

Indian Diplomacy At Work

SAARC



DEEPER INTEGRATION
FOR
PEACE & PROSPERITY

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As per SAARC Charter (1985), the fundamental objective of SAARC is “to promote the welfare of the peoples of South Asia and to improve their quality of life”.

The SAARC Charter stipulates that decisions at all SAARC fora are taken on the basis of unanimity; bilateral and contentious issues are explicitly excluded from its deliberations and cooperation is based on sovereign equality, territorial integrity, political independence and non-interference in internal affairs.

SAARC aims to channelize the aspirations of the people of South Asia through its multi-faceted institutions, projects and processes in various areas such as trade, finance, economic integration, security, environment, education, culture, agriculture, connectivity, science & technology and social development.

Over the past few years, new regional institutions have been created under SAARC, such as the SAARC Development Fund (SDF) in Thimphu, South Asian University (SAU) in New Delhi, and SAARC Arbitration Council (SARCO) in Islamabad, SAARC Regional Standards Organisation (SARSO) in Dhaka.

South Asian Free Trade Area (SAFTA) Agreement signed in 2004, envisages eventual zero customs duty on virtually all products traded within South Asian region. Phased reduction of customs duties has been negotiated over time. In Phase I, each member country effected the 20% mandatory reduction in the number of items on its Sensitive List. Phase-II reduction has been almost completed.

The cumulative figure of intra-SAARC trade flows under SAFTA has crossed US\$ 2.9 billion during 2013-2014. Currently, trade under SAFTA accounts for only around 10% of the total regional trade because bilateral FTAs offer greater concessions amongst SAARC countries. India's trade with South Asia accounts for 5 % of its global trade.

SAARC Agreement on Trade in Services (SATIS) came into force in December 2012. The Agreement provides for expanding intra-regional investments, trade liberalization in the services sector, etc. The 5 Least Developed Countries in the region namely Afghanistan, Bangladesh, Bhutan, Maldives and Nepal, are accorded special and differential treatment, commensurate with their developmental needs. Trade in Services is to commence after Schedules of Specific Commitments are finalised. So far, only Bangladesh, Bhutan and India have prepared their final schedules of commitments; other countries are working out their schedules and necessary clearances.

India's proactive, asymmetrical and non-reciprocal approach to stimulate and sustain cooperative projects of SAARC has been a transformative factor in enhancing the effectiveness of SAARC.

South Asian University (SAU) offered by India is fully functional from its temporary campus at Akbar Bhawan in New Delhi. SAU has 437 students in 7 Masters and Doctoral courses and 56 faculty members on its rolls.

India, in addition to its assessed annual contribution, made a voluntary contribution of US \$ 100 million, to the SAARC Development Fund (SDF), for projects under the social window. Currently, 9 social development projects of SDF are at various stages of implementation. SDF is taking initiatives to operationalize its Economic and Infrastructure Development windows.

SAARC Motor Vehicles Agreement and the SAARC Railways Agreement were endorsed by the Inter-Governmental Group on Transport (IGGT) meeting held in New Delhi on 30 September 2014. India has proposed negotiating a Regional Air Services Agreement.



Hon'ble Prime Minister, Shri Narendra Modi, along with SAARC leaders at the 18th SAARC Summit, in Kathmandu, Nepal

The 18th SAARC Summit took place from 26th to 27th November 2014 at Kathmandu, Nepal. The theme of the summit was **deeper integration for peace and prosperity**. The 18th SAARC Summit took place three years after the 17th Summit at Addu in the Maldives in November, 2011. Maldives handed over the chair of SAARC to Nepal.

The Summit was an opportunity for the leaders of all SAARC countries to meet together and review progress as well as discuss future orientation.

In the six months since the new government took office in India, there has been a constant emphasis on the importance of the South Asian region and India's abiding desire to deepen and strengthening interactions with all neighbouring countries. The invitation by Prime Minister Modi to all seven SAARC leaders, which they were gracious enough to accept at short notice, was a very early sign of the importance attached to the region and to SAARC.

Trade, connectivity and economic cooperation with fellow SAARC countries has grown considerably. For instance with Bangladesh. India and Nepal have started a new era of cooperation in energy through the signing of three agreements in recent months which, when implemented, would generate a great deal of energy for trade between India and Nepal. Similarly with Bhutan, cooperation in hydroelectric power projects is already strong and growing increasingly. There is a Free Trade Agreement with Sri Lanka and a close economic and commercial relationship with the Maldives which India supplies with over 97% of its day-to-day requirements of essential commodities.

During his visit to the Summit, Prime Minister, Shri Narendra Modi again emphasised that interaction with South Asian neighbours was a diplomatic priority for him.

“ The future I dream for India is the future I wish for our entire region ”



Prime Minister Shri Narendra Modi addressing the Inaugural Session of 18th SAARC Summit.

“A prosperous SAARC needs the strong foundation of a secure South Asia .If we are sensitive to each other`s security, and the lives of our people, we will deepen friendships, spur cooperation and advance stability in our region.”



**“There is a new awakening in South Asia;
a new recognition of inter-linked destinies; and,
a new belief in shared opportunities.**

**The bonds will grow.
Through SAARC or outside it.
Among us all or some of us.**

**We can all choose our paths to our destinations. But, when we
join our hands and walk in step, the path becomes easier, the
journey quicker and the destination closer.”**

ELEMENTS OF SAARC ENGAGEMENTS

On 26 November, while noting that the theme of 18th SAARC Summit was “*Deeper Regional Integration for Peace and Prosperity*”, PM said “*For India, our vision for the region rests on five pillars – trade, investment, assistance, cooperation in every area, contacts between our people – and, all through seamless connectivity. This is the call of our times*”. During the course of his speech, PM made the following announcements:

Infrastructure

To set up a Special Purpose Facility in India to finance infrastructure projects in our region that enhances regional connectivity and trade.

Business and Economy

India to give business visa for 3-5 years for citizens of SAARC nations.

For ‘ease of doing business’, PM also proposed the idea of a ‘SAARC Business Traveler Card’.

Trade

India to work towards a ‘sustainable’ trade balance with SAARC member states. India has given five South Asian partners duty free access to 99.7% of their goods and is “prepared to do more with others”.

Economic Assistance

Over the past decade; India has provided economic assistance of nearly US\$ 8 billion to its South Asian neighbours.

Energy

The entire region should consciously encourage the use of solar energy and micro grids to quickly provide clean power to villages across the region.

Health

India will meet the shortfall in funds to establish the SAARC Regional Supra Reference Laboratory for TB and HIV.

To offer the five-in-one vaccine for the children of South Asia.

To support monitoring and surveillance of polio-free countries, and provide vaccines where it might reappear.

For those coming to India for medical treatment, India will provide immediate medical visa for the patient and an attendant.

Education

SAARC University being set-up in Delhi will also have partnerships with at least one university from each SAARC country.

India to connect all South Asian students through online course and E-libraries. India's National Knowledge Network, once operational, will be extended to the

entire SAARC region.

Space technology

India plans to launch its SAARC satellite by the time of SAARC Day in 2016. This satellite will provide services for the entire SAARC region in areas like education, telemedicine, disaster response, resource management, weather forecasting and communication.

India will also host a conference in India for all South Asian partners next year, to strengthen our collective ability to apply space technology in economic development and governance.

Kathmandu Declaration– After interactions between the leaders at the SAARC retreat, 27th November –the concluding day of the SAARC Summit, saw the release of the ‘Kathmandu Declaration’. The significant elements of the declaration were:

Agreement on power co-operation in the electricity sector was a major take-away from the Summit.

The Transport Ministers of the member states will meet within three months to take forward the discussions on the two pending agreements on waterways and railways.
