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INSTITUTIONAL CAPACITY BUILDING AND EXPANSION OF SAARC

Abstract

Over the years, SAARC activities have considerably increased and diversified. The new and emerging areas of SAARC cooperation necessitate a thorough review of the situation in order to enable the SAARC Secretariat to carry out its growing responsibility effectively. A balanced course of action is suggested by most, wherein necessary authority is extended to the Secretariat and a corresponding sense of responsibility is also ingrained in them. The creation of a Core Group consisting of immediate past chairs, current chair, the next chair and the Secretary General as an informal arrangement may also help in speedier implementation. There is a viewpoint that having Afghanistan into SAARC will open a new window of opportunity for SAARC's resilience and further innovation towards additional avenues for sub-regional co-operation as well as engineering inter-regional co-operation.

The SAARC (South Asian Association for Regional Co-operation) is an Association based on the consciousness that in an increasingly interdependent world, the objectives of peace, freedom, social justice and economic prosperity are best achieved in the South

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Asian region by fostering mutual understanding, good neighbourly relations and meaningful cooperation among the Member States which are bound by ties of history and culture. The progress of the organization has largely been conditioned by political atmospherics in the region. However, the 12th SAARC Summit held in Islamabad reflects a positive turn of events. It seems that South Asia is rediscovering itself. The South Asian countries are discovering their own potential for tremendous growth – a growth that can rival or even outstrip that in other regions of the world. India, Pakistan, Sri Lanka, Bhutan, Nepal, Maldives and Bangladesh, all of whom have a common heritage, have now belatedly learnt that they have a world to win if they stayed together. While there is some room for optimism because of this turn of events, one area that needs to be taken up in right earnest is the institutional strengthening of SAARC so as to be able to meet the increasing challenges of the coming decade.

The purpose of the present paper is to examine the questions of institutional capacity building of the organization and expansion of its membership. At the outset, some observations on the achievements of the recently held 12th SAARC Summit are in order.

The 12th Summit

The 12th SAARC summit was a major stepping-stone in the attainment of the progress that South Asia aspires for. It was a turning point in the history of South Asia. The members of the SAARC have realised that it was high time they buried the differences of the past. The leaderships of both Pakistan and India deserve credit for the lot of spadework that was done behind the scenes in order to secure tangible results at the summit. It had been a characteristic of all the SAARC summits that they were overshadowed by the “cold war” between the two big countries, reducing the SAARC to a non-starter. But this year’s Islamabad

meeting saw an entirely new beginning. Addressing the opening session, India's former Prime Minister Atal Bihari Vajpayee said,

We have to change South Asia's image and standing in the world. We must make the bold transition from mistrust to trust, from discord to concord, and from tension to peace. The bonds of religion, language, ethnicity and culture which hold us together as a South Asian family are far more enduring than the relatively recent barriers of political prejudice that we have erected. We should renew those bonds to jointly overcome poverty, disease and hunger.²

Apart from the summit declaration, known as Islamabad Declaration, three landmark agreements were signed: the SAFTA agreement, the Social Charter and the Additional Protocol on Prevention and Suppression of Terrorism in South Asia. The Islamabad Declaration contained the roadmap for South Asian Cooperation and has historic significance. It has taken a definite step forward in the strengthening of the SAARC Secretariat. It states that,

We agree to strengthen the capacity of the SAARC Secretariat. In this regard, a Committee comprising of a Member from each Member State should meet soon and submit its recommendations within three months for consideration of the next session of the Council of Ministers. The Secretary General would coordinate the work of the Inter-Governmental Committee. Pending implementation of the recommendations of the proposed Committee, a Poverty Alleviation Cell at the Secretariat should start functioning with a view to following up the Summit decisions on poverty alleviation.³

² See, *IPRI Factfile*, Special Issue on "Twenty Years of SAARC, 1985-2004", Islamabad Policy Research Institute, Islamabad, Vol. V, No. 12 & 1, December 2003-January 2004: 122-26.

³ *Ibid.*: 109-12

The Present Institutional Framework of SAARC

The SAARC Charter provides for the following institutional mechanism to carry out its objectives:

-The Summit, which is the annual meeting of the Heads of State and Governments who are the highest authority of the Association.

-The Council of Ministers, comprising the Foreign Ministers of member states, which is responsible for formulating policies, reviewing progress, deciding on new areas of cooperation, establishing additional mechanism as deemed necessary, and deciding on other matters of general interest to the Association. The Council is expected to meet twice a year and may also meet in extraordinary sessions by agreement of member states.

-The Standing Committee, comprising the Foreign Secretaries of member states, is entrusted with the task of overall monitoring and coordination of programmes; approving of projects and programmes, and modalities of financing; determining inter-sectoral priorities; mobilising regional and external resources; and identifying new areas of cooperation. It meets as often as deemed necessary and submits its reports to the Council of Ministers. The Standing Committee is authorised to set up *Action Committees* comprising member states concerned with implementation of projects involving more than two but less than seven member states.

-The Technical Committees, comprising representatives of member states, which shall be responsible for the implementation, coordination and monitoring of the programmes in the respective fields under the SAARC Integrated Programme of Action (SIPA). At present, there are seven Technical Committees functioning in the following agreed areas of cooperation:

1. Agriculture and Rural Development
2. Communications and Transport
3. Social Development
4. Environment, Meteorology and Forestry
5. Science and Technology
6. Human Resources Development
7. Energy

The Charter also provides for a Secretariat of the association. The SAARC Secretariat was established in Kathmandu on 16th January 1987. It comprises of

- The Secretary-General
- Seven Directors
- The General Service Staff

The Secretary General is appointed by the Council of Ministers upon nomination by a member state for a three-year term on the principle of rotation in alphabetical order. The Seven Directors are appointed by the Secretary-General on nomination by member states. They hold the ranks of a counselor in their respective Foreign Service. The Directors also normally serve for three years.

The General Service Staff include one support staff for each Director, Office Superintendent, Accountant, Accounts Assistant, etc. The roles of the Secretariat are to co-ordinate and monitor the implementation of the SAARC activities and serve as the channel of communication between SAARC and other international organisations.

Institutional and Financial Capacity Building of the Secretariat

Over the years, SAARC activities have considerably increased and diversified. The new and emerging areas of SAARC cooperation

necessitate a thorough review of the situation in order to enable the SAARC Secretariat to carry out its growing responsibility effectively. During the 12th SAARC Summit held at Islamabad, the seven technical committees were reconstituted and five new working groups were created. Three new SAARC regional centres are also being established, increasing the number of centres to eight. The Secretariat coordinates and monitors implementation of SAARC activities and service meetings of the association. The number of SAARC meetings has now increased considerably. The Secretariat is being called upon to shoulder increasing responsibilities with the intensification of regional cooperation. In order to effectively meet these new and emerging challenges, the Secretariat requires to be equipped with adequate human and material resources. It has become necessary to render it more dynamic and its staff more professional, focussed and attuned to the need of the time.

Various views have been put forth, regarding the improvement and the betterment of the present institutional framework of the SAARC Secretariat. Let me present some of these viewpoints and recommendations so that a meaningful and purposeful discussion can take place on the subject:

- The first and the foremost recommendation given by many intellectuals is to empower the Secretariat, which as pointed out before, has the mere role of coordinating and monitoring. There is a viewpoint that such a role of coordinating and monitoring lowers the profile of the SAARC executives who have to function under the shadows of the Summit, the Council of Ministers, Technical Committees and, not least, the SAARC Directorates/Divisions in the foreign ministries. It is noteworthy that the Secretariat is not allowed to make any functional

recommendation in any of the functional meetings. It is a closeted outfit, which on its own cannot cooperate with other regional bodies or mobilise funds for agreed regional programmes. Thus, it seems to have no initiative or incentive to be innovative or creative. It is because of such a situation that some amount of strengthening of the Secretariat is deemed to be necessary.

However, there is another viewpoint that too much empowerment of the Secretariat may lead to excessive bureaucratisation and in such a situation the decisions taken by the executives may be based only on the papers made available to them and may not be in parity with the big picture.

Thus, a balanced course of action is suggested by most, wherein necessary authority is extended to the Secretariat and a corresponding sense of responsibility is also ingrained in them. Certain measures towards this have already been taken with the Islamabad Declaration calling in for an inter-governmental committee with a nominee from each member country as mentioned earlier. Let us hope that the committee comes up with a course of action that can improve the efficiency and the efficacy of the institution.

- Another area of concern is that national priorities gain precedence over the regional priorities in the minds of the executives in the institution. According to some intellectuals this may be because of the fact that executive staff is being seconded by the respective foreign ministries. Because of such a mindset of executives, getting a proper mandate on any project becomes a cumbersome proposition. The principle of consensus has been taken to its absolute limits where, each country, even in the

technical committees is provided with the power of veto over any matter it deems fit. Thus, the intellectuals believe that though the significance of national priorities can never be neglected, the priorities of the region as a whole should also be given importance if one wishes to form a fully effective regional organisation.

- With the expansion of the activities of the Association, the work of the Secretary General has increased manifold. The workload is fast approaching a level where he may find it very difficult, if not impossible, to discharge his responsibilities effectively. In view of the above, it is felt that the Association would require a Deputy Secretary General and some other personnel both under him and under the Secretary General himself.
- For the smooth and efficient functioning by the Secretary General certain new posts of Director (SGO – Secretary General's Office), Internal Auditor and Protocol Assistant etc. may also be created.
- The deputations that are made by Foreign Ministries for the executive staff should be made according to the needs of the Secretariat. Strengthening capacity of the Secretariat should be given priority. When one witnesses the poor state of affairs in the regional centres for cooperation over science and technology, tuberculosis, human resources and agriculture, one is forced to wonder, how far have these centres succeeded in achieving their cooperative goals? The politico-bureaucratic process adopted have led to 'results' that are merely to be seen in high-decimal declarations of hopes and aspirations at the highest level, and functional mediocrity in the exchange of knowledge and experience in lower echelons, as compared to proceedings in

other multilateral forums by South Asian participants. The bureaucrats, who are deputed by the foreign ministries as Directors, may be diplomats but they may not have comprehensive knowledge, experience and expertise in subjects of technical nature. Hence, the Secretariat ends up not having the requisite professional/technical expertise to deal with the issues requiring specialised knowledge. Thus, proper and need-based deputations are necessary for increasing the working efficiency of the Secretariat, the technical committees and the regional centres. While the present system of nomination of Directors from the Foreign Ministries or the External Affairs Ministries may continue, it is felt that **Advisors** and some other personnel to assist them should be recruited in the fields in which technical committees and other specific fields like Poverty Alleviation, require specialization.

- The Secretariat may also be better off with a Public Relations Officer (PRO) to project the achievements of SAARC in the region and outside world.
- Again in view of the heightened security concerns and increase in the number of delegations visiting the Secretariat, it is necessary that Security measures be tightened.
- The SAARC Secretariat should try to foster speedier and effective implementation of the decisions and plans. It should make efforts to co-ordinate with the chairpersons of Technical Committees, Directors of SAARC Regional Centres and Chairpersons of the South Asian Development Fund (SADF) and the SAARC Food Security Reserve Board (SFSRB) immediately after the summit to develop action plans on the basis of the declarations of the summit. The creation of a Core Group

consisting of immediate past chairs, current chair, the next chair and the Secretary General as an informal arrangement may also help in speedier implementation.

The Secretariat should develop extensive networks to share their database on South Asia and to network with other institutions globally that focuses on South Asia and thus act as a primary repository of information and documentation on very specialized areas of knowledge pertaining to South Asia (e.g. laws, treaties, rules, regulations, procedures which are found to be extremely difficult to obtain as also on selected grander themes and critical functions or sectors). Its strength can be fortified through undertaking of comparative analysis of policies, programmes and procedures over critical functions and issues lying in the global agenda.

With regard to financial capacity building of the SAARC Secretariat, it would be pertinent to first state the provisions laid down in the ARTICLE IX of the SAARC Charter :

1. The contribution of each Member State towards financing of the activities of the ASSOCIATION shall be voluntary.

2. Each Technical Committee shall make recommendations for the apportionment of costs of implementing the programmes proposed by it.

3. In case sufficient financial resources cannot be mobilised within the region for funding activities of the ASSOCIATION, external financing from appropriate sources may be mobilised with the approval of or by the Standing Committee.⁴

In the present scenario, member states make provision in their national budgets for financing activities and programmes under the SAARC framework, including for their assessed contributions to the

⁴ See, *SAARC Charter*.

Secretariat Budget and those of the Regional Centres. The financial provision thus made is announced annually at the meeting of the Standing Committee. The Annual Budget of the Secretariat, both for capital as well as recurrent expenditure is shared by the member states on the basis of an agreed formula. In the case of SAARC Regional Centres, a minimum of forty percent of the institutional cost is borne by the respective host governments and all member states on the basis of an agreed formula share the balance. The capital expenditure of Regional Centres, which includes physical infrastructure, furnishing, machines, equipment etc. are normally borne by the respective host governments. Programme expenditure of regional institutions is also shared by member states according to an agreed formula. Regarding approved activities in the SAARC Calendar, local expenses including hospitality are borne by the host Government while the cost of travel is met by the sending Government. For meeting these expenses, member states make voluntary pledges every year. The initial contribution of \$100 million that India offered for the poverty alleviation programmes and projects outside India is a classic example of such voluntary funding. Moreover, funds such as the South Asian Development Fund (SADF), and the SAARC-Japan Special Fund have been established for financing the developmental projects undertaken by the SAARC.

It is to be taken into account that SAARC would have to raise its finances to meet its ever rising expenditures, including those that would be incurred in enhancing its institutional structure. Moreover, the functions of the Secretariat also have to be made more cost-effective and result-driven so that it could deliver more with less resources. There is a viewpoint that in order to enhance the financial capacity of the SAARC, the Secretariat should also be allowed to raise funds for agreed regional projects. Some amount of social

consciousness should be generated and funds should also be directly collected from the general public of the member countries in the most economical and productive possible way. One way of promoting such funding can be to enlist SAARC amongst the listed non-profit-seeking organisations in all the member countries so that the money donated into SAARC may get tax rebates. These funds collected from the public, which would act as a supplement to the funds, provided by the Governments of the member countries would considerably enhance the financial strength of the institution and help it in better discharge of its activities.

Expansion of SAARC and Reviewing of Charter

Expansion and diversification of SAARC both functionally and also in principles is perceived to be the need of the hour. There is a growing need to further rationalise SAARC activities and to make SAARC more functional and business-like. The following measures have been suggested in this context:

- SAARC should ideally try to improve and also develop its external relations. It has been doing exceedingly well in this department, a testimony to which are the various MoUs (Memorandum of Understanding) that have been signed between SAARC and other important international and regional organisations. The Twelfth Summit in Islamabad expressed determination to develop mutually beneficial links between SAARC and other regional and international organisations. Following this direction of the Summit, the Secretary General had had a number of meetings with regional and international organisations. During his meetings with these visitors, the Secretary General briefed them on the importance attached by SAARC to the promotion of dialogues and partnerships with

these organisations. It may be noted that amongst these, SAARC already has Memoranda of Understanding (MoUs) with UNDP, EU and PTB etc. while such an arrangement is being worked upon with organisations like ADB, FAO and the World Bank. It also has been cooperating with organisations like the ASEAN (Association of South East Asian Nations), UNCTAD (United Nations Conference on Trade & Development), UNCEF (United Nations Children's Fund), APT (Asia Pacific Telecommunity), ESCAP (Economic & Social Commission for Asia), UNDCP (United Nations Drug Control Programme), WHO (World Health Organisation) etc. There is a viewpoint that the level of co-operation especially with the UN agencies should increase. It has been suggested that the South Asian regional programmes of the UN agencies may be better planned, implemented and monitored if it is channelised through the SAARC Secretariat and its seven Technical Committees.

- SAARC can act as a platform through which the member countries can express their common areas of concerns into the International Forum as a supplement to their individual perspectives.
- Ties should be developed with individual Asian countries like Japan and South Korea as strategic sources of investments for infrastructure, manufacturing, tourism and financial services like banking and insurance for South Asia as a whole especially after the SAFTA agreement has been made.

It has been suggested by many that the SAARC Charter must be amended to institute a conflict resolution mechanism so as to make SAARC more effective and useful. Article X of the SAARC Charter

categorically states that, "Bilateral and contentious issues shall be excluded from the deliberations."

However, there is a viewpoint that if bilateral issues are not to be discussed then the SAARC may not move forward. According to Former Prime Minister of Pakistan Mir Zafarullah Khan Jamali, "*the idea of establishing a South Asian Economic Union or a Monetary Union in South Asia would remain distant draws, unless we are able to address the political environment our region in a just and realistic manner.*" President Musharraf had also emphasised that SAARC's failure to discuss bilateral issues is the reason why the organisation is so crippled. He had called for an amendment to the SAARC Charter for discussing bilateral issues among member countries. He said, "*The leaders of SAARC should move towards solving the disputes among the member-countries both with the objective of seeking honorable solutions with mutual respect and in the spirit of accommodation.*"⁵

Again, there are others who support the propositions of the Charter and feel that SAARC was not a forum established for talks on bilateral issues. According to them, keeping bilateral and political issues on the forefront will actually sideline the core economic and social issues, which would be relegated to the background. In such a situation, these contentious and controversial bilateral issues shall slacken the pace of discussions in the SAARC and very slow progress would take place. In this context, Mr. Atal Bihari Vajpayee at Islamabad had said, "*We have to learn appropriate lessons from the experience of other countries. After centuries of fratricidal conflicts and wars, Europe is now uniting to emerge as the world's most powerful economic grouping. Closer home, the ASEAN*

⁵ IPRI Factfile, *op.cit.*

countries have found it possible not to allow their political problems to come in the way of economic cooperation." India's recent relations with China have also revealed the fact that concentrating on economic and trade issues lead to better understanding in the long run so that the difficult political issues can be tackled later on in a much more congenial atmosphere. India and China have dramatically expanded trade, which is going to reach \$10 billion this year. This improved relationship has created conditions under which the boundary dispute can be peacefully negotiated.

Thus, according to people of this viewpoint though certain informal consultations can be made through the SAARC forum, the major bilateral issues should better not be encompassed into the SAARC portfolio and should be left to the member countries to solve bilaterally later on. This idea was reaffirmed in the Islamabad declaration, which stated:

We reaffirm our pledge to promote good neighbourly relations on the basis of the principles of sovereign equality, territorial integrity and national independence, non-use of force, non-intervention and non-interference and peaceful settlement of disputes and recognize the importance of informal political consultations in promoting mutual understanding and reinforcing confidence building process among Member States.⁶

Extension of SAARC Membership

A study of the SAARC charter brings out an important fact that, there is no definition of what exactly constitutes South Asia. Possibly it is as much a reflection of difficulties in that regard from a

⁶ *IPRI Factfile, op.cit.*

purely geographical point of view as it is to the desire of the Founding Fathers to leave a scope of expansion.

The debate over the entry of Myanmar into the SAARC was undermined with its entry into the ASEAN. However, the extension of SAARC membership and the inclusion of Afghanistan have been an area of debate especially with the entry of NATO troops into Afghanistan and with the evolving geo-economics in Central Asia. There is a viewpoint that having Afghanistan into SAARC will open a new window of opportunity for SAARC's resilience and further innovation towards additional avenues for sub-regional co-operation as well as engineering inter-regional co-operation. Diplomats said massive reconstruction and rehabilitation works in war-ravaged Afghanistan could open up opportunities for South Asian labour and construction firms.

However, even assuming that all the present members are not averse to having Afghanistan joining SAARC, knowledgeable sources argue that Kabul is not fully ready for this. Among the reasons spelt out are:

- Kabul has not, thus far, demonstrated such an interest; that it is not prepared, at this stage, to take on full responsibilities of membership; Moreover SAARC membership may not be cost effective at a time when its main focus is on domestic stabilisation and reconstruction.
- Even though only three months are to go before what could be Afghanistan's first-ever democratic election, the country remains plagued by insecurity and political repression and urgently needs more NATO support to allow for registration of voters and protection of vulnerable political actors and voting sites. *"Contrary to what was promised to the Afghan people, NATO's*

foot-dragging has contributed to a worsening security situation and major shortcomings with reconstruction”, said Sam Zarifi, Deputy Director for the Asia Division of Human Rights Watch. NATO currently has only some 6,500 troops in Afghanistan, compared with the 40,000 strong force that provided security in Kosovo, a region a tenth of the size of Afghanistan. Of NATO’s small contingent in Afghanistan, 6,200 are limited to the confines of the city of Kabul, with a significant portion dedicated to protecting European embassies. Some 200 German troops are stationed in the northern provincial city of Kunduz, generally considered one of the safest areas in the country, although Taliban sympathisers recently murdered eleven Chinese construction workers there. As Zarifi said, *“At this point, the outcome of Afghanistan’s elections and NATO’s credibility are totally intertwined,”*.

- US General James Jones said, *“There are going to be people in Afghanistan that unfortunately are going to want to make a statement before the elections. Remnants of the Taliban militia have threatened to disrupt the electoral process, while attacks against aid and reconstruction workers and against foreign and Afghan troops have increased in recent weeks.”* Overall, Jones said, *“there’s room for cautious optimism”* for Afghanistan.

In view of the above points many intellectuals opine that SAARC should also adopt a cautiously optimistic outlook towards Afghanistan. They feel that it may adopt a wait and watch policy and if everything does turn out smoothly, and if the general elections can be ultimately conducted, then it may think about the matter in the near future.

South Asia is no longer a dream, it is an opportunity, which has to be grabbed at all costs. There are many questions that remain unanswered in front of the SAARC. Will one ever see a peaceful and prosperous South Asia? Will the guns ever fall silent across the LoC? Will the smiles return on the face of the oarsmen on the Dal Lake? Will the Sikh pilgrims undertake their regular pilgrimage to Punja Saheb and Nankana Saheb in Pakistan? Will Kashmir regain its status as a tourist paradise? Will Sri Lanka be permanently relieved from the terror of the Tamil tigers? Will South Asia, as a whole be able to eliminate the menace of terrorism? Will South Asia, which once boasted of one of the greatest ancient civilisations of the world, ever be able to regain its past glory? There are also many doubts and fears that are assailing and tormenting the minds of the various intellectuals working behind SAARC. They are often caught in a dilemma in determining the course of action that they should pursue. To heave themselves out of this ocean of doubts and fears it would be advisable that they follow the mantra given by one of the greatest souls born on our sub-continent -- Mahatma Gandhi. Gandhiji had said: *"Whenever you are in doubt or when the self becomes too much with you apply the following test: Recall the face of the poorest and the weakest man whom you may have seen and ask yourself if the step you contemplate is going to be of any use to him. Will he gain anything by it? Will it restore his control over his own life and destiny? Then you will find your doubts and self melting away."* One can be rest assured that on following this talisman the equanimity in minds of the intellectuals, the political leaders, and others working behind the institution of SAARC would be restored, proper decision making would follow and South Asia would be paved on the path of peace and progress.