



INSTITUTE OF POLICY STUDIES OF SRI LANKA

Summary of Proceedings
of
Regional Conference
on

**“Strengthening Economic & Social Integration in South
Asia”**

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Introduction

The South Asia Centre for Policy Studies (SACEPS) and Institute of Policy Studies (IPS) of Sri Lanka jointly organized the *Regional Conference on “Strengthening Economic & Social Integration in South Asia”* in Colombo, on 30-31 May, 2008. The Agenda of the Conference and list of participants are given in Annex 1 and Annex 2, respectively. The Conference began with a welcome address by Dr. Saman Kelegama, Executive Director, IPS. Introductory remarks were given by Dr. Sridhar Khatri, Executive Director, SACEPS. Mr. Nihal Rodrigo, Advisor to H.E. the President and Former Secretary General of SAARC and Hon. Dr. Sarath Amunugama, Minister of Enterprise Development and Investment Promotion also addressed the inaugural session.

Session 1:

Deepening Economic Integration in SAFTA: Present Status, Potential and Some Policy Suggestions

Professor Muchkund Dubey, Co-Chairman, SACEPS and President, Council for Social Development chaired this session. Dr. Ram Upendra Das, Fellow, Research and Information Systems for Developing Countries (RIS) and Deshal De Mel, Research Officer, Institute of Policy Studies (IPS) made two presentations. Rajiv Kumar, Director and Chief Executive, Indian Council for Research on International Economic Relations (ICRIER) and Professor Mahendra Lama, Vice Chancellor, Sikkim University were the discussants.

Dr. Das in his presentation analyzed the depth of the present level of integration in South Asia under SAFTA, the potentials that exist and the challenges that need to be confronted to deepen integration. He also made some policy suggestions. Analyzing Regional Trade Agreements (RTAs) Dr. Das said that RTAs are here to stay because it is a self-propelling force. He further stated that regional cooperation in South Asia provides avenues to balance the seemingly conflicting objectives of policy makers: of bringing in efficiency to the system and protecting domestic stakeholders. Dr. Das said that he feels RTAs are building blocks towards bringing a multilateral global trading regime which is more liberal rule based and fair. Moving on to intra-regional trade in South Asia he explained that one needs to closely examine intra-SAARC trade and SAARC's global trade and, country-wise intra SAARC trade and country-wise global trade, in order to better understand the existing depth of trade taking place within the region. It was pointed out that the rate at which intra regional trade in South Asia is increasing is almost the same as the rate South Asian trade is increasing with the rest of the world. Therefore, the proportion of intra-regional trade to South Asia's total trade appears to be constant and thus low. But in recent times this ratio has increased and bodes well for the region. Dr. Das said that South Asia is integrating but perhaps not as fast as it is with the rest of the world. Though overall trade in South Asia is about 6 percent of total South Asian trade, if you take country wise, the importance of SAARC as export and import destinations may be higher for certain countries (i.e., Nepal, Bhutan). He pointed out that the aggregate picture of low intra-regional trade reveals as much as it conceals.



Dr. Das also stated that the depth of integration in trade in services in the region is already very strong, especially in areas like civil aviation, IT, health, education and tourism. There are countries in South Asia in the realm of trade in services who have surplus vis-à-vis India, as opposed to trade in goods that many countries have deficits vis-à-vis India. However, when considering both trade in goods and services, the propensity of export integration by SAARC countries in SAARC is much higher than the propensity to import from the region. Dr. Das stressed that there is a lot of potential to deepen integration in the region but that there are policy-induced and structural problems that need to be overcome and addressed. Some policy suggestions that were made in the presentation are: (1) to reduce the sensitive lists, (2) to accept the prevalence of Non-tariff Barriers (NTBs) by SAARC countries as a first step towards eliminating them, (3) to integrate services by having a framework agreement to negotiate, (4) to engage in sectoral targeting and to start negotiating on all 4 modes of services simultaneously, (5) to develop trade-investment linkages by having an Automatic Approval Regime for Trade-augmenting Investments, (6) to have a Regional Production Network and Supply Chain Agreement, and (7) to move towards a South Asian Economic Union.

Mr. Deshal de Mel discussed the progress of the South Asian Free Trade Agreement (SAFTA) and how it could be taken forward. He illustrated that SAARC intra-regional trade is relatively small and that the extent of integration in the region is yet to increase substantially. The dominance of India in trade within SAARC was also highlighted. Mr. de Mel said that the SAARC Tariff Liberalisation Programme (TLP) needs to be hastened since many Regional Trade Agreements/Bi-lateral Trade Agreements have come into full implementation much earlier than SAFTA, and suggested SAFTA to adopt a fast track for heavily traded goods within the region. Commenting on the sensitive lists in SAFTA, he said there should be a progressive reduction of sensitive lists since a substantial level of trade taking place in SAARC are subject to negative lists of countries under the Agreement. Mr. de Mel also stated that SAFTA does not bind member states to reduce Non-tariff Barriers (NTBs) which are hindering trade expansion and that measures should be taken to reduce them. The importance of taking appropriate action to reduce transaction costs and the need to improve trade facilitation were highlighted. It was stated that the Dispute Settlement Mechanism (DSM) process in SAARC is comparatively very long, and it was suggested that SAARC should use differential time periods for Least Developed Countries (LDCs) and Non-LDCs and a consensus to block or a simple majority system in voting to resolve disputes in a timely manner. Highlighting on the importance of coupling trade in services with economic cooperation, Mr. de Mel suggested using alternative formulas (to the positive list approach) like a 3+x formula or a common sub-sector approach. He also identified the positive aspects of deepening integration and recognized the progress of SAFTA. However, he highlighted that key areas have been left unaddressed or under-addressed and that they should be given due consideration.

Starting the discussions Dr. Kumar stated that it is important to recognize the fact that South Asia is not exploiting the benefits and potentials accrued to it. Agreeing with Dr. Das, he said that a lot of work has been done on the technical aspects of South Asian trade. However, the full potential of trade in the region cannot be reaped till the entire region is open to all sectors like investment, trade, technology and to the movement of people. He stated that the gradual, cautious approach that SAARC has adopted so far has to be replaced by a much bolder approach. Until South Asia begins to take advantage of intra-industry trade across borders and develop its own production networks within the region the benefits of trade, investment, etc., will not be felt. At the practical level the first basic approach that could be adopted is to change our mindsets; unless the region gets rid of the fear of their own domestic industrial lobbies higher integration will not be possible. Secondly, during the course of the coming year NTBs need to be addressed and maximum progress should be attained in reducing NTBs. Dr. Kumar said that there is no purpose in expanding SAARC into services until SAARC consolidates the achievements that have already been made and till the region looks at the NTBs in the goods sector and take measures to remove them. Thirdly, there is now higher collaborative effort on investment and technology which is commendable. Dr. Kumar stated that greater interaction with the private sector is essential in SAARC activities. He further stated that it is essential to look at the impediments in movements of persons across borders in the region. It was also mentioned that the fear of India has to be replaced by seeing it as a country with opportunities.

Professor Lama adding to the discussion stated that when looking at the development of SAARC there is something very wrong in the entire model of trade liberalization in South Asia. He highlighted on the rapid increase in trade between South Asia and China; it has developed

without any free trade agreements between the countries. He explained that it is important that South Asia move fast because if not, China would overwhelm the integration process of the region. Professor Lama further noted that in the negotiating process of SAPTA/SAFTA there are 5 intergovernmental committees but the private sector has been left out in the entire process. He highlighted the importance of involving them since all commercial activities are primarily driven by the private sector. It was also stated that instead of placing conscious emphasis on trade matters alone, there is need to address all sectors like investment and energy in order to further promote the integration. Furthermore, there is no interaction between institutions with the exception of the SAARC Chambers of Commerce. In realizing the process of SAFTA it is also necessary to talk about trade facilitation aspects like infrastructure. There have been no major changes in infrastructure in the cross border projects in recent times. And when it comes to the real issue of connectivity, there is no synergy between institutions and no pressure for the institutions to perform.

In the floor discussions, it was highlighted that the current mindset of South Asia is a real constraint in furthering integration in the region and it was stated that the issue of changing of mindsets needs to be addressed together with the issue of accelerating economic integration. The need to replace the gradual approach with a bold approach in pursuing integration was further highlighted and it was mentioned that the principal driver of change, in terms of inter-state negotiations are the people and the pressure exerted by them. Therefore, when the benefits of integration become palpable to people, they would in turn become the major drivers in bringing the necessary political and other changes into the SAARC framework. Deeper integration would become palpable in terms of lower inflation rates, lower input costs and rapid change in the economic structures of countries. In the discussion, the question was raised whether it is possible to integrate without some kind of a harmonization of policy and the question was also raised as to what comes first, integration or harmonization of policy. It was mentioned that integration up to a certain extent has already taken place. However, everything that needs to be done should be put together collectively into a road map. It was also mentioned that the revival of a new Group of Eminent Persons, made up of the relevant stakeholders can play an important role in this regard.

Session 2: Road Map for South Asia

The second session of the Conference was chaired by Mr. Ibrahim Zaki, Former Secretary General of SAARC, Republic of Maldives. Professor Muchkund Dubey, Co-Chairman, SACEPS and President, Council for Social Development and Mr. Janaka Wijayasiri, Research Fellow, IPS, made two presentations under the theme “Road Map for South Asia”. The discussants of the session were Mr. Farooq Sobhan, President, Bangladesh Enterprise Institute (BEI) and Mr. Nihal Rodrigo.

Professor Muchkund Dubey said the Group of Eminent Persons (GEP) Report was considered in a fragmented manner by the SAARC political leaders. Professor Dubey stated that when the GEP Report came out, the Council of Ministers (COM) decided to issue a statement projecting the broad vision of the Report but this never occurred. He mentioned that the Standing Committee

decided on what recommendations of the GEP Report should be referred to, rather than taking an integrated view of the whole report. Due to this, the Report was not looked at in its entirety by the political leaders of SAARC and the vision, the deadlines and the SAARC Social Charter were flawed. The fact that certain things were done on an ad hoc basis was another problem mentioned. He stated that South Asia is one region which does not have a common position at the international level. He also said that coordination on macroeconomic policy has not been attempted and any measures towards this have been done in a sporadic manner.



Professor Dubey then gave some suggestions as to what should be done to take forward the recommendations of the GEP Report. He said the political leaders should be persuaded to accept the vision at the political level, so that they can share the vision and set alternative deadlines. He also stated that it is very difficult to sustain the interest of Least Developed member countries (LDCs) of South Asia in any aspect of regional integration until they are able to come up to the level of economies of the more advanced countries in the region. He said there should be a large size fund for the LDCs as

recommended in the GEP Report. He mentioned that the figure discussed for the fund 15 years ago was US\$ 5-6 billion and that it should be around US\$ 10-15 billion today. By doing this, he said, those member countries would be brought to a level where they can reap the opportunities presented by regional integration. Another suggestion was for SAFTA to be completed and for it to look beyond free trade into areas such as energy and transport cooperation. Looking into institutional measures, it was suggested that the Secretary General of SAARC should be a minister and that Directors should be recruited from the open market and not according to government appointments. Finally, it was suggested that the GEP should be revived in a new form.

Mr. Janaka Wijayasiri limited his presentation to tracking the progress made as per the recommendations of the GEP report and also highlighted further initiatives that should be undertaken to move the SAARC process forward. Mr. Wijayasiri gave the background of the GEP Report while pointing out that the Report was endorsed but not accepted fully. He outlined the goals mentioned in the GEP Report under separate sections of economic cooperation, trade in services, investment and finance, infrastructure, and institutional structure of SAARC. He also said that a number of steps have been undertaken by SAARC in line with the GEP recommendations but these have fallen short in terms of implementation. He stated that SAFTA was negotiated only in 2004 but was only implemented in 2006. Full liberalization for LDC's will take place in 2016 and in 2012/2013 for Non-LDC's. LDC's are to bring down tariffs to 30 percent in 2 years and 0-5 percent in 8 years whereas Non-LDC's are to bring down tariffs to 20 percent in 2 years and 0-5 percent in 5 years. It was also mentioned that there is no provision to eliminate negative lists or Non Tariff Barriers (NTBs) other than to review them.

Mr. Wijayasiri highlighting further initiatives that could be undertaken, stated that if SAFTA is to lead trade expansion, countries must make binding commitments to reduce negative lists, attempt to reduce NTBs in the Region and bring forward the trade liberalization program in line with other bilateral/regional initiatives. Another initiative mentioned was to promote regional efforts to improve connectivity while encouraging individual countries to improve necessary cross border infrastructure including transit facilities. He also suggested that the framework agreement on services sector be negotiated after taking into consideration the Study on Services and that the regional investment agreement be finalized at the earliest to support the SAFTA process. Mr. Wijayasiri said that it is important to lay the proper groundwork for achieving higher integration and that the SAARC Development Fund will provide a funding mechanism for regional projects. While stating that adequate mechanisms to monitor the implementation of projects/decisions are needed, he mentioned that SAARC should work more closely with its apex bodies to help accelerate decision making at the highest levels.

Starting the discussion, Mr. Farooq Sobhan rhetorically questioned who should be held responsible for the lack of implementation of the recommendations and blamed the Heads of State. He stated that without the direct and personal intervention of the Heads of State, it is going to be very difficult to implement any recommendations. The need to educate and motivate the Heads of State and encourage them to make SAFTA a priority was mentioned. He said that the GEP and the Summit should work closely together. Mr. Sobhan also suggested for the Heads of State to meet at least once in 6 months during the next 2-3 years.

Mr. Nihal Rodrigo, reiterating what Professor Dubey and Mr. Sobhan mentioned stated that SAARC relations at the political level have been a problem. He stressed that members of the GEP should have been brought in to explain the GEP Report and that this did not take place due to various political factors. Given the fact that the GEP Report is complex and has so much of substance in it, having a short lead time has not helped. He also mentioned that the Secretary General should have more authority to make bold proposals with direct access to at least the Foreign Ministers of the member countries to get clearance. He further stated that while the recommendations of the GEP Report has emerged in different forms, the basic concept is accepted now but numerous delays and the hard work not being done has postponed the deadlines.

During the floor discussion it was mentioned that trade liberalization is not happening and that para tariffs have not been addressed. The actual tariff rate a person pays has not been looked into. It was suggested that the roles of the think tanks, civil society organizations and business enterprise be institutionalized. This will create a counterpart to that of the state which will reduce log jams in implementation. It was mentioned that the general public should be well informed of SAARC and SAFTA. Another point brought up was that there is no specific role given to any institution. It was also stated that after 2002 almost all reports including the GEP Report have not been mentioned. There has been no monitoring of the GEP report and its recommendations since then. The lack of implementation and the lack of seriousness were also brought up in the floor discussion. The GEP Report was compared to the Independent South Asian Commission for Poverty Alleviation (ISACPA) Report. It was stated that the ISACPA Report had more acceptability due to its clear terms of reference. Whether the GEP Report had a specific term of reference or a general statement as a vision was questioned. Another problem

with regard to the SAARC process was that certain decisions were made without discussing them with the academia and the private sector. The membership of Afghanistan was mentioned as an example, where the recommendation came from the political process. It was stated that in a regional grouping, expansion before consolidation may lead to the grouping becoming unsuccessful. Therefore expanding to an ASEAN+3 level, which was suggested by Mr. Rodrigo, could cause many problems. It was then suggested that the SAARC should seriously look into the 3+x formula mentioned by Mr. Deshal de Mel in the first session. Another suggestion was to initiate a SAARC regional forum where bilateral issues can be discussed. Since the objective of the Conference is to make recommendations for the up-coming SAARC Summit it was stated that the good suggestions made by Professor Muchkund Dubey, the developments over the last 10 years like the improvement in political atmosphere and trade statistics, the fact that the inclusion of observers opens up opportunities of partnership beyond SAARC and a recommendation of a separate new initiative to take into account the developments and forward a new set of proposals, should all be taken up in the recommendations made to Summit.

Mr. Rodrigo in reply to the points made in the floor discussion, stated that SAARC and SAFTA are accepted but at every turn some diversions occur due to a problem in logistics or some bilateral issue. He said consistency and continuity in programs is vital and should be maintained. He also stated that changes of government take place very often and policies accepted by one government may not be accepted by another.

Mr. Farooq Sobhan suggested that Mr. Rodrigo as the advisor to the President of Sri Lanka should update H.E. the President on the deliberations at the conference, and meet with some of the members of the GEP and be aware of the GEP recommendations. Mr. Sobhan said as the chairman of the summit, H.E. the President of Sri Lanka has an important responsibility and that he should meet with civil society think tanks, the media and the private sector to get their views about the regional cooperation process.

Professor Muchkund Dubey in reply to a previous query stated that the GEP did not have terms of reference.

Mr. Ibrahim Zaki in his concluding remarks said that as the chairman of the GEP, the GEP Report was an intellectual exercise. Since it had no direction by the governments the GEP Report has not been accepted fully. He lastly said that despite the uncomfortable picture there is optimism that, with what is happening around the region and the international transformation, the real objectives would be achieved.

Session 3: Monitoring SAARC Policies and Programs

Dr. Sridhar Khatri, Executive Director, SACEPS chaired the session. Professor Mahendra Lama, Vice Chancellor, Sikkim University made a presentation on the above theme. Mr. N. Navaratnarajah, Former Country Director, SAARC Secretariat and Mr. Nihal Rodrigo, Advisor to H.E. the President of Sri Lanka and Former Secretary General of SAARC were the discussants.

Professor Mahendra Lama made an assessment on the SAARC activities and programmes. He started by giving an example of the SAARC Integrated Program of Action (SIPA) which is implemented by several Technical Committees (TCs). He stated that this is a very important programme as it deals with soft and critical issues in the region. There are now 7 activities under SIPA including agriculture and road development, communication and transport and energy. This has led to closer personal contacts between experts in the region in their specific fields. It has also led to exchanges in data and information which has generated better understanding of the situations within each of the member states. Seminars, workshops, study tools, state of the art reports and training courses have been initiated. When the activities were evaluated it was found that the lack of well identified, target oriented and time bound programs, poor accountability of the technical committees, non-attendance of the sector focal points and the absence of sufficiently high level and technically sound officials have led to poor progress. Cost cutting issues have not been addressed at all. The major constraints were seen as the lack of inter-sector coordination, lack of resources and the non-implementation of decisions.

Professor Lama made a few policy suggestions. He suggested that there should be an emphasis on cost cutting and cross-border issues. There should be proper implementation and evaluation of the activities on a consistent basis. Inter-sector coordination must be ensured. He also suggested holding the TCs accountable for the progress made and to go beyond publications and implement some of the recommendations. Member States may chair a technical committee for two consecutive years, not one year.

Professor Lama then spoke about one of the major conventions signed, which was the SAARC Food Security Reserve. This convention was signed to meet emergencies such as floods in Member Countries. It was stated that it was created in 1987 and that nobody knew where it was located. Later it was renamed, the SAARC Regional Food Bank. It was mentioned that so far the food reserves have never been utilized despite pressing demands in certain situations. There is no existence of a clear cut transportation system to deliver the food reserves. It was suggested that the food reserves should be utilized in a real time situation to test the design and mechanisms. Professor Lama stated that the Food Bank Agreement gives the authority to coordinate the work of the board and monitor all matters relating to the release of food grains to the SAARC Secretariat. The Secretariat has meagre human and other institutional resources and a lack of technical expertise, all of which need to be corrected. It was also stated that like all other SAARC agreements there is no time frame and that there are accountability clogs.

Professor Lama stated that Regional Centres have helped in understanding issues on a regional basis, bringing regional institutions and experts to a common platform, identifying regional issues of common concerns and to devise strategies to tackle them, and in fostering confidence among the regional partners to collectively respond to national, regional and extra-regional issues. It was stated that these Regional Centres have however, faced a range of constraints and have also been made ineffective by a number of regional and institutional complexities. While it was mentioned that some of the Centres did excellent work, it was said that nobody is really interested when it comes to implementation in other Centres. Most of the Centres were created during the initial stages of SAARC and no well-defined roles were given to them. It was mentioned that the programs and projects are not demand driven and hence there are very few takers for the output generated by these Centres. Projects and programs have taken years to

initiate and to be completed. It was also stated that there are very few professionals in the Centres, which otherwise should have been a hub of professional activity; and that there are hardly any experts recruited from other member countries wherever the centres were located. The fact that there is no full time director in any of the Regional Centres was mentioned. There are financial constraints in the running of the Centres. It was also mentioned that these Centres do not publish annual reports and that there is a total lack of coordination between Centres. Finally, it was mentioned that the compulsorily appointed country directors have been given portfolios that have nothing to do with their qualifications, interests and commitments.

The policy suggestion to the problems faced regarding Regional Centres was to consolidate on the activities carried out during the last two decades by engaging in activities including, spreading the accumulated knowledge and working very closely with other agencies involved in the delivery of services. It was suggested that if possible, the entire governing board of all Regional Centres should meet annually or bi-annually to discuss inter-sector coordination within the Regional Centres.

Mr. N. Navaratnarajah stated that the idea at the origin of the SAARC process was, that we should start from non-controversial areas but bring them under a heavy political structure. He said in areas such as agriculture and communication which have transnational phenomenon, you could have quantifiable regional cooperation processes which could be implemented. He then stated the basic problem seems to be a problem of governance. It is the problem of governance at the national level that reflects at the regional level. He also questioned what type of governance is envisaged; whether a super-national body or an inter-governmental process is imagined as the type of governance. Commenting on the regional conventions, Mr. Navaratnarajah said that the structure must be looked into and that these are only political commitments which are housed in legal language without a regional enforcement mechanism to ensure enactment.



Mr. Nihal Rodrigo stated that it would be rather difficult to judge SAARC in terms of structure and that instead, the real impact and the difference SAARC has made in South Asia must be taken into account. He mentioned that continuity is lacking badly in terms of the staff at the SAARC Secretariat level as well as the people handling it in various foreign ministries and other government departments as they are transferable and keep changing. It was said that the continuity is very low and the existing connectivity is not sufficient to bring about coordination on proposals.

During the floor discussion, the Comprehensive Economic Partnership Agreement (CEPA) between India and Sri Lanka was brought up. It was mentioned that all economic matters, customs working groups and measurement standards committees would be absorbed by the CEPA. It was suggested that something like the CEPA should be initiated in SAARC to address

institutional coordination failures. All the institutions are scattered with a life of their own and coordination is not there. It was said that it is a matter of consolidation and getting rid of the institutions was of no relevance. It was also mentioned that there are some positive steps taken up by SAARC in combating trafficking and suppressing terrorism. It was also suggested that the SAARC Summit should have a periodic review of SAARC policies and programs so that there is a feedback mechanism. It was said that if the feedback mechanism was independent of inter-governmental mechanisms, it would be much more credible in terms of findings. The need to prioritize these programs and the need for similar commitments from member states was mentioned. It was suggested that the SAARC Secretariat should be strengthened to effectively implement the mandate provided by Heads of State and governments. It was mentioned that countries should be careful on suggested initiatives given the fact that they have limited resources. Another suggestion made was to instruct the Council of Ministers at the Summit to review the range of programs under SAARC. Also it was stated that some programs will lose their relevance because they are implemented due to the fact that nothing else is done and that most are bilateral programmes which have been made multilateral.

Professor Lama in response mentioned that there is a marked rise in terrorism in South Asia since the Convention on Terrorism was signed in 1987. The Convention is all about curbing and suppressing terrorism but nothing has happened to reduce terrorism despite the commitment and the willingness to prevent it. It was suggested that the countries which do not follow the Convention should be dropped from it because it affects the remaining countries. He also stated that despite the negativity, SAARC has brought regional identity to South Asia, has helped to think about regional instruments to tackle regional issues, has created regional institutions and has helped to build a regional approach to global issues.

Dr. Sridhar Khatri stated that the suggestions will be packaged and presented in a certain way that will generate a lot of interest from the governments. Dr. Khatri mentioned that somehow a system has been set up where there is no accountability in the sense that some of the stakeholders are not involved in the decisions made. Another fact pointed out was the halfway measures taken not only on terrorism but also in other conventions and agreements as well. A decisive point made by Professor Lama was that in terms of the SAARC Development Fund, 16 projects have been approved, 12 feasibility studies have been completed out of 16 and that nobody knows about the fate of the projects. In terms of the lack of monitoring work done by Centres, he said that there are Regional Centres that have been established but there is a lack of funds and no clear idea about the role these Centres play in the SAARC framework. He reiterated the fact that SAARC has set guidelines but there are no full time country directors for the Centres. It was mentioned that basically, institutions and mechanisms are created without proper resources and without proper actors to guide them. The point made about the disconnection between SAARC ministerial decisions and the SAARC process was brought up. Dr. Khatri said that these are critical factors that the reassessment process has to look at very clearly. He finally said that after each pre-summit conference, a 10-15 page recommendation is made and presented to the governments summarizing the key points that have evolved from the workshop.

Session 4: Implementing the SAARC and Citizen's Social Charter for South Asia: The Work Ahead

The session was chaired by Dr. Mohan Man Sainju, Former Vice-Chairperson, National Planning Commission of Nepal. Professor Muchkund Dubey, Co-Chairman, SACEPS and President, Council for Social Development was the main speaker. The discussants of the session were Mr. Nihal Rodrigo, Advisor to H.E. the President and Former Secretary General, SAARC and Dr. Akmal Hussain, Senior Fellow, Pakistan Institute of Development Economics (PIDE).

Professor Muchkund Dubey started his presentation by mentioning the importance of the Citizen's Social Charter which is directly related to people at the grass root level and related to their rights, privileges and their actual conditions. He stated that in the classical form of regional grouping, benefits are passed to the people by expanding trade, by free flow of investments and through the acceleration of development. He explained that the formulation of the SAARC Social Charter was intended to be a participatory process but that it stalled midway due to the political problems in the region at the time. SACEPS then undertook to formulate the social charter at the citizen's level by preparing the Citizen's Social Charter for South Asia based on the national citizen charters formulated by each Member State. Professor Dubey then explained the current monitoring process of the SAARC Social Charter. A national standing committee was established in each country. Each country prepared an action plan which would have targets. A country study was to be prepared by each government to evaluate whether the targets have been fulfilled. A participatory discussion was to be held on the country report at the regional level.

Professor Dubey stated that however, in actual practice these steps had not been followed in a satisfactory manner. Some governments had not set up standing committees. Very few countries had action plans. Some country reports just consisted of manipulated statistics and tried to state the performance of the country in a positive way. A few suggestions were made on how to have a more effective monitoring mechanism. He stated that the monitoring of a regional charter, whether citizen's or inter-governmental, should be done at the national level. He suggested that there should be an arrangement to monitor the National Citizen's Charter in each country and that it should be done in 3 parts. Firstly, the progress should be measured by using secondary data covering all sectors. Secondly, progress should be measured by covering a sub-sample. Thirdly, progress should be measured by adopting a well recognized measure of social auditing. A regional task force should then monitor the Regional Citizen's Charter and the inter-governmental charter using these national level evaluations.

Mr. Nihal Rodrigo mentioned that measures should be taken to hold governments responsible to contribute to the attainment of the various outlined objectives within the time frames. He said that if a programme is politically sensitive, the governments would put more effort into it and push the ideas to gain credit. He pointed out that Sri Lanka is 99th on the Human Development Index (HDI) of the UNDP - the highest HDI in South Asia. While stating that it is not a compliment that the member countries are ranked lower than the 99th on the index, he questioned how long it would take for the national plans to be brought together to make regional plans and to have a regional audit on how far they have progressed.

Dr. Akmal Hussain stated that the failure to implement the SAARC Social Charter is symptomatic of the general failure of SAARC in implementing whatever important decisions, conventions and agreements it reaches. It was mentioned that SAARC has so far demonstratively failed in the timely implementation of some of the decisions including free trade, movement towards SAFTA and the Social Charter. Dr. Hussain stated that it is important to make the distinction of SAARC as an institution and an organization, as it is both. In order to make SAARC more effective important institutional and organizational changes need to be made. An institutional change suggested was to introduce an enforcement mechanism to SAARC decisions. For example, it was suggested that if the member countries do not implement the SAARC social charter within a specified time frame, then those countries should be brought to account by either fining them or asking them to leave the convention. It was stated that in order to introduce an enforcement mechanism, all decisions need to be specified in terms of time frames with clear cut performance targets. Another institutional change suggested was to set up an independent monitoring mechanism rooted in civil society which provides performance evaluation of SAARC on a regular basis. It should be able to identify the obstacles to implementation if implementation has not occurred and should indicate policy proposals to overcome those obstacles. It was mentioned that these institutional changes need to be accompanied by organizational changes within SAARC such as strengthening the SAARC Secretariat.

During the floor discussion, it was mentioned that in a discussion held, on the SAARC charter with the secretariat, they seemed ignorant of the parallel process which is going on outside the SAARC process.

Professor Dubey reiterated that the Citizen's Social Charter can provide the basis for monitoring of social sector activities of the SAARC. It was said that while the Citizen's Social Charter has goals and targets, the inter-governmental charter has no goals at all and that you need to prepare another national plan to bring in the goals. He mentioned that the Secretariat is not aware of the process. He also said it is understandable why the Secretariat prefers to deal with governments as they are appointed by them. At the regional level, it was mentioned that governments should be held accountable on how they perform comparatively. He also stated that in order to put this process in place, a certain degree of financial assistance is required. National focal points need to be assisted to have the basic minimum infrastructure to undertake the exercise. It was also mentioned that the regional task force must meet at least once a year before the summit.

Dr. Hussain said the Citizen's Social Charter can provide a very important entry point into the SAARC reform process. He stated that it should be suggested that SAARC should become more people-friendly and should allow a conglomerate of think-tanks and civil society organizations to engage on a systematic basis with policy formation in the SAARC process and its implementation. It was suggested that there should be a resource base to strengthen the national organizations which deal with the Social Charter. He stated that there should be comprehensive and systematic consultations with all political parties in that country. Unless all political parties have a consensus behind the Social Charter, it would not be effective at the national level. The need to assess the national chapters of the Social Charter was reiterated.

Dr. Mohan Man Sainju said equity and justice are becoming increasingly important issues in the South Asian context. He stated that about 20-35 percent of the population in South Asia is bound to be living below the poverty line. Whatever gains that globalization or liberalization of the economy could have provided does not concern this segment of the population. He mentioned that the Social Charter reaches out to the people and thereby addresses the problem of marginalized groups and poverty problems in general. He said that firstly, the attention of the Heads of State should be drawn towards the shortcomings of the SAARC Social Charter implementation mechanism. It was mentioned that in formulating such a mechanism it should be emphasized that the participatory approach is critically important so that stakeholders at all levels feel that the programs formulated are their own. Dr. Sainju finally said that the whole exercise should be a joint partnership between governments on the one hand and private organizations and civil societies on the other.

Session 5: Labour Migration, Employment and Poverty Alleviation in South Asia

The fifth session of the Conference was chaired by Mr. Farooq Sobhan, President, Bangladesh Enterprise Institute (BEI). Dr. Sridhar Khatri, Executive Director, South Asian Centre for Policy Studies (SACEPS) made a presentation under the theme 'Labour Migration and Employment: Issues for SAARC'. The discussants of the session were Mr. R .B. M. Korale, Former Director-General, Department of Census and Statistics of Sri Lanka and Labour Specialist, and Dr. Athula Ranasinghe, Department of Economics, University of Colombo.



Session 5

In his presentation Dr. Sridhar K. Khatri pointed out that labour migration has both challenges and opportunities. The South Asian region receives annually US\$ 39.4 billion remittances from its workers overseas. However, migrant workers face a number of problems such as violation of rights of migrant workers and limited role of trade unions in South Asia. He pointed out that the SAARC Charter which aimed to establish a people centred framework for social development does not recognize labour as a distinctive group and

therefore labour, or workers, are not even mentioned in the document. The Citizen's Social Charter which was formulated by the South Asia Centre for Policy Studies (SACEPS) does not contain an independent section on labour, but mentions that while its scope shall not be limited by the Universal Declaration of Human Rights that it will be guided by the International Labour Organization (ILO) Convention on the Right of Workers and Convention on the elimination of All Forms of Discrimination against Women (CEDAW).

Dr. Sridhar K. Khatri further stated that destination countries in the Gulf region, in 2007 issued the Doha declaration on foreign workers in the Gulf Cooperation Council (GCC) countries. It has identified the importance of their policies through exchange of relevant information among members state, including the exchange through international agencies such as ILO and other UN

bodies. Dr. Khatri emphasized that this kind of declaration is highly necessary for labour sending countries. He pointed out some desired goals. They are, making the recruitment industry accountable through licensing and seeing that they operate properly in countries where such provisions already exist, a more productive migration policy by the sending states, pre-departure training, enhancing workers' skill, facilitating safe migration, and learning from best practices from countries like Bangladesh. He explained that collective efforts are needed to treat migration as a major human and economic issue thereby, developing the necessary information/data and examining closely the issue of consumption and investment of remittances.

Dr. Sridhar K. Khatri proposed to establish a SAARC Task Force on migration which is based on a technical level study on the pattern of migration, evolution of policies and demographic trends. The objectives of this Task Force are to look at the complex phenomenon of migration from the point of view of its influence on growth prospects of the South Asian countries and to derive relevant conclusions out of that effort.

In the discussions, Dr. Ranasinghe pointed out two important factors: causality between migration and poverty, and lessons for the next SAARC summit. With regard to the causality between migration and poverty, migration helps to reduce poverty through various ways. For example, return migration reduces poverty to some extent through increasing the quality of labour which leads to increases in salary. In addition, remittances increase the income of poor families thus reducing poverty. However, remittances are not always stable and in the case of Sri Lanka, migration cannot be justified as a pro-poor growth policy. Dr. Ranasingha mentioned that a majority of migrants do not represent poor districts. The best way to look at pro-poor policies is through micro level data analysis. Micro Level data can be collected through sample surveys, case studies and media news. The problem related to sample survey is that there is no comprehensive sample framework.

In addition, Dr. Ranasinghe pointed out that there must be a mechanism to safeguard and protect migrants, as all SAARC countries send their labour to risky labour markets. There have been a number of cases where migrants have become victims in destination countries. The lesson for the next SAARC summit therefore, is to make a joint effort to channel both remittances and workers through official channels. Dr. Ranasinghe stated that a significant amount of remittances are used for consumption rather than on investments on income generating activities.

In the floor discussion, it was stated that a significant amount of money that is sent to home countries is benefiting outsiders due to inefficiencies in the formal financial sector. SAARC should make a collective effort to reduce inefficiencies in formal remittance transfer channels. In addition, inter-SAARC migration and pre-departure cultural training for workers can be promoted.

In his concluding remarks, the chairperson stated that, exporting unskilled labour will be a difficult task in the near future as there is an increasing demand for skilled labour from the developed world. Therefore, there should be a joint effort to improve and upgrade the skills of labourers from the region.

Session 6: Towards a Regional Energy Market in South Asia

The sixth session of the Conference was chaired by Mr. Tilak Siyambalapitiya, Energy Consultant, Sri Lanka and Director Resource Management Associates (Pvt) Limited. Dr. Mohan Man Sainju, Former Vice- Chairperson, National Planning Commission of Nepal, presented the paper “Towards a Regional Energy Market in South Asia” prepared by Mr. Shankar Krishna Malla, Former Member Secretary, National Planning Commission of Nepal. The discussant of the session was Dr. Upali Wickramasinghe, Professor of Economics, University of Sri Jayawardhanapura.

Dr. Mohan Man Sainju in his presentation stated, that South Asia is a region with ample resource endowment which have remained unutilized due to restrictive energy policies. In addition, there are other common commercial characteristics which can be used to promote regional energy cooperation. Some of those commercial characteristics are seasonal variation in energy supply and demand, geographical proximity of the demand centres and technological base of the energy industry. To develop a regional energy market in South Asia is the primary objective of regional initiative for energy cooperation. Supply of reliable, sustainable commercial energy especially electricity to the poor is a crucial issue which needs to be taken into account to address poverty. However, political mindset, institutional constraint, poor operational efficiency of the utilities, delays in the implementation of power sector reforms and commercial, and financial constraints can be identified as some factors that inhibit the growth of energy cooperation in South Asia.

Dr. Mohan Man Sainju described that policy makers should focus on trade as diversifying the forms of energy and thereby, focus on energy security rather than focusing on the limitations such as cost and ill affordable goals of national energy self sufficiency. This change in political mindset will lead to increase trade and cross border investment in energy. Public private partnership will also enhance regional cooperation through exporting surpluses. It is highly necessary that the SAARC Energy Centre consult with the important institutions of the countries and come out with an Action Plan which can be implemented at the earliest. In addition, governments should focus on the commercial and operational efficiency of the utilities. It is also necessary to reach the international river basin agreement to facilitate integrated river basin management in order to maximize the use of water and energy resources.

In the discussions, Dr. Wickramasinghe clearly pointed out that we should understand why we have not progressed in energy cooperation even though, most of the professionals have been engaging in this field for a long time period. Over regulating of the energy sector and asymmetric information especially on price are major constraints of energy cooperation in the region. He also proposed for the governments to make regulatory arrangements and identify some parameters. The private sector should be promoted to handle the business. Dr. Wickramasinghe further stated that professionals should elaborate on complex and sensitive problems rather than trying to avoid being castigated by political leaders and bureaucrats. He stated the need to think of an overarching multilateral framework in the energy sector that gives freedom to the private sector. The basic issue faced by the region in energy cooperation is not the lack of resources but the lack of clarity and policy framework. Changing the political mindset is, therefore, a better solution for regional energy cooperation.

During the floor discussion, it was stated that infrastructure development is essential for energy cooperation within the region and that there should be a regulatory mechanism which is acceptable for all the SAARC countries. Research and development need to focus on technology trade rather than energy trade. Mr. Tilak Siyambalapitiya, in his concluding remarks, mentioned that this paper has not paid attention on the technology of using renewable energy sources in the region. In addition, he stated that for energy cooperation, we need to develop infrastructure through sufficient investments in those areas.

Session 7: Food Price Escalation and Climate Change: South Asian Response

Dr. Akmal Hussain, Senior Fellow, Pakistan Institute of Development Economics (PIDE) chaired this session. Dr. Richard Vokes, Country Director, ADB Resident Mission, Sri Lanka made the presentation on the above theme. Professor Muchkund Dubey, Co-Chairman, SACEPS, and President, Council for Social Development, and Upali Wickramasinghe, Professor of Economics, University of Sri Jayawardhanapura were the discussants.

Focusing on the rising food prices in his presentation Dr. Richard Vokes gave a background to the current situation of high food prices, looked at what needs to be done and discussed the regional and international responses to the crisis. He pointed out that there have been major increases in food prices recently, after a period in which real prices declined steadily although there have been a few exceptions to this. This trend of rising prices is continuing, with a downturn in prices in the near future not likely to take place. Examining the causes for this price hikes, he identified the short term cyclical factors to be adverse weather like droughts in Australia and floods in South Asia and speculative demand linked to problems in world financial markets, asset markets and the dollar depreciation. He stated that commodities have become an important asset class thereby leading to high commodity prices. Hoarding and export bans have aggravated the problem: in the current situation everyone has an incentive to hoard although it is capital intensive.

The structural factors pose a bigger problem and he said that the issue in terms of oil prices would remain high because rising oil prices is seen in structural terms. With rising energy prices and energy intensity of agriculture rising, there has been a rise in production costs adding to growing prices. Bio-fuels are another significant structural factor which has aggravated the situation. A study has shown that about 30 per cent of the recent rise in food and commodity prices can be accounted by bio-fuels. Bio-fuels have led to the diversion of the use of cereals for producing bio fuels and to the substitution of land from food crops to bio fuel crops. Other structural factors include loss of land to urban and industrial development, productivity stagnation, and competition for water which has become a new major challenge. Dr. Vokes illustrated the stagnant yields and the declining interest in agriculture investment in the past few years. Other structural factors that were identified are the rising incomes and patterns of food consumption, although in the current situation people have been pushed back to poverty and there have been increases in malnutrition. He said that a key lesson to keep in mind, as Peter

Timmer has stated is that getting prices right is not the end of economic development but getting them wrong often is.

Dr. Vokes also said that getting prices right for food is one of the greatest challenges that policy makers face. He explained the poverty impacts, household impacts and macroeconomic impacts of rising food prices. Food price inflation, increasing malnutrition and poverty, the risk of an inflation spiral, fiscal impacts such as rising social protection and food subsidy costs are some of them. He stated that fuel and fertilizer subsidies add to the fiscal deficit problems. Governments cannot continue to subsidize fuel. He further stated that while studying the oil crisis it is important to focus on opportunities and solutions. Food price increases can be managed and it will provide an opportunity to refocus on development efforts. He stated that as short term measures, individual countries and the region as a whole can undertake mitigation measures to protect the vulnerable groups. Because of difficulties in targeting it is possible to use measures which involve self targeting like food for work. Reducing tariffs and buffer-stocks were the other identified measures.

He stressed that in the medium turn it is necessary to increase production which is key in addressing this problem. Subsidies should be reallocated to more productive uses like research and extension, to provide market information, in education, etc. However, subsidizing production-inputs is not a good form of subsidies because it does not go to people who need it and because it creates a misallocation of resources.

In South Asia, India needs to take the lead in reducing subsidies. Developing access to credit, supporting a second Green Revolution and careful review of food security policies were among the other short term responses suggested. He said that countries should not strive to be self-sufficient since it is expensive but should look at related issues like the extent to which it is going to rely on the world market, etc. He also stated that at the regional level there needs to be a review on policies of bio-fuel usage. The next SAARC Summit should give attention to the area



of buffer stocks. Bringing unused land under cultivation, investments in improving post-harvest technology were some other measures that were suggested. Dr. Vokes stated that the role of development partners of the region would be to provide policy advice, increase support for agriculture/rural infrastructure investment and agriculture research, provide short term support for safety nets and to research on climate change and agriculture.

Starting the discussions, Professor Muchkund Dubey stated that the idea of establishing a regional buffer stock has been mooted from time to time but has not been materialized. He said that he considers the SAARC Food Reserve to be an example of a rudimentary regional buffer stock. It was developed not only to deal with food emergencies but also to meet shortages resulting from balance of payment problems of countries. Quotas were picked very carefully. He stated that the reasons for the failure of the SAARC Food Reserve were the preference of countries to import rather than to draw from the Reserve. This was due to reasons like there

being no price advantage in drawing from the Reserve, the availability of food aid as grants from other sources, the inability of the SAARC Food Reserve to compete with food aid given as grants and political tensions between member states. Professor Muchkund Dubey stated that the change of the Food Reserve to a Food Bank was only a change in nomenclature and that the overall stock requirements and its distributions among member states were a reproduction of that of the Food Reserve which is now, outdated. Putting forward suggestions to develop the Food Bank he said that a time limit should be given to set a mechanism in place and that there should be greater transparency in the activities. The locations of food storages should be advertised and instead of putting price preferences in qualitative terms they should be quantified. Professor Dubey raised the question as to why the countries cannot give the small amounts of grain that they are required to provide, as grants. He also suggested better facilitation of exchange and stated that SAARC should discuss matters like agriculture in South Asia, agriculture related policies, etc.

Continuing with the discussion, Professor Upali Wickramasinghe pointed out some key issues confronting South Asia in the area of food security. He said the key problem is the low and stagnating production and productivity levels in South Asia. Among the others that were listed were pre and post-harvest losses, lack of inadequate bio-security and over-exploitation of resources. He also provided information on some projects that have been taken up already, in these areas.

In the floor discussions it was stated that at times like this one can very passionately argue for self-sufficiency but that one has to qualify for it when one argues. And it was said that a country like Sri Lanka can acquire food security only by increasing agriculture production and not by investing further on irrigation, on getting more land area, etc. It was also brought up in the discussions that if quotas provided under the trade agreements are not utilized properly that they need to be taken off without creating a mirage in the eyes of the people. Furthermore, the floor stated that a strong message needs to be sent to the next Summit. The question was raised as to if it is not possible to make some quantity and price forecasts for the medium-term and the long-term. The chairperson adding to the discussion stated that the policy paradigm within which we have been thinking of growth and poverty needs to be changed drastically. It has been thought that high growth rates would lead to declining poverty levels but this is not possible. Growth should be sustained but the growth process should be restructured and the composition changed so as to configure it in favour of the poor. Food security has to be addressed at the regional level, and climate change challenges and its affects on poverty should also be looked at.

The Conference concluded with a Vote of Thanks by Dr. Saman Kelegama, Executive Director, IPS and Dr. Sridhar Khatri, Executive Director, SACEPS.

ANNEX I



REGIONAL CONFERENCE ON
STRENGTHENING ECONOMIC & SOCIAL
INTEGRATION IN SOUTH ASIA

*Crystal Room - Upper, Taj Samudra Hotel, Colombo
30-31 May, 2008*

Organized by
South Asia Centre for Policy Studies
and
Institute of Policy Studies of Sri Lanka

----- Programme -----

Day I: Friday 30th May

9:15 – 9:45	Registration	
9:45 – 10:30	Inauguration	
9:45 – 9:50	Welcome Address:	Saman Kelegama , <i>Executive Director, Institute of Policy Studies of Sri Lanka (IPS)</i>
9:50 – 9:55	Introductory Remarks:	Sridhar Khatri , <i>Executive Director, South Asia Centre for Policy Studies (SACEPS)</i>
9:55 – 10:10	Address by the Guest of Honour:	Nihal Rodrigo , <i>Advisor to H.E. the President & Former Secretary General of SAARC</i>
10:10 – 10:30	Address by the Chief Guest:	Hon. Dr. Sarath Amunugama , <i>Minister of Enterprise Development & Investment Promotion</i>
10:30–10:45	TEA/COFFEE Break	

10:45–12:15	SESSION I:	DEEPENING ECONOMIC INTEGRATION IN SAFTA
	Chairperson:	Muchkund Dubey , <i>Co-Chairman, SACEPS & President, Council for Social Development</i>
10:45 – 11:25	Speakers:	Ram Upendra Das , <i>Fellow, Research & Information Systems for Developing Countries (RIS)</i> Deshal De Mel , <i>Research Officer, IPS</i>
11:25 – 11:45	Discussants:	Rajiv Kumar , <i>Director & Chief Executive, Indian Council for Research on International Economic Relations (ICRIER)</i> Mahendra Lama , <i>Vice Chancellor, Sikkim University</i>
11:45 – 12:15	Floor Discussion	
12:15–13:15	LUNCH	
13:15–14:45	SESSION II:	ROAD MAP FOR SOUTH ASIA
	Chairperson:	Ibrahim Zaki , <i>Former Secretary General of SAARC, Republic of Maldives</i>
13:15 – 13:55	Speakers:	Muchkund Dubey , <i>Co-Chairman, SACEPS & President, Council for Social Development</i> Janaka Wijayasiri , <i>Research Fellow, IPS</i>
13:55 – 14:15	Discussants:	Farooq Sobhan , <i>President, Bangladesh Enterprise Institute (BEI)</i> Nihal Rodrigo , <i>Advisor to H.E. the President & Former Secretary General of SAARC</i>
14:15 – 14:45	Floor Discussion	
14:45–15:45	SESSION III:	MONITORING SAARC POLICIES AND PROGRAMMES
	Chairperson:	Sridhar Khatri , <i>Executive Director, SACEPS</i>
14:45 – 15:05	Speaker:	Mahendra Lama , <i>Vice Chancellor, Sikkim University</i>
15:05 – 15:25	Discussants:	Ibrahim Zaki , <i>Former Secretary General of SAARC, Republic of Maldives</i> N. Navaratnarajah , <i>Former Country Director, SAARC Secretariat</i>

15:25 – 15:45 **Floor Discussion**

15:45–16:00 TEA/COFFEE Break

16:00–17:30 **SESSION IV: IMPLEMENTING THE SAARC AND CITIZEN'S SOCIAL CHARTER FOR SOUTH ASIA: THE WORK AHEAD**

Chairperson: **Mohan Man Sainju**, *Former Vice-Chairperson, National Planning Commission of Nepal*

16:00 – 16:40 **Speakers:** **Godfrey Gunatilleke**, *Chief Executive, Marga Institute*
Muchkund Dubey, *Co-Chairman, SACEPS & President, Council for Social Development*

16:40 – 17:00 **Discussants:** **Nihal Rodrigo**, *Advisor to H.E. the President & Former Secretary General of SAARC*

Akmal Hussain, *Senior Fellow
Pakistan Institute of Development Economics (PIDE)*

17:00 – 17:30 **Floor Discussion**

Day II: Saturday 31st May

9:00–10:30 **SESSION V: LABOUR MIGRATION & EMPLOYMENT: ISSUES FOR SAARC**

Chairperson: **Farooq Sobhan**, *President,
Bangladesh Enterprise Institute (BEI)*

9:00 – 9:30 **Speaker:** **Sridhar Khatri**, *Executive Director, SACEPS*

9:30 – 10:00 **Discussants:** **R.B.M. Korale**, *Former Director - General, Department of
Census & Statistics of Sri Lanka and Labour Specialist*

Athula Ranasinghe, *Department of Economics,
University of Colombo*

10:00 – 10:30 **Floor Discussion**

10:30 – 10:45 TEA/COFFEE Break

10:45–12:00 **SESSION VI: ADVOCACY PAPER ON ENERGY**

Chairperson: **Tilak Siyambalapitiya**, *Energy Consultant, Sri Lanka &
Director, Resource Management Associates (Pvt) Limited*

- 10:45 – 11:15 **Speaker:** **Mohan Man Sainju**, *Former Vice-Chairperson, National Planning Commission of Nepal*
[Paper prepared by Shankar Krishna Malla, Former Member Secretary, National Planning Commission of Nepal]
- 11:15 – 11:30 **Discussant:** **Upali Wickremasinghe**, *Professor of Economics, University of Sri Jayawardhanapura*
- 11:30 – 12:00 **Floor Discussion**
- 12:00–13:00 **SESSION VII: FOOD PRICE ESCALATION & CLIMATE CHANGE: SOUTH ASIAN RESPONSE**
- Chairperson:** **Akmal Hussain**, *Senior Fellow, Pakistan Institute of Development Economics (PIDE)*
- 12:00 – 12:30 **Speaker:** **Richard Vokes**, *Country Director, ADB Resident Mission, Sri Lanka*
- 12:30 – 12:45 **Discussant:** **Muchkund Dubey**, *Co-Chairman, SACEPS*
- 12:45 – 13:00 **Floor Discussion**
- 13:00 – 14:00 LUNCH**

--END OF PROGRAMME--



INSTITUTE OF POLICY STUDIES OF SRI LANKA

Summary of Proceedings
of
Regional Conference
on

**“Strengthening Economic & Social Integration in South
Asia”**

Taj Samudra Hotel, Colombo, Sri Lanka.

30 - 31 May, 2008

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