coordinate the work of the Expert Group, and perform secretarial functions if the Expert Group in such a way as to ensure the satisfactory and successful implementation of the projects and to monitor the progress of the work.
4. The members of the Expert Group will be in regular contact through correspondence, fax, e-mail, etc. and will meet whenever deemed necessary.
5. The Expert Group will coordinate, monitor and review progress in projects being implemented and will report on the same to the Sectoral Committee.
6. The Expert Group may invite such representatives from the public/private sector and regional/international organizations to its meetings whenever deemed appropriate.
7. The sub-sector Chair Country position will rotate between members every three years.

Given the above framework, BIMSTEC’s Working Mechanism can be mainly divided into 6 levels:

**1. Expert Groups:** The Lead Countries are to host expert group meetings of their responsible sectors regularly and report the result to the BISMTEC Working Group in Bangkok (BWG) via respective Embassies to Thailand.

**2. BIMSTEC Working Group in Bangkok (BWG):** is attended by the Director-General or Deputy Director-General of the Department of International Economic Affairs and the Ambassadors of BIMSTEC member countries to Thailand or their

representatives, as well as representatives from other concerned agencies. The meeting takes place monthly at the Ministry of Foreign Affairs to follow up and push forward progress in each cooperation sector, as well as to study prospects and policies of cooperation before reporting to the Senior Officials Meetings (SOM). In this connection, the BIMSTEC Centre, located at the Institute for Trade Strategies, the University of the Thai Chamber of Commerce has been established as a pilot project to support works the BIMSTEC Working Group.

**3. Business Forum and Economic Forum:** These forums facilitate participation of the private sector. In the Business Forum, private sector representatives from the BIMSTEC member countries will meet and discuss various issues. Results from the Business Forum will be forwarded to the Economic Forum where the private sector will have an opportunity to discuss freely with representatives from the public sector from the member countries. The Economic Forum will then report outcomes of its meetings to the STEOM.

**4. Senior Officials Meeting on Economics and Trade (STEOM):** This forum oversees activities of the Business and Economics Forums and is also engaged in negotiation of the BIMSTEC FTA. These meetings also oversee cooperation in Trade and Investment and in related fields.

**5. Senior Officials Meeting on Foreign Affairs (SOM):** Oversee cooperation in all other fields, apart from trade and investment, and report to foreign ministers.

**6. Ministerial Meeting:** Trade and Economic Ministerial Meeting monitors the progress in the Trade and Investment Sector as well as the FTA policy, while the Foreign Ministerial Meeting acts as prime mover determining the overall policy as well as recommendations for the Leaders' Summit. BIMSTEC ministerial meetings, however, have been limited to the vice foreign ministers level until the 5th Ministerial Meeting in Colombo in December 2002.



## **Appendix III**

### **Profile of Institution- IOR-ARC**

#### **Basic Information**

**Name:** Indian Ocean Rim-Association for Regional Cooperation

**Acronym:** IOR-ARC

**Flag/Logo:**

**Year Established:** It was first established in Mauritius on March 1995 and formally launched on 6-7 March 1997.

**Location:** Mauritius. IOR-ARC's secretarial work is also handled by the Government of the country in Chair.

**Contact Details:** (as available on internet)

The Co-ordinating Secretariat of the

Indian Ocean Rim Association for Regional Cooperation (IOR-ARC)

Soreze House

Wilson Avenue

Vacoas

Mauritius Island

Email: [iorarchq@intnet.mu](mailto:iorarchq@intnet.mu)

Webpage: <http://www.iornet.com/>

#### **Basic Indicators**

**Size:** 20460519 Km<sup>2</sup>

**Population:** 1869734830

**GDP:** \$ 5231.491 billion

**Per-capita GDP:** \$2797.98

**Language (working):** English

**Religion:** Hinduism, Islam, Sikhism, Christianity, Buddhism, Jainism, Judaism,

#### **Membership (Number: 18)**

- Australia
- India
- Kenya
- Mauritius
- Oman
- Singapore
- South Africa
- Indonesia
- Malaysia
- Madagascar
- Mozambique

- Sri Lanka
- Tanzania
- Yemen
- Bangladesh
- Iran
- Thailand
- United Arab Emirates

**Observers:**

The Indian Ocean Tourism Organization has observer status for the IOR-ARC. Apart from Observers the IOR-ARC has **Dialogue Partners**. These include:

- China
- Egypt
- France
- Japan
- United Kingdom

**Secretariat**

**Yes/No:** Yes.

**Location:** In Port Louis, Mauritius.

**Number of Staff:** 2 officials + 8 support staff

**Activities and Operations**

**Functional area:** Economic Cooperation

**Activities:** Activities of the IOR-ARC are organized under three working groups:

- The Working Group on Trade and Investment (WGTI),
- The Indian Ocean Rim Business Forum (IORBF) and
- The Indian Ocean Rim Academic Group (IORAG).

The Secretariat's three main functions are:

- Supporting the meetings of Council of Ministers (COM) and Committee of Senior Officials (CSO)
- Supporting coordination between the WGTI, and the IORBF and IORAG.
- Monitoring progress on the implementation of projects and working with project coordinators and National Focal Points to encourage participation in the work program

Other functions include collection of key data on members states, coordination of meeting dates and venues, presentation of a calendar of events, the distribution

of project material where it is not done by project coordinators, and liaison with other organisations with similar goals and interests.

A significant amount of time is allocated to communicating with project coordinators and National Focal Points to gain responses on project work so that it can be completed.

IOR-ARC activities include several on-going topical projects and work programs conducted by member countries with shared interests<sup>38</sup>, all of which are under the umbrella of 3 separate working groups. These are;

**Projects: Outputs and Outcomes:**

**Publications:** Reports (IORBF and IORAG)

**Organisational Structure**

**Organigram:**

Council of Ministers

Committee of Senior Officials of Member States

Executive Director of IOR-ARC Secretariat

2 Directors + Support Staff of 9 persons

**Management:**

**Staff Policy:** Subject to rules and office instructions/regulations in force at the Secretariat of the IOR-ARC

**Staff (Permanent/ Contract):** 2 officials on deputation and 8 Local staff. No permanent, all contractual.

**History**

**Origins:** The first Inter-Governmental Meeting of the Indian Ocean Rim Initiative held in Mauritius on 31 March 1995, outlined the principles, objectives and areas of cooperation within the Indian Ocean Rim. Initiative to create IOR-ARC was taken by Australia, India, South Africa and Mauritius.

**Evolution:** The IOR-ARC Inter-Governmental Meetings have been held from time to time. Most recent meeting was in Yemen in June 2009.

**Membership Change:**

**Founding member states (March, 1995):**

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<sup>38</sup> The working groups have business and academic representatives to ensure that different points of view and interests are fully reflected in IOR-ARC's work program.

- Australia
- India
- Kenya
- Mauritius
- Oman
- Singapore
- South Africa

#### **September 1996:**

- Indonesia
- Malaysia
- Madagascar
- Mozambique
- Sri Lanka
- Tanzania
- Yemen

#### **March 1999:** (Council of Ministers Meeting in Maputo, Mozambique)

- Bangladesh
- Iran
- Seychelles - withdrew as a member on 1 July 2003
- Thailand
- United Arab Emirates

### **Vision and Aspiration**

#### **Aims and Objectives:**

The objectives of the Association will be<sup>39</sup>:

- i) To promote the sustained growth and balanced development of the region and of the Member States and to create common ground for region economic cooperation;
- ii) To focus on those areas of economic cooperation which provide maximum opportunities to develop shared interests and reap mutual benefits. Towards this end, to formulate and implement projects for economic cooperation relating to trade facilitation, promotion and liberalisation; promotion of foreign investment, scientific and technological exchanges, and tourism, movement of natural persons and service providers on a non-discriminatory basis; and development of infrastructure and human resources, as laid down in the Work Programmes of the Association:
- iii) To identify other areas of cooperation as may be mutually agreed;

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<sup>39</sup> As mentioned in the The Charter of the Indian Ocean Rim-Association for Regional Cooperation.

iv) Towards promoting liberalisation, to remove impediments to, and lower barriers towards, freer and enhanced flow of goods, services investment and technology within the region;

v) To explore all possibilities and avenues for trade liberalisation with a view to augmenting and diversifying trade flows among Member States;

vi) To encourage close interaction of trade and industry, academic institutions, scholars and peoples of the Member States without and discrimination among Member States and without prejudice to obligations under other regional economic and trade cooperation arrangements;

(vii) To strengthen cooperation and dialogue among Member States in international fora on global economic issues, and where desirable to develop shared strategies and take common position in the international fora on issues of mutual interest: and

viii) To promote cooperation in development of human resources, particularly through closer linkages among training institutions, universities and other specialised institutions of the Member States.

**Idea of Region:** Indian Ocean rim countries

**External Orientation:**

**Basic norms/principles<sup>40</sup>:**

The Association will facilitate and promote economic cooperation, bringing together representatives of government, business and academia. In a spirit of multilateralism, the Association seeks to build and expand understanding and mutually beneficial cooperation through a consensus-based, evolutionary and non-intrusive approach. The Association will apply the following fundamental principles without qualification or exception to all Member States:

i) Cooperation within the framework of the India Ocean Rim will be based on respect for the principles of sovereign equality, territorial integrity, and political independence, non-interference in internal affairs, peaceful co-existence and mutual benefit:

ii) The Association will be open to all sovereign States of the Indian Ocean Rim which subscribe to the principles and objectives of the Charter and are willing to undertake commitments under the Charter:

iii) Decisions on all matters and issues and at all levels will be taken on the basis of consensus;

iv) Bilateral and other issues likely to generate controversy and be an impediment to regional cooperation efforts will be excluded from deliberations;

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<sup>40</sup> As mentioned in the charter IOR-ARC

v) Cooperation within the Association is without prejudice to rights and obligations entered into by Member States within the framework of the economic and trade cooperation arrangements and will not automatically apply to Member States of the Association. It will not be a substitute for, but seek to reinforce, be complementary to and consistent with their bilateral, plurilateral and multilateral obligations.

vi) Within the framework of the Association, Member States will pursue adequate measures to promote the achievement of its objectives, and will not take any action likely to prejudice its objectives and activities.

vii) The Work Programmes of the Association will be undertaken by Member States on a voluntary basis.

### **Institutional Process**

**Political Leadership:** IOR-ARC meetings are not yet at Heads of Government level. They are at ministerial level.

**Decision Making:** (On the basis of a) Consensus.

**Rule Making:**

**Voting Mechanism:**

**Budget Constraint:**

The charter states "Each Member State will contribute to the finances of the Association as decided. Adequate arrangements will be made by participating Member States for providing finances for implementing the Work Programmes. This will not exclude external sources of financing where appropriate."

Presently the annual contribution of each Member State to the maintenance of the secretariat in Mauritius is USD 11, 000 per Member State. This is to be increased to USD 16,500 from 2010.

**National Stakeholders:**

**Enforcement Mechanism:**

**Dispute Settlement:**

**Self Assessment Mechanism:**

### **Official Meetings**

**Area Coverage:**

**Participants:** Foreign and Trade Ministers

**Frequency:** The Association holds a Council of Ministers meeting once every two years, or more often as mutually decided.

**Processes:**

- The council of Ministers meets for formulation of policies, review of progress of cooperation, decisions on new areas of cooperation, establishment of additional mechanisms as deemed necessary, and decisions on other matters of general interest.
- The Committee of Senior Officials of the Association composed of government officials of Member States, reviews the implementation of the decisions taken by the Council of Ministers; and in cooperation with the Indian Ocean Rim Business Forum (IORBF).
- The Indian Ocean Rim Academic Group (IORAG) establishes priorities of economic cooperation, develops monitors and coordinates Work Programmes, and mobilises resources for financing of Work Programmes. The Committee submits periodic reports to the Council of Ministers, and refers as and when necessary, policy matters for the Council's decision.
- The Secretariat of the Association to coordinates services and monitors the implementation of policy decisions and Work Programmes as laid down.
- The latest meeting was held in Yemen (June 2009). The IOR-ARC's week-long meetings discussed means of enhancing trade cooperation between member states and the association's action plan for the four years to come. They also discussed combating piracy, signing treaties to enhance and protecting investments in the region and establishing regional fishing grounds in addition to quarantine, activating tourism and requirements of developments between member states. The meeting discussed the past report of the group held in Islamic Republic of Iran in 2008, amendments on the group's constitution, academic issues, cooperation between member states, natural disasters, marine transport, science and technology, protecting environment and issues relating to Indian Ocean.

**Non-Governmental Organisations**

**1. Indian Ocean Research Group (IORG)**

Chairperson: Professor Dennis Rumley. <http://www.iorgroup.org/>

With Complementarity, Cooperation and Collaboration as its key guiding principles, the IORG aims at developing a revamped Indian Ocean academic network built on at least two pillars - Panjab University in Chandigarh and the University of Western Australia in Perth. From a research perspective, IORG decided to initially identify a small number of key projects which it felt would attract researchers and be of theoretical and practical relevance. IORG also wants to emphasise its consulting potential. In addition, some ideas, such as the Indian Ocean lecture, were borrowed or adapted from other

organisations in other ocean settings. IORG is supported by the Ministry of External Affairs, Government of India and the Australian Government through the Australia – India Council. The principal objective of this group is to act as a facilitator and coordinator of research on the nature and impact of the human uses of the Indian Ocean, with the overall objective of realizing peace, co-operation and ecologically sustainable development in the Indian Ocean region. The Group will also: encourage research networking, including distance education, among institutions of higher learning, facilitate dialogue between cultures and civilizations in the region, act as a resource base of data and information on the region, provide consultancy services to interested government agencies and business groups and help facilitate intra-regional investment and trade.



## Appendix III

### **Profile of Institution - SASEC** **Basic Information**

**Name:** South Asia Subregional Economic Cooperation

**Acronym:** SASEC

**Flag/Logo:**

**Year Established:**

**Location:**

*Contact Details:*

#### ***Asian Development Bank***

SASEC Secretariat

Telephone: + 632 632 5195

Fax: + 632 636 2318

E-mail: [sasec@adb.org](mailto:sasec@adb.org)

Webpage: <http://www.adb.org/sasec/about.asp>

### **Basic Indicators**<sup>41</sup>

**Size:** 3,620,385 Km<sup>2</sup>

**Population:** 1,339,487,443 (approx.)

**GDP:** \$ 3,402.888 billion (approx.)

**Per-capita GDP:** \$2,540.440 (approx.)

**Language**<sup>42</sup> : English

**Religion:** Hinduism, Islam, Buddhism, Christianity

### **Membership**

**Total Number:**

**Full Members:**

**Observers:**

### **Secretariat**

**Yes/No:** Yes

**Location:**

**Number of Staff:**

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<sup>41</sup> Of the BBIN

<sup>42</sup> Of operations

## **Activities and Operations**

**Functional area:** 'Developmental Assistance'

### **Activities:**

Activities of SASEC can be classified under three heads:

- Umbrella Technical Assistance
- Other ADB regional cooperation initiatives in South Asia
- Other ADB Assistance

Other ADB regional cooperation initiatives in South Asia under the SASEC banner include:

- **First Meeting of the Private Sector on Economic Cooperation in the Eastern South Asia Subregion (ESAS)**, an initiative of the Chambers of Commerce of Bangladesh, Bhutan, India and Nepal held in Calcutta, India on 28-29 November 2000. The Forum brought together public and private sector representatives as a step towards identifying an investment program to develop the region. The Forum recognized that public-private partnerships would be the main instrument of transformation, especially in undertaking infrastructure projects in the subregion.
- **Regional Round Table on Information and Communications Technology (ICT)**, was held in Bangalore, India on 28-29 August 2001. The Roundtable provided a venue for countries of the region to better understand and directly observe India's successful experience with information and communications technology. It has also facilitated application of ICT to:
  - Improve governance
  - Increase exports of services
  - Increase employment in the sector
  - Increase the quality and access to public services.

### **Projects:**

The technical assistance has made significant progress in assisting four participating countries (BBIN) in identifying subregional projects in five priority sectors:

- Transportation and Communication
- Energy and Power
- Tourism
- Environment
- Trade, Investment and Private Sector Cooperation .

Projects that have been approved:

- The West Bengal Corridor Development Project, a north-south road corridor from Raiganji, near Siliguri, to Barasat, the north of Kolkata in West Bengal, India with links to border points in Bangladesh
- The Road Network Development Project for Nepal's East West Highway, which links to India and Bangladesh through Kakarbita.
- In addition, ADB's Private Sector Group has invested in Lafarge Surma Cement, the first subregional private sector project, which will transport limestone from Meghalaya, India, to a cement plant in Bangladesh through a cross border conveyor system.

## **Outputs and Outcomes:**

## **Publications:**

### ***SASEC Reports***

- Regional Cooperation Strategy
  - South Asia: Regional Cooperation Operations Business Plan, 2009-2010
  - South Asia: Regional Cooperation Strategy and Program, 2006-2008
- SASEC Loan, Grants and Technical Assistance Reports
  - South Asia Subregional Economic Cooperation (SASEC) III
  - South Asia Subregional Economic Cooperation Information Highway Project
  - Preparing the South Asia Subregional Economic Cooperation Information Highway Project
  - Preparing the South Asia Subregional Economic Cooperation Transport Logistics and Trade Facilitation Project
  - Preparing the South Asia Subregional Economic Cooperation Tourism Development Project
  - Managing Hazardous Wastes
- SASEC Report
  - SASEC Tourism Development Plan
- Technical Assistance Consultants' Reports
  - Preparing the SASEC Information Highway Project
  - Managing Hazardous Wastes Inception Report

## **Organisational Structure**

**Organigram:**

**Management:**

**Staff Policy:**

**Staff (Permanent/ Contract):**

## **History**

**Origins:**

The Asian Development Bank was invited to help in the implementation of South Asia Growth Quadrangle (SAGQ)<sup>43</sup> cooperation and responded through the South Asia Sub regional Economic Cooperation (SASEC) initiative.

At the request of Bangladesh, Bhutan, India and Nepal (BBIN), ADB launched assistance for subregional cooperation under the South Asia Subregional Economic Cooperation (SASEC) Program.

**Evolution:****Membership Change:****Vision and Aspiration****Aims and Objectives:**

The South Asia Subregional Economic Cooperation (SASEC) Program is aimed at helping transform challenges into opportunities in one of the world's poorest, most densely populated areas - (Eastern) South Asia. SASEC Mission: "From Poverty to Growth: Transforming Challenges into Opportunities"

**Idea of Region:** Eastern South Asia

**External Orientation:****Basic norms/principles:****Institutional Process****Political Leadership:****Decision Making:****Rule Making:****Voting Mechanism:****Budget Constraint:****National Stakeholders:****Enforcement Mechanism:****Dispute Settlement:****Self Assessment Mechanism:****Official Meetings****Area Coverage:**

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<sup>43</sup> The South Asia Growth Quadrangle (SAGQ) was launched in April 1997 by the Foreign Ministers of Bangladesh, Bhutan, India, and Nepal (BBIN). The Ninth Summit of the South Asian Association for Regional Cooperation (SAARC) on May 1997 in Male, Maldives endorsed SAGQ as a subregional initiative under SAARC. Projects relevant to BBIN are encouraged within the framework of SAARC.

**Participants:**  
**Frequency:**  
**Processes:**