

**Opening comments by H.E. Mr Tariq Fatemi, Ambassador of Pakistan to the European Union, on behalf of the Chair of the South Asian Association for Regional Cooperation (SAARC)**

Let me at the very outset thank the European Institute of Asian Studies for the initiative it has taken to organize this session to discuss the outcomes and implications of the recently concluded SAARC Summit in Islamabad. I am also grateful to my colleagues from other SAARC countries for taking the time to join me at the Institute, for what I expect should be a most comprehensive and fruitful session. Let me also state that I look forward to a lively exchange with members of the audience, after our presentations.

Let me recall that the 12<sup>th</sup> SAARC Summit, held in Islamabad from 4 to 6 January 2004, with Heads of State or Government of all member countries in attendance, came at the end of a year long wait. Even in the weeks preceding it, there had been considerable speculation regarding various aspects of the Summit.

The Summit was ground-breaking on two fronts. On the bilateral front, the meeting of the South Asian family provided the perfect backdrop for a warm and productive dialogue between [Pakistan] President Pervez Musharraf and [Indian] Prime Minister Atal Bihari Vajpayee, at the conclusion of which the two sides agreed on the resumption of a 'Composite Dialogue', leading 'to peaceful settlement of all bilateral issues, including Jammu and Kashmir, to the satisfaction of both sides'. On the multilateral front, the *Framework Agreement on South Asian Free Trade Area* and the *SAARC Social Charter* were signed.

The Summit was made possible due to the proactive initiatives taken by the leadership of both Pakistan and India in the months preceding it. This helped create the right kind of atmosphere for holding of a successful Summit. The announcement of a unilateral ceasefire across the Line of Control, unilateral resumption of over flights and a number of Confidence Building Measures, including enhancing people-to-people contacts and efforts to improve communication links, were some of the steps by Pakistan, that created

the synergies that culminated in the Summit and the agreement to start a dialogue.

It must be recognized that India and Pakistan are the two major players in the region and any success of SAARC has to be based on the settlement of all outstanding issues between the two countries. This may not be the ideal situation, but it is a reality. The atmospherics, therefore, gain all the more importance in this context.

### *The Twelfth SAARC Summit*

Coming to the Summit itself, it was truly historic as all the leaders gave clear evidence that they were focused and determined to work together to promote the objectives that are needed to help usher in peace, progress and prosperity of their peoples. They were conscious of the growing inter-dependence within and amongst nations and regions, in an increasingly globalized world and were guided by the vision of a peaceful and prosperous South Asia. There was a realization that across a region that covers a vast expanse of land and water, with a multi-lingual and multi-faith population of over a billion and a half predominantly poor people, peace and progress must and should remain their greatest expectation. There was also a realization that we need to take a holistic approach that encompasses the entire spectrum of inter-state relations in South Asia. Politics may be divorced from economics, but the imperatives of geo-economics can no longer be ignored either.

The major outcomes of the Summit are summarized in the *Islamabad Declaration*, adopted by the Summit. I would venture to briefly touch upon its most notable achievements:

- The signing of the *Framework Agreement on South Asian Free Trade Area (SAFTA)* was a major milestone. Under the Agreement, trade tariffs between member states would be reduced by the beginning of 2006, paving way for increased intra-regional trade.
- The signing of the *SAARC Social Charter* is another momentous development.

The ten-point Charter requires the signatories to take legislative, executive and administrative measures for the social uplift of their peoples. It also binds the member states to share and review implementation strategies of their respective socio-economic uplift plans in the fields of education, health, human resource development, poverty alleviation, women development, youth mobilization, population stabilization, drug rehabilitation and reintegration of minorities and migrant programmes. The Charter aims at bringing the much needed social change in the living conditions of South Asians, over 30 percent of whom live below the poverty line.

- There was recognition that poverty alleviation was the greatest challenge facing the people of the South Asian region. It was, therefore, decided to declare poverty alleviation as the overarching goal of all SAARC activities. Provision of basic needs, promotion of literacy and healthcare were recognized as regional priorities. The *Plan of Action on Poverty Alleviation*, prepared by the SAARC Ministers of Finance and Planning was adopted. This *Plan of Action* provides a concrete macro framework for national and regional efforts to address all issues related to poverty in a meaningful manner.
- The leaders agreed that a study on South Asian Energy Cooperation, including the concept of an Energy Ring needed to be undertaken by the Working Group on Energy.
- The Declaration reiterates the commitment to the creation of a South Asian Economic Union. The Summit also underlined that creation of a suitable political and economic environment would be fundamental to the realization of this objective.
- The importance of people-to-people contacts has been realized and, in this context, strengthening of transport, transit and communication links has also been stressed.
- Member-states agreed to look closely at the prospects of setting up a South Asian Development Bank.
- The year 2004 was declared as SAARC Awareness year in order to promote awareness of and prevention from HIV/AIDS, tuberculosis and other serious

communicable diseases.

- It was also recognized that strengthening of scientific and technological cooperation across the region was fundamental to accelerating the pace of economic and social development.
- The importance of undertaking regional cooperation in conservation of water resources, environment, pollution prevention and preparedness to deal with natural calamities was realized. Effective implementation of the SAARC *Environmental Plan of Action* was stressed upon in this context.
- Realizing that terrorism was a major threat facing the region as well as the world, the Summit categorically condemned terrorist violence, in all its forms and manifestations. The signing of the *Additional Protocol to the SAARC Regional Convention on Combating Terrorism*, that deals with financing of terrorism, was a further manifestation of the Summit's commitment to eliminate terrorism from South Asia.
- The Declaration envisages South Asia to be a peaceful and stable region, where each nation is at peace with itself, as well as with its neighbours, and where conflicts, differences and disputes are settled through peaceful means and dialogue.

### *The future prospects of SAARC*

Let us now turn our attention to the future prospects of SAARC. It goes without saying that a strong SAARC is an investment for peace in the region, as greater interaction would help to preempt differences becoming grave issues that threaten peace. Although the Association's Charter does not allow for [the] raising of bilateral disputes at its meetings, it still has the potential of acting as a peace broker. This added role to resolve regional problems, with the consent of the concerned parties, could go a long way towards making SAARC as active politically, as it is becoming economically. There seems to be a realization that SAARC should not be subject to the volatility of the Subcontinent—rather it should itself prove a stabilizing element to bilateral relationships.

Admittedly, the history of SAARC has been high on promise and low on delivery. To change the organization into a more vibrant and result oriented body, we need to overcome our differences and disputes and create a climate of mutual trust and confidence. With the concrete steps envisaged in the *Social Charter*, SAFTA and the *Additional Protocol on Terrorism*, these goals appear achievable. SAARC needs to become a dynamic organization, on lines similar to the EU and ASEAN. The political will to do so appears forthcoming now, and it augurs well for the future of the organization.

The question of South Asian Economic Union and creation of a single currency, though touched upon during the Summit, appear somewhat premature. A better integrated trading system, allowing free movement of goods and people, and better transport and communication links, that are pre-requisites for an economic or a monetary union, are still missing. The decision to make SAFTA operational in just four years time is courageous and most commendable. A beginning has been made with SAFTA, and one hopes that the process would be brought to fruition in its true spirit.

Any discussion of the SAARC Summit would be incomplete, without mentioning the understanding reached between Pakistan and India, at its sidelines. Although technically not a part of the Summit, it was the Summit's biggest story. This is precisely the reason such regional summits are so important—they provide the leaders with an opportunity to come together without pressures that accompany a bilateral summit. This freedom provides an atmosphere conducive to major developments. It also gives credence to the theory that whatever the level of hostility, dialogue and personal contact always remain important. Prime Minister Vajpayee demonstrated statesmanship when he agreed to turn the 'courtesy calls' into substantive meetings and then to the language of a statement that confirms resumption of the composite dialogue, on all issues, including Kashmir. We now look forward to the process actually starting a meaningful and result-oriented dialogue that can lead to the settlement of all outstanding issues between India and Pakistan.

The most sensitive aspect to be considered by both sides is that the people of Kashmir must not be ignored, or sidelined, at any cost as they are the final arbiters of their destiny. An imposed decision will not be acceptable to the Kashmiri people and their inclusion in the peace process is at the root of a lasting peace in the subcontinent

In conclusion, what needs to be recognized is that the absence of conflicts and the beginning of normal relations among the seven states are the minimum, not the maximum, expectation of the people of the region. Ideally, friendship among them is a prior requirement, to enable and sustain friendly cooperation among the SAARC member governments. South Asia, home to one-fifth of humanity, is currently out of step with other regions of the world that were able to transcend their differences and disputes, and embark on a steady course to economic growth and development. Our region also has immense resources. By building the right synergy in our national endeavours, we could also put our region on the path to economic development.

The Summit has had its fair share of skeptics—some saying that it would be a failure, while others going to the extent of pronouncing that it would not even be held. Patience, perseverance and statesmanship prevailed in the end. It has been hailed as a success by everyone. Yet it must not be forgotten, that in spite of all the euphoria, it is no more than a first step towards economic cooperation, peace and prosperity. The biggest challenge for the SAARC leadership now is to implement the understandings reached in Islamabad. Otherwise, the future of SAARC would not be any different from the past and the region will continue to experience discord, poverty, under-development, illiteracy and other social ills. Coming out of the Summit, however, the hopes of the 1.6 billion people are high and the world too is expecting, a more prosperous and peaceful future for the region. The true significance of the Summit was the delineation of a future-oriented road map for SAARC that, if implemented, will finally place the region on the track to peace, growth and development.