

## **The New Delhi Statement On SAARC 2015 and Asian Resurgence,**

The Conference on “**SAARC 2015: Expanding Horizons and Forging Cooperation in a Resurgent Asia**” was held in New Delhi on 09 -11 February 2007.

The Conference was attended among others by ministers, former ministers, diplomats, academics, businessmen and other civil society members of SAARC countries including Afghanistan, a new member of SAARC. Delegates from China, Korea, Japan, European Union (countries and organization with observer status in SAARC), ASEAN and GCC participated in the Conference.

The list of participants is at Annex I.

The participants had before them a Background Paper prepared by the Conference organizers Ambassador Kant Bhargava and Prof Mahendra P Lama (Annex II)

The program of the Conference is at Annex III.

In his inaugural address, Dr I. K. Gujral, former Prime Minister of India and Chairman of the Indian Council for South Asian Cooperation highlighted that the SAARC process served as a strong regional forum by bringing the leadership of its member countries to a common platform. At the same time, it has generated a parallel process of un-official SAARC. Last two decades have witnessed an unprecedented rise in the interactions and networking among various institutions, agencies and civil society organisations of South Asia.

Regrettably, as a result of South Asia missing opportunities after opportunities, the cumulative cost of non-cooperation has been very high. In this context he stressed that “*We must change and not become caged by traditional mindsets*”. India could make some significant unilateral gestures to build confidence among its neighbors and to facilitate their participation in regional cooperation and development matters on an equal footing.

In his view, South Asian countries have to grow together and move towards integration with ASEAN. He pointed out the need to reposition South Asia as a community in the changing Asian and global context. He posed the critical question “*Could South Asia as an economic power house become a flag bearer of new Asianism accommodating the entire spectrum of political ideologies?*”

In his concluding statement as the Chairperson of the inaugural session, Dr. Karan Singh, Member of Parliament and President of the Indian Council for Cultural Cooperation, observed that for SAARC to realize its optimal potential, it was important for India and Pakistan to get over their differences and problems. This will also enable South Asia as a region to reach out to the rest of the world. Fortunately, the composite dialogue process was now well in place with encouragement by creative activism on the part of civil society elements in the two countries.

He remarked that there is now confluence of:

- economic interests of Asian countries;
- rapid advances by them in technologies and productive processes; and

- cultural value systems of these countries

SAARC will be able to gain a lot by expanding its horizons and forging cooperation in this new environment with China, Japan and Korea having an observer status in SAARC and Afghanistan as its new member.

He pointed out that the most critical aspects of cooperation and of the strength of South Asia are cultural exchanges including those through tourism. He referred to the recent understanding at the East Asia Summit to strengthen regional education cooperation and to the initiative for the revival of Nalanda University in India to improve regional understanding and the appreciation of one another's heritage and history.

The Opening Plenary Session on **“Asian Dynamism and Challenges for Synergising Internal and External Cooperation of South Asia”** was chaired by Dr. Arjun Sengupta, Member of Parliament and Chairperson of the Governing Body of Research and Information System (RIS).

The participants noted that the Background Paper for the Conference contained references to:

- the suggestion that has been made by Prime Minister of Pakistan about an integrated framework for intra-regional co-operation (in Asia) in strategic areas such as energy, water, food, infrastructure connectivity, investment in human capital and economic and social transformation through structural reforms;
- the remark of the Prime Minister of India terming the Asian Economic Community as constituting ‘an arc of advantage’ in terms of prosperity, stability and closer economic integration where there would be large-scale movement of people, capital, labor, ideas and creativity.

Following important points were made by the presenters Dr. Sartaz Aziz, Former Finance and Foreign Minister of Pakistan, Dr. Kamal Hossain Former Foreign and Law Minister of Bangladesh, Dr. Bhekh Bahadur Thapa Former Foreign Minister of Nepal and Dr. Mahmood Shauggee, Minister of Tourism and Civil Aviation of Maldives:

- SAARC has not been able to realize its full potential because of the existence of serious political differences and disputes in the region giving rise to tensions and mistrust among member states.
- Time is now ripe to give concrete shape to the recommendations of 1998 Report of the Group of Eminent Persons in the field of trade i.e. starting from the South Asian Free Trade Area in phase I, SAARC to move to a Customs Union in phase II and South Asian Economic Union in phase III to be completed by 2020; transport and telecommunications; cooperation in the field of energy; and evolving of common positions on emerging global economic issues.
- SAARC's ability to forge stronger relations with other regions can improve progressively as the obstacles arising from mistrust and suspicion are overcome and SAARC becomes a more vibrant and dynamic organization.
- In terms of sequencing, it will not be necessary to require that SAARC itself must make substantial progress in different areas before it expands its horizons and strengthens cooperation with other regions. The two processes can move on parallel tracks and become mutually reinforcing.
- Due importance may be accorded to the prospects for sub-regional co-operation while pursuing the goal of strengthening overall co-operation in South Asia. Geographical realities, resource

endowments and manifest complementarities point to significant benefits which could result for all partners from sub-regional cooperation in the North-Eastern sub-region of South Asia, comprising Bangladesh, Bhutan, Nepal and North Eastern areas of India.

- Significant gains for SAARC countries would take place in the fields of Tourism and Civil Aviation as a result of open skies agreement and with SAARC developing cooperation with the neighboring countries in a resurgent Asia.

The participants noted that Asia's economic dynamism will increasingly have a major impact on South Asian region as a whole. Developments in the neighboring regions of South Asia pose enormous challenges and offer significant opportunities to SAARC countries in the areas of trade, energy, and environment.

In a special presentation, Hon'ble Shri Jairam Ramesh, Minister of State in the Ministry of Commerce shared with the participants his perspective of developments within SAARC following the entry into force of SAFTA. India has already initiated a number of trade facilitation measures vis-à-vis its neighbors including measures for improvements in cross border movement of goods and people, and removal of non-tariff barriers. He pointed out that the concept of border trade needs to be widened so as to cover *trade at border*. In this regard he recalled that the Government of India had already started drastically modernizing the facilities at 13 crucial customs points with Bangladesh, Myanmar, Nepal and Pakistan. He stressed that it is non-tariff barriers and not tariffs barriers which were really restricting the movement of goods and services in the region. He observed that India tops the list in the imposition of these non-tariff barriers. He called for a comprehensive study to first identify these and then for undertaking of actions to remove them. He highlighted the difficulties in realizing Myanmar-Bangladesh-India gas pipeline. He emphasized the importance of cross border connectivity. Lack of timely action in this regard could be very costly to smaller countries in the region.

In the Second Session, four concurrent Working Groups discussed perspectives of relations of South Asia with other regions. Group A deliberated on South Asia's relations with South East Asia; Group B with East Asia; Group C with Central Asia and Gulf Countries; and Group D with European Union and North America. The participants discussed issues related to connectivity both within and outside the region, institutional linkages, migration and role of Diaspora, broadening of trade and investment activities including into services sectors like tourism, finance, education, insurance and banking.

The Reports of the Working Groups were presented and discussed in the Third Plenary Session.

Following are some noteworthy outcomes of the deliberations in the four Groups:

#### **Group A**

- In Asia's resurgence both regions, ASEAN and SAARC are important in terms of natural and human resources.
- Vis-a vis South Asian countries, ASEAN is mainly interested in better market access, attracting FDI and visits of high-end tourists
- As far as trans-national migration is concerned, South Asia needs to get its act together and think it through. There are also issues of citizenship for Indians in Southeast Asia.

- In maritime security matters, cooperation between ASEAN and SAARC may be possible within the framework of IOMAC and IOARC.
- ASEAN and SAARC foreign ministers have been meeting every year at the UN General Assembly but nothing of substance has resulted from such meetings.
- BIMSTEC-SAARC cooperation has better potential than ASEAN-South Asia arrangement. Under the BIMSTEC, seven areas of cooperation have been identified and steady progress has been made on these issues.

### **Group B**

- The larger concept of trade at border needs to be promoted inter alia through agreement on cross-border movement of peoples and goods, improvement of infrastructure and strengthening of mutual trust.
- Joint research may be undertaken by the upper stream and down stream countries on various issues relating to usage of water.
- A multilateral mechanism to effectively counter terrorism needs to be established.

East Asian countries may consider possibilities of:

- ✓ increasing their investment in South Asia and of extending assistance to SAARC for regional programs;
- ✓ sharing their experiences with South Asian countries in the fields of economic development and reduction of poverty

SAARC countries may:

- ✓ consider organizing joint trade exhibitions in the East Asian region,
- ✓ take due note of likely increased demand in East Asian countries of skilled manpower from South Asia due to emerging shortages in East Asia in years to come;
- ✓ consider defining the role that Observer States in SAARC would play.

### **Group C**

- There is the need to have a clearer perception of the relationship between bilateral and multilateral modes of interaction while considering perspectives of relations between South Asia and GCC and those between South Asia and Central Asia.
- Innovative thinking is required for establishing cooperation in human resource development, transport and energy,
- At times, South Asian Diaspora communities have been working at cross-purposes by adopting a country perspective. There is the need to go beyond that and generate activity using South Asian/SAARC identity as a vehicle.

### **South Asia and GCC**

- The knowledge gap between SAARC and GCC needs to be closed.

- Contacts at the institutional level between SAARC and GCC Secretariats should be initiated.
- SAARC and GCC can look at possibilities for institutional collaboration in the areas of Human Resource Development, Information Technology, and Energy Investment Projects.
- The issue of Iran's nuclear programme should be resolved peacefully and South Asia needs to adopt a pro-active role and support the efforts being made by GCC to avert a military showdown between Iran and the United States.
- Possibilities for cooperation between SAARC and the GCC in the fields of education, communication and information technology may be explored.

### **South Asia and Central Asia**

- SAARC should work for the stability of Afghanistan. Collaboration between India and Pakistan was the key to achieving this goal.
- SAARC needs to develop a multilateral framework for energy collaboration between Central Asia and South Asia.
- Central Asian states need assistance in human resource development and SAARC member states can offer them considerable assistance in this realm.
- Central Asia energy resources had not been tapped by South Asia and this can only be done if peace and security returns to Afghanistan.
- A stable Afghanistan was the key to the future of cooperation between South Asia and Central Asia.

### **Group D**

#### **South Asia-EU**

The presentations and discussions brought out following important points:

- EU has at present a strategic partnership with India and has bilateral agreements with five South Asian countries. For time being EU intends to focus on bilateral relationship.
- EU considers SAARC as a factor for internal stability in South Asia.
- If SAFTA gets implemented in right earnest, then by 2015 there would be better scope for cooperation between EU and SAARC.
- The Cecchini Report on cost of Non-Europe highlighted the important role of regional cooperation. This may have some lessons for South Asia.
- EU has certain bodies like the European Economic and Social Committee, Committee of the Regions, Congress of local and regional authorities. These bodies facilitate people to people contacts and interaction. Such bodies may be set up in South Asia. These together with various professional bodies at regional level may discuss what needs to be done to strengthen SAARC. SAARC may consider the advantages of setting up in South Asia an organization like *The Council of Europe*. The Association of the Speakers and Members of Parliament of South Asian Countries may be strengthened.

#### **South Asia-North America**

The presentations and discussions brought out following important points:

## **South Asia-USA**

- US State Department officials consider the South Asian region as very important mainly because of issues of Terrorism, Environment, Democracy, International Peace Keeping and Marketing.
- US relationship with South Asian countries is largely country specific. It has a strategic relationship with India and a strategic partnership with Pakistan.
- The private sector is mainly interested in India. But there are several companies in USA having the positions of Vice-President for South Asia.
- The USAID has considerable interest in integrating and connecting South Asia and Central Asia through infrastructure and energy projects. Energy related Program of USAID in South Asia known as South Asia Regional Initiative on Energy (SARI-E) has met with a lot of success.
- USA considers democracy as the key foundation for development. As such it considers building of democracy in South Asian countries as a very important matter. Engagement of USA with the South Asian region as a whole will happen as the countries of the region begin to benefit from the prosperity and rapid economic development of India.
- The conflicts in the Indian sub-continent do get reflected in USA in inter-se relationship of South Asian Diaspora.

## **South Asia-Canada**

- Prospects of relationship between South Asian countries and Canada are bright in areas of Education, Science and Technology particularly hi-tech areas and immigration.
- Canada is deeply involved in bringing about stability in Afghanistan, now a member of SAARC and has earmarked considerable aid for its development.
- The South Asian Community in Canada is very large and growing. By 2015, Canada will need about one million skilled immigrants.

As the Dinner Speaker on February 10, Dr. Gowher Rizvi, Director, Ash Institute for Democratic Governance & Innovation, Harvard University presented his perspectives on the proposed South Asian University.

Ms Preeti Saran, Joint Secretary in-charge of SAARC Division in the Ministry of External Affairs and Special invitee made her presentation in the Fourth Session. She pointed out that it was time to move SAFTA and SAARC Development Fund (SDF) into the implementation phase. She hoped that SAFTA would be operationalised and implemented in the spirit in which it was negotiated and that its scope will be enlarged so as to include trade in services. As regards the SDF, she recalled that India had offered \$100 million funding for poverty alleviation projects in other SAARC countries. The theme of the forthcoming SAARC Summit will be *SAARC: Towards the Theme of Connectivity through Trade, Transport and Energy Corridors*. The idea is to work for connectivity in the region and then to the outside world. Some of the concrete proposals which India had in mind were those

relating to South Asian University, Telemedicine and IT enabled health services, cooperation in the energy sector including in non-conventional sources of energy. India is for open regionalism and believes that SAARC will benefit from external linkages.

Following her presentation, other presenters and members of the Panel outlined various elements of vision and strategy of SAARC in its Third Decade. There was agreement that SAARC as a regional institution needs to foster and consolidate the process of regional cooperation and integration within itself. But this task should be undertaken against the challenging backdrop of deepening of globalisation process, resurgence and growing dynamism of Asia, new outward looking trends and changing realities in South Asia.

The Concluding Session was chaired by Prof BB Bhattacharya, Vice Chancellor of Jawaharlal Nehru University, New Delhi. The participants discussed the draft Statement of the Conference that was presented to the Plenary by Prof. Mahendra P Lama.

Thereafter, the Conference decided to recommend the following for consideration of the forthcoming 14<sup>th</sup> SAARC Summit scheduled to take place in April 2007 in New Delhi:

- i) Early setting up of a South Asian University.
- ii) Promotion of the concept of Gateway Strategies in member countries of SAARC. This goes beyond physical connectivity and includes its human dimensions in areas such as education, health, research and innovation, and understanding of these regions and their cultures. Such strategies need to be devised nationally as well as regionally in South Asia and in its neighbouring regions.
- iii) Revival and strengthening of Bridges of Communications in South Asia and between South Asia and its neighbouring regions.
- iv) Commissioning of a regional study on non-tariff barriers that adversely affect bilateral and regional trade.
- v) Encouraging establishments of networks of academic institutions of SAARC countries and those from other regions so as to promote better mutual understanding of perspectives of relations of South Asia with these regions.
- vi) Improvements in the website of SAARC Secretariat in Kathmandu.

- vii) Constitution of a Vision and Strategy Group of Eminent Persons from SAARC countries for formulating recommendations for comprehensive internal as well as external regional cooperation in the context of globalization and Asian Resurgence.
- viii) Commissioning of Studies on strategies for South Asia's smooth and eventual integration with resurgent Asian regions and the potential of South Asia to play a catalytic role in the evolution of Pan Asian cooperation.
- ix) Convening annually in conjunction with SAARC Summit meetings of South Asian Regional Economic Forum for consideration of mega regional projects that are ripe for discussion.
- x) Visa free regime and facilitation of travel inside the region for promoting generally people to people contacts and in particular for business, professional and tourism purposes.
- xi) Efforts to bring South Asian Diaspora together and work collectively towards further opening of global labour markets.
- xii) Acceleration of the SAARC Process by
  - a) Creation of appropriate implementing and coordinating mechanisms for various SAARC programmes.
  - b) Strengthening of SAARC Secretariat through induction of more professionals.
  - c) Capacity building of the civil servants and others concerned with formulation and implementation of SAARC projects and programmes.
  - d) Focussing attention on implementation of recommendations of SAARC Social Charter.

The participants agreed to widely disseminate the contents of this Statement in their respective countries. The Conference agreed that the contents of the Statement be brought to the attention of the policy and decision makers, media, politicians, civil society and other organisations. The participants also agreed to put on the websites of their institutions the Statement of this conference and other relevant documents.

The Organisers also undertook to transmit the Statement of the Conference to the SAARC Secretariat in Kathmandu, policy makers, opinion makers in various member countries.

The participants recommended periodical convening of this type of regional conference.

The Conference thanked the Friedrich-Ebert-Stiftung for the valuable support it is extending through its South Asia Regional Program.