

## **REPORT - EIAS LUNCH BRIEFING**

### **The 16th SAARC Summit**

*21 June 2010, 12:30-14:30*

*EIAS, Brussels*

The European Institute for Asian Studies hosted a lunch briefing on 21st June 2010 on the 16<sup>th</sup> Summit Meeting of the South Asian Association for Regional Cooperation (SAARC) Summit, which was held in Thimphu, Bhutan on 28-29 April of this SAARC's Silver Jubilee year. SAARC, which was established between Bangladesh, Bhutan, India, the Maldives, Nepal, Pakistan and Sri Lanka, in 1985, engages in several areas of cooperation with the key objective to develop the region on the economic and social level. Ten years after the founding of the organization (SAARC), a preferential trade agreement (SAPTA) was concluded between its members, which eventually led to the adoption of the South Asian Free Trade Agreement (SAFTA) in 2004. More recently, Afghanistan was admitted as SAARC's eighth member and the SAARC members together represent one-fifth of humanity. There is a rotating presidency, in which each country holds the chair between Summits. The last presidency was held by Sri Lanka, whereas Bhutan has taken over the Chair since the Thimphu Summit. The main goal of the lunch briefing was to discuss developments since the previous Summit in Colombo and the outcome of the latest meeting in Bhutan, as well as the future prospects for SAARC and its relations with the EU.

SAARC is moving forward but not without difficulty. SAARC is barely comparable to the EU, since it does not have the same degree of economic integration, nor is it comparable to ASEAN with its political harmony. SAARC operates on the basis of unanimity and attempts are made to move forward where agreement is possible. Changes of governments among member countries have not made any significant difference to this. In 1987, SAARC was able to adopt a Convention on the Suppression of Terrorism, which showed that it could tackle important political issues. The SAARC position on terrorism had been updated since, including at the 15<sup>th</sup> Summit in Colombo. In economic matters, despite SAPTA and SAFTA, trade within the South Asian region was a tiny 5%, compared to 25% within ASEAN. However, there had also been several bilateral or sub-regional arrangements, such as the Indo-Sri Lanka Free Trade Agreement, under which bilateral trade had increased tenfold in ten years. Bhutan also had an FTA with India. In addition, bodies like the SAARC Chamber of Commerce helped to foster intra-regional business contacts. Another positive aspect had been the growth of people-to-people contacts and the establishment of a number of SAARC-wide organisations, which had helped to foster a sense of unity. Internationally, SAARC had made progress in speaking with one voice in international fora, particularly at the UN and a number of Observers had been admitted to the SAARC Summit meetings. Of these, Japan was especially interested in investment prospects and the US followed developments closely. However, it was felt that the EU did not take SAARC seriously enough.

The 16<sup>th</sup> Summit meeting, the first one held in Thimphu, Bhutan, concentrated on the key role of climate change issues, which particularly affected the mountainous and island member countries. The leaders adopted the Thimphu Statement on Climate Change. The SAARC

countries, which bore little of the blame for climate change, would have to shoulder much of the burden. An inter-governmental group on climate change will be set up, studies will be made on low carbon economies and renewable energies and 10 million trees will be planted. The Summit also discussed Bhutan's concept of "Gross National Happiness", putting the emphasis on people-centric development. The Gross National Happiness (GNH) measures basically the populations' development, including preserving traditional values, pursuing socio-cultural diversity, providing better environment for the population and better governance. The summit concluded with a special Thimphu protocol on climate change

During the open discussion, the following points were underlined about SAARC. It was necessary that bilateral political issues continue to be discussed bilaterally. It would not be possible, for example, to raise the problem of Afghanistan in a SAARC forum. Nevertheless, SAARC provided President Karsai with the opportunity to have bilateral dealings with his Indian and Pakistani colleagues. Moreover, progress was being made regarding business complementarity, trade in services and the environment. There was also a study on "inter-connectivity", a draft Regional Transport and Transit Agreement and work on multilateral railway development. The decision at the Thimphu Summit to recommend the convening of a "Conclave of SAARC Parliamentarians" should be seen as part of the development of people-to-people contacts, in the same way that the Summit Leaders also now organised informal "retreats". Despite this, economic integration remained limited, as compared to East Asia, which had shown more positive cooperation. Finally, it was noted that, since its foundation, SAARC, had undertaken numerous projects, which had made a positive difference in the member countries. Yet, SAARC, after twenty-five years, still lacks an important element, compared to other regional cooperation bodies, which is needed to build up a sustainable relationship among the member countries. Due to past conflicts in South Asia (particularly those between India and Pakistan), the limitations of mutual trust between some of the member countries has had a major role in determining the nature of SAARC today.