

FACT SHEET

SAARC: A Journey through History

Smruti S. Pattanaik, Medha Bisht & Kartik Bommakanti

The idea of a South Asia Association for Regional Cooperation was mooted in 1980. The foreign Ministers of the future SAARC countries met at Colombo in 1981 to discuss the issue of regional cooperation and agreed upon the principles of unanimity in decision making and keeping bilateral disputes out of the framework of regional cooperation. The Integrated Programme of Action (IPA) was endorsed in a Foreign Secretary meeting held at Dhaka in August 1982. The IPA identified eleven areas of cooperation – agriculture, communications, education-culture-sports, environment and meteorology, health and population activities, prevention of drug trafficking and drug abuse, rural development, science and technology, tourism, transport, and women in development. To translate the objectives enshrined in the Charter the Foreign Ministers of member countries met in Colombo for the first Preparatory meeting of SAARC. They agreed on the agenda for SAARC, which included issues like rural development, agriculture, meteorology, telecommunication, health and population, science and technology, transport, and posts & telegraph services. The third meeting held in Thimpu agreed on sports, arts and culture, and planning and development, which were incorporated into the list of areas for cooperation. The Thimpu meeting also led to agreement on the creation of an institutional framework for SAARC and decided the venue and the dates of the first SAARC summit. After these three preparatory meetings the SAARC summit was held in Dhaka in 1985.

The SAARC Charter envisages that cooperation among member-states will be based on sovereign equality, territorial integrity, political independence and non-interference in internal affairs. The Charter further states that regional cooperation shall not substitute for bilateral or multilateral cooperation or be inconsistent with them but rather it should compliment them. SAARC charter day is celebrated on December 8 every year. The charter was adopted in the first SAARC summit held in Dhaka in 1985 [www.saarc-sec.org/data/docs/charter.pdf].

SAARC is going to complete twenty five years of its existence. The sixteenth SAARC summit is scheduled to be held on the April 29-30, 2010 in Thimpu, Bhutan.

- The first SAARC summit was held in Dhaka in December 1985. The Summit adopted the SAARC Charter and instructed the foreign Ministers of member countries to formalize an institutional structure for the SAARC. [<http://www.saarctourism.org/first-saarc-summit.html>].
- The second SAARC Summit was hosted by India in November 1986 at Bangalore. The summit adopted the Memorandum of Understanding to establish the SAARC Secretariat in Kathmandu. In the summit declaration the need to act against terrorism was emphasized. Some important issues like nuclear non-proliferation, significance of the Harare NAM summit, economic issues, problem of girl child and need for strengthening people to people contact found mention in the Summit declaration. [<http://www.saarctourism.org/second-saarc-summit.html>]
- The third summit was held in Kathmandu in November 1987 during which member states expressed their views on various issues of international concern. The SAARC audio 7visual exchange (SAVE) programme was launched. The agreement to establish a South Asia Food Security reserve was signed, and it was operationalised on 12 August 1988. The heads of Governments also signed the SAARC Regional Convention on Suppression of Terrorism (which was later ratified and came into effect on 22 August 1988). The joint press release issued at the conclusion of the summit laid emphasis upon, among other issues, the need to “initiate the process of

dealing with the causes and consequences of natural disasters and decided to commission a study on natural disasters and the protection and preservation of the environment in a well planned and comprehensive framework.”

[www.saarc-sec.org/main.php?id=49&t=4]

- The fourth SAARC Summit was held in Islamabad in December 1988. At this summit, a SAARC Agricultural Information Centre was established in Dhaka. Among other issues the summit declaration emphasized the need to include education as an area of cooperation. A technical committee was established under Bangladesh to look at the issue of education. It was decided to observe the year 1989 as SAARC Year for Combating Drug Abuse and Drug Trafficking, and 1990 was declared as the SAARC year of the girl child. It was decided to establish a SAARC Centre for Human Resource Development in Pakistan. [www.saarc-sec.org/main.php?id=50&t=4]
- The fifth SAARC summit was held in November 1988 in Male. At this summit 1991-2000 was declared as SAARC decade of the girl child. 1991 was declared as SAARC year of Shelter, 1992 as SAARC year of Environment, and 1993 as SAARC year of Disabled person. It was decided to launch the Special SAARC Travel Document to exempt holders from visas for travel within the region, and that those entitled to this would be Supreme Court Judges, Members of National Parliaments, Heads of national academic institutions, their spouses and dependent children. A study was initiated to find out whether joint ventures on handicraft and cottage industries can be taken up by member countries to promote collective self-reliance. The SAARC Tuberculosis Centre was established in Nepal and the SAARC documentation centre in India. [www.saarc-sec.org/main.php?id=51&t=4]
- The sixth SAARC Summit was held in Colombo in December 1991. The Head of the states considered various reports and proposals by member countries to make SAARC more functional and effective. Suggestion by the Integrated Programme of Action (IPA) Committee to expand the areas of cooperation was also considered. It was decided to form an independent South Asian Commission on Poverty Alleviation consisting of eminent persons from SAARC countries. Member countries agreed to set up the Inter Governmental Group (IGG) to study trade liberalization between member countries and examine the idea of SAPTA proposed by Sri Lanka. It was agreed that a report in this regard needs to be submitted to the Committee on Economic cooperation. A committee on Environment was also established. [www.saarc-sec.org/main.php?id=52&t=4]
- The seventh SAARC summit was held in Dhaka in April 1993. The Head of States pledged to eradicate poverty by 2002 and adopted a specific strategy to achieve this goal. The SAFTA agreement was signed and adopted. The need to give high priority to the enactment of enabling legislation at the national level to give effect to the SAARC Regional Convention on Suppression of Terrorism was reiterated and Member States were urged to make every effort to finalize this matter before the Eighth SAARC Summit. The idea of an Association of SAARC Speakers and Parliamentarians was welcomed and emphasis was put on greater people-to-people contact. [<http://www.saarctourism.org/seventh-saarc-summit.html>]
- The eighth SAARC summit was held in New Delhi in April 1995. The first round of negotiations on preferential trade under SAPTA was formalized and member states were urged to ratify the SAPTA and operationalise it. 1996 was declared as SAARC year of literacy. “The Heads of State or Government endorsed the establishment of a three-window South Asian Development Fund with the merger of SAARC Fund for Regional Projects and the SAARC Regional Fund and a third window for social development and infrastructure development.” It was decided to have a collective SAARC position at various international fora on issues that would enhance the profile of South Asia. [<http://www.saarctourism.org/eighth-saarc-summit.html>]

- The ninth SAARC summit took place in Male in May 1997. A Group of Eminent Persons was established to prepare an appraisal of SAARC and suggest mechanisms to vitalize SAARC and make it effective. The Heads of the governments said that in the third round of negotiation under SAPTA tariff reduction should be considered on products that are traded between the countries. Developing infrastructure and additional communication network to facilitate trade was stressed. The decision by SAARC Chamber of Commerce and Industries to convene annually an Economic Cooperation Conference in conjunction with the annual meeting of SAARC Commerce Ministers and SAARC Trade Fairs was welcomed. SAARC Terrorist Offences Monitoring Desk (STOMD) and the SAARC Drug Offences Monitoring Desk (SDOMD) were established in Colombo. The South Asian Development Fund (SADF) was formed in 1996 with headquarters in Dhaka. Bangladesh proposed to set up a SAARC growth Quadrangle in 1997 under Article 7 of the SAARC charter under sub-regional cooperation. [<http://www.saarctourism.org/ninth-saarc-summit.html>]
- The tenth SAARC Summit was held in Colombo in 1998. It was emphasized that “the SAARC process could draw more deeply from the vitality and strength of South Asia's shared cultural heritage as a source influencing and enhancing creative energies in all fields.” Finance Ministers of the respective countries were directed to reduce the domestic content of the Rules of Origin and it was stressed that countries need to move towards SAFTA. Member countries decided to form a Committee of Experts with specific Terms of Reference (TOR) to work on drafting a comprehensive treaty regime for creating a free trade area. It was decided to promote trade-creating joint ventures, investment and trade in services to enhance economic cooperation. The need to draft a SAARC social Charter was highlighted. [www.saarc-sec.org/main.php?id=56&t=4]
- The eleventh SAARC summit was held in Kathmandu in January 2002. The Heads of government resolved upon the need to develop a South Asian identity by developing a common position on important international issues. The Heads of States instructed the Secretary General to formulate regionally agreed investment framework to meet the need of member countries. The heads of states reiterated the need to take measures to prevent terrorist financing by criminalizing collection of funds and prevent terrorists from organizing any activities directed against other states. The SAARC Additional Protocol on Terrorism was adopted. It was decided to institute a SAARC Award for outstanding contribution in the field of peace, development and poverty alleviation in the SAARC region. Nepal was requested to prepare a concept note in this regard. The summit also expressed the desire to establish a South Asia Economic Union. [www.saarc-sec.org/main.php?id=57&t=2.1]
- The twelfth SAARC summit was held in Islamabad in January 2004. It was decided to establish South Asia Energy Cooperation and an Energy ring by the working group on energy. 2005 was designated as the SAARC year of Tourism. [www.saarc-sec.org/main.php?id=14&t=4]
- The thirteenth SAARC Summit was held in Dhaka in November 2005. It endorsed SAARC development goals as suggested by the South Asia Commission on Poverty Alleviation. It was emphasized that South Asia Poverty Alleviation Fund would function under the SAARC Development Fund. It was decided that SAARC finance ministers should meet every first quarter after the summit and before the Asian Development Bank and World Bank summits to draw joint strategies for macroeconomic development in the region. It was decided that SAFTA will come into effect from 1 January 2006 and negotiation with regard to this needs to be completed by November 2005. The following agreements were signed: (i) The Agreement on Mutual Administrative Assistance in Customs Matters, (ii) the Agreement on the Establishment of SAARC Arbitration Council, (iii) The Limited Agreement on Avoidance of Double Taxation and Mutual Administrative Assistance in Tax Matters. India proposed the establishment of a regional food bank. The

Additional Protocol on Terrorism was ratified.
[<http://www.saarctourism.org/thirteenth-saarc-summit.html>]

- The fourteenth SAARC Summit was held in New Delhi in April 2007. The People's Republic of Afghanistan joined as the new member of SAARC. China, Japan, United States and European Union joined SAARC as observers. The importance of connectivity was emphasized. The Heads of State or Government directed the Inter-Governmental Group on Transport to identify and develop sub-regional and regional projects based on the prioritized recommendations of the SAARC Regional Multimodal Transport Study (SRMTS) [www.adb.org/Documents/TARs/REG/tar-oth-38459.pdf] and to develop appropriate regional agreements. The first Energy dialogue was initiated in March 2007 in Delhi. The year 2007 was declared as the year of Green South Asia. Member countries welcomed the ratification of SAFTA. [<http://www.saarctourism.org/fourteenth-saarc-summit.html>]
- The fifteenth SAARC summit was held in Colombo in August 2008. It was decided that each country needs to take the lead on a sub-regional/regional project. Effective and economic telecommunication connectivity was emphasized. Regional grid, pipeline and development and harnessing of regional hydro power potential were stressed. The need to gradually implement the SAARC Multi Modal Transport Network was emphasized. [http://www.priu.gov.lk/SAARC2008/colombo_declaration.html]
- The sixteenth SAARC Summit which incidentally comes in the twenty-fifth year of the association's existence is being held in Thimpu on April 28-29, 2010. Bhutan is hosting a SAARC summit for the first time. The theme of this year's summit is climate change and is titled "Towards Green and Happy South Asia". The Summit is set to sign two agreements on Environment and Trade in services.

Some of the major areas of cooperation are:

- Terrorism
- Economic cooperation
- Cooperation on social issues
- Cooperation on energy and environment
- Cooperation on connectivity

Cooperation on Terrorism

The SAARC Convention on Terrorism was signed in 1987 and later the Additional Protocol on Terrorism was signed taking into account the terrorist financing structure. This was in accordance with UN Security Council Resolution 1373. (For SAARC Convention on Terrorism, see http://www.ciaonet.org/cbr/cbr00/video/cbr_ctd/cbr_ctd_36.html)

The Additional Protocol on Terrorism was adopted in 2005 after much debate and discussion on the definition of terrorism. In spite of these two important documents on terrorism there has not been much enthusiasm to cooperate on issues of terrorist violence and funding between the member countries. Cooperation has been confined to bilateral initiatives. [www.saarc-sec.org/download.php?id=2]

Economic Cooperation

SAPTA

With the collapse of the Soviet Union economic issues gained greater prominence in the security discourse. SAARC member states also realized that time is ripe for the organization to take up the issue of economic cooperation with the framework of regional cooperation. In 1991 the Committee for Economic Cooperation was set up. The framework agreement for the SAARC Preferential Trading Arrangement (SAPTA) was finalized in 1993 and operationalised in December 1995. [<http://www.worldtradelaw.net/fta/agreements/saptafta.pdf>]

SAFTA was operationalised from January 1, 2006. This Agreement provides for a phased tariff liberalization programme (TLP). The non-LDCs would bring down tariffs to 20 per cent, while LDCs will bring them down to 30 per cent. Non-LDCs will then bring down tariffs from 20 per cent to 0-5 per cent in 5 years (Sri Lanka in 6 years), while LDCs will do so in 8 years. NLDCs will reduce their tariffs for LDC products to 0-5 per cent in 3 years. [<http://commerce.nic.in/trade/safta.pdf>]

SAARC Disaster Management Centre

The SAARC Disaster Management Centre (SDMC) was set up in October 2006. Its prime objective is to provide policy advice and facilitate 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://www.saarc-sec.org>]

SAARC Energy Centre

The SAARC Energy Centre was established on March 1, 2006 in Islamabad. It is envisioned to be a catalyst for economic growth and development of the South Asia Region. By initiating, coordinating and facilitating regional, joint and collective activities on energy, the centre is envisaged to provide technical inputs for the SAARC working group on energy and help in the integration of regional energy strategies by providing relevant information, state of the art technology and expertise. The German Federal Ministry for Economic Cooperation and Development (BMZ) proposed to support activities for capacity building and strengthening of the SAARC Energy Centre.

SAARC Development Fund

The SAARC Development Fund (SDF) was conceptualised to provide financial assistance for economic, social and infrastructure development of SAARC Member Countries. The agreement was signed at the 15th SAARC Summit at Colombo in August 2008. As per Articles 3 and 7 of the SAARC charter, SDF would mobilize and generate funds from both within and outside the SAARC region. SDF is also mandated to mobilize funds through Public Private Partnerships. [http://www.slmfa.gov.lk/saarc/images/stories/saarc/FINALIZED_By-Laws_of%20SDF_31_July_2008.pdf]

SAARC nations have established three windows - Social, Economic and Infrastructure - to work on projects under these heads in the region. Each country is supposed to contribute funds for these projects both voluntarily and as per the assessed share of each. The Fund carries out the functions of the Charter in the following ways:

1. by making or participating in direct loans.
2. by managing its idle funds in a beneficial and prudent manner.
3. by guaranteeing in whole or in parts, loans of economic development or serving other objectives of the fund, participated in by the funds.
4. by facilitating access to domestic and international capital markets by institutions and enterprises through the provision of guarantees where other means of financing are not appropriate, and through financing advice and other forms of assistance.
5. by deploying other resources in accordance with the agreements determining their use; and,
6. by or through such financial instruments such as Governing Council may decide.

SAARC Connectivity

Connectivity has been an important issue for member countries. It is realized that to achieve optimum economic growth and to boost trade within the region connectivity would be of critical importance. At the 14th SAARC summit Indian Prime Minister Manmohan Singh emphasized the importance of this issue in his speech. Transport connectivity which was proposed to be finalized by the sixteenth SAARC summit was postponed as Pakistan needed time for further consultation.

South Asia University

The main campus of the South Asia University is located in New Delhi and regional campuses will be established in other member countries. An expert group to finalise the modalities of the University met in May 2007. Six inter-government Steering Committee Meetings have already taken place. The University is scheduled to commence its first academic session in August 2010.

Major Regional Centres of SAARC:

SAARC Secretariat, Kathmandu, Nepal

SAARC Agricultural Information Centre, Dhaka, Bangladesh

SAARC Energy Centre, Islamabad, Pakistan

SAARC Tuberculosis Centre, Nepal

SAARC Centre for Human Resource Development, Pakistan

SAARC Terrorist Offences Monitoring Desk (STOMD), Colombo, Sri Lanka

SAARC Drug Offences Monitoring Desk (SDOMD), Colombo, Sri Lanka

SAARC Documentation Centre, New Delhi, India