



**Reframing South Asian  
Regional Cooperation  
in the New Context**  
*National and Global Dimensions*  
4-5 November 2023, Dhaka, Bangladesh



Plenary Session 1

**State of Regional Cooperation in South Asia**  
***Revisiting Group of Eminent Persons (GEP) report, New Context, Challenges, and Opportunities***

Saturday, 4 November 2023 | 12:00 pm – 1.30 pm

Venue: Grand Ballroom, Sheraton Dhaka

**Chair:** *Professor Mustafizur Rahman*, Distinguished Fellow  
Centre for Policy Dialogue (CPD), Bangladesh

It was at the 9<sup>th</sup> SAARC Summit in Male, held in May 1997, that a decision was taken to establish a *Group of Eminent Persons (GEP)* to ‘identify’ measures including mechanisms to further vitalise and enhance the effectiveness of SAARC in achieving its objectives. The Summit declaration also stated that the GEP may develop a long-range vision and formulate a Perspective Plan of Actions including a SAARC Agenda for 2000 and beyond that will spell out the targets that can and must be achieved by the year 2020.’

In line with the aforesaid directive, the GEP prepared a report titled *SAARC Vision Beyond The Year 2000*. The report articulated some of the ‘major achievements of SAARC’ till then, and took note of the ‘supportive political dimensions’, at the same time noting the ‘limitation of the SAARC process’. The Report then presented ‘A Vision for SAARC to the Year 2000 and Beyond’.

The GEP Vision comes with the following recommendations: Establishing a Free Trade Area (SAFTA) by 2008 (2010 for LDCs), a South Asian Customs Union (SACU), preferably by 2015, and South Asian Economic Union (SAEU) by 2020. All tariff and non-tariff barriers were to be eliminated; trade transport and investment facilitation measures would be taken to deepen horizontal cooperation and vertical integration; a South Asian Development Bank was to be established; and macroeconomic policy coordination in areas of common currency and labour market policies was to be undertaken in moving towards the SAEU. In undertaking these initiatives, specific concerns of the LDCs were to be addressed by pursuing a *two-track modality of implementation of decisions* through slower pace of trade liberalisation and other measures, in case of the three LDC members of the SAARC. Plans were to be chalked out and measures taken towards Poverty Eradication, Gender Empowerment, Human Resource Development, Energy Cooperation, Cultural Development and Environment Security. A SAARC Social Charter was to be drawn up.

However, this is near the end of 2023, and the aspirations of the GEP have not only not materialised, but there has been backsliding in many areas. True, following the submission of the Report, the Agreement to establish the SAFTA was inked in 2004, which came into force in January 2006. Some other positive developments also did take place.

However, since then, developments have slowed down in recent years and the SAARC process has become dysfunctional. Implementation of the SAFTA proved to be difficult. Most other proposed initiatives in the GEP report have stalled. Bilateral and Plurilateral initiatives have replaced the SAARC process and SAARC-wide measures. Five SAARC countries which are members of the BIMSTEC are showing more interest in the BIMSTEC and the BIMSTEC – FTA. New dynamics and new dimensions of cooperation are in motion in the South Asia SAARC region, in the neighbourhood and globally.

In view of the above, the session will focus on, going forward, what are lessons to be learned by taking the GEP report as a reference point, how the emerging challenges could be addressed, and opportunities of cooperation can be reaped in view of the new contexts and new realities.

### **Guiding Questions for the Panellists**

Q1) **Ambassador Farooq Sobhan:** Can you please help us understand what motivated the GEP to come up with such an ambitious proposal? Was it a reflection of their aspirations, or were there adequate justifications for it? Was it practical and realistic? There was perhaps political goodwill but not political buy in for the GEP proposals by SAARC leaders? What is your assessment.

Q2) **Dr Nagesh Kumar:** What lessons should we draw from the GEP experience? Looking back should the GEP have taken a different route? Less ambitious perhaps but more pragmatic, practicable and manageable? Or SAARC political leaders have failed to meet people's aspirations, and that was the main problem?

Q3) **Mr Abdul Ghufan Memon:** We know that the SAARC Process is now almost dysfunctional. Is there any opportunity to revive the SAARC Summit process given the new geo-economics, geopolitics, with Pakistan looking east-ward and India being more interested in BIMSTEC? What needs to be done in going forward?

Q4) **Ms Irosha Cooray:** SAFTA Agreement came into force in 2006. SAARC Arbitration Council (SARCO in Pakistan), SAARC Development Fund (SDF in Bhutan), South Asian Regional Standards Organization (SARSO in Bangladesh); and South Asian University (SAU in India) have been put in place. True, the last Summit was held in 2014 in Nepal and since then SAARC Heads of Government have not met, but some of the initiatives mentioned above are in place and working. Is there any future for the SAARC? Can the process be revived? What can be done in this backdrop?

Q5) **Dr Posh Raj Pandey:** We are seeing many bilateral and sub-regional initiatives in South Asia, bypassing the SAARC process. Should these be the way forward, rather than taking SAARC as the reference point? Can these serve as building blocks for reviving SAARC in the near future?

Q6) **Ms Mandakini Kaul:** The World Bank is a key development partner of many of the South Asian countries. In recent times, the Bank is taking an increasingly greater interest in cross-border projects in South Asia. How can World Bank contribute to deepening cooperation among South Asian countries in view of the emerging opportunities? Can the Bank play a catalytic role in deepening South-Asia wide cooperation?