



Fourth
South Asia
Economic Summit

Fourth South Asia Economic Summit (SAES IV)
Global Recovery, New Risks and Sustainable Growth
Repositioning South Asia

Dhaka, Bangladesh: 22-23 October 2011

Plenary II

Towards an Inclusive Growth in South Asia:
Role of Regional Cooperation

What has been the role of SAARC in ameliorating poverty in the region ?

by

Saman Kelegama

23 October 2011



CENTRE FOR POLICY DIALOGUE (CPD)
B A N G L A D E S H
a civil society think-tank

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Saman Kelegama

www.ips.lk

Presentation to the 4th SAES, Dhaka

Poverty: A Key Theme from Early Years of SAARC

- SAARC Charter refers to poverty alleviation in terms of improving the welfare of the people and improving the quality of life (regional cooperation is desirable and necessary)
- The Integrated Programme of Action (IPA) in the early years of SAARC attached high priority to poverty alleviation (Technical Committees in Agriculture and Rural Development, Social Development, Human Resources Development, etc.)

ISACPA 1

- Independent South Asian Commission of Poverty Alleviation (ISACPA 1) appointed in 1991 after the Colombo 6th Summit
- ISACPA 1 released in 1992 set targets to eradicate poverty in the region by 2002: aim for annual growth of 9.1%, double per capita income in the region from US\$ 300 to US\$ 600, lower ICOR from 4:1 to 3:1, increase the saving rate from the current levels to 27% of GDP or more, micro level interventions with donor support (new dialogue with donors) and social mobilization

Outcomes of ISACPA 1

- Led to SAARC/World Bank Informal Workshop on Poverty Reduction in South Asia (October 1993)
- UNDP and ESCAP collaboration to formulate a proposal for poverty reduction in South Asia (manifested as SAPAP – South Asia Poverty Alleviation Programme -- in 1996)
- Establishment of a three-tier mechanism for exchanging information on poverty eradication during the 8th Summit in 1995, Delhi. Indian hosting the first meeting of the three tiers in 1995 and 1996

What GEP (1998) says on Poverty Eradication

- The momentum that gathered for action on poverty eradication after ISACPA 1 “should be carried forward, and the trends in poverty profiles in the region should be monitored regularly... The SAARC three-tier mechanism on poverty eradication should be effectively utilized .. for sharing experience, as well as formulation and implementation of appropriate regional policies, complementing national poverty eradication policies. To demonstrate renewed commitment made at the highest level within SAARC to eliminate poverty, a decision should be taken to present a report to each summit spelling out progress made during the previous year .. on the basis of the agreed norms (PP. 47-48)

Review of the Outcome: 1992-2002

- The social mobilization as envisaged by ISACPA 1 was put into practice in small projects across South Asia (except Bhutan) through SAPAP with minimum impact on poverty
- All Summits since 1993 issued declarations to eradicate poverty by 2002 (1995 was the “SAARC year of Poverty Eradication”)
- The set goals of ISACPA 1 was not achieved by 2002
- In the 2002 SAARC Summit in Kathmandu, a new Poverty Commission was appointed ISACPA 2 (influenced by MDGs set in 2000, globalization, PRSP, etc.)
- A directive was also given in the 2002 Summit that the SAARC Secretariat should prepare a SAARC Poverty Profile, highlighting the poverty situation in each SAARC country

2003-2004

- Since 2003 SAARC Regional Poverty Profiles were prepared by the SAARC Secretariat
- In 2004 Summit (12th) the SAARC Plan of Action on Poverty Alleviation prepared by the three-tier mechanism in 2002 was approved and the ISACPA 2: “Our Future Our Responsibility” was adopted
- SAARC Social Charter with emphasis of poverty alleviation came out in 2004
- ISCPA 2 recommended policies: Mainstreaming the informal economy, enhancing gender equities, prudent macroeconomics, sustainable development, mobilizing the power of the poor; Highlighted the best practices – Garden of Hope; Regional Initiatives: Data base and best practices, promoting rural technology, reviewing laws and policies which impact on the livelihoods of the poor, experience sharing, etc.

Outcome of ISACPA 2: 2005-2010

- 13th SAARC Summit in Dhaka in 2005; requested ISACPA to come up with SAARC Development Goals (SDGs) and 2006-2015 was named as the decade of poverty alleviation, during the decade, endeavours – both at the nation and at the regional level – will continue to be made with a sense of commitment and urgency to free from poverty ... They entrusted ISACPA to continue as an advisory body – forging partnership among stakeholders ensure implementation of concrete regional projects. The three tier mechanism was made a two-tier mechanism
- 14th SAARC Summit in Delhi in 2007: SDGs recognized – which reflected the regional determination to make faster progress towards attaining the MDGs. They suggested that national plans of poverty alleviation should appropriately mirror the regional consensus reached in the form of SDGs and the Plan of Action on Poverty Alleviation.
- Micro targets from ISACPA 2 cf Macro targets of ISACPA 1
- Two-tier mechanism (Ministers and Secretaries) to monitor this – SDGs to be achieved by 2012
- 15th SAARC Summit in Colombo in 2008: promote regional and sub-regional projects towards achieving SDGs
- Formation of the SAARC Development Fund and India contributing US \$ 100 mn to the social window for such regional projects

SAARC's Role

- Issuing declarations on poverty, Commissioning studies, Plan of Action on Poverty Alleviation under a two tier mechanism, Setting SDGs, encouraging regional projects, disseminating information by SAARC Poverty Profile, creating a SDF, and so on.
- Implementation of these have been weak – there is a need for an independent agency to oversee the implementation of these recommendations at the regional level and sub-regional level. This agency can draw a from a large pool of human resources in South Asia
- So far the record on poverty reduction in South Asia is far from satisfactory, and without an independent evaluation it is difficult to say how effective the SAARC-led programmes have been in poverty alleviation
- SAARC initiatives have certainly triggered donor interest on the poverty alleviation and also increased awareness on the issue by various publications that were brought out by the SAARC Secretariat and other bodies

Funding Poverty Projects and moving ahead with Best Practices

- More funds should be mobilized for the SDF from multilateral lending agencies. Can the 'SAARC Observers' make a contribution to the SDF ? Foundations such as Mananjith Singh can make a contribution ?
- These funds should be allocated to regional and sub-regional projects with a specific time frame that could be monitored (GEP, 1998)
- SAARC decisions can be mainstreamed to overall poverty alleviation programmes of individual countries just like the MDGs are mainstreamed but it is difficult to monitor the progress, although SAARC Poverty Profiles sheds some light on the overall achievements
- Individual countries examining and using/adopting regional 'best practices' will be more appropriate

Project and Micro level Intervention

- Various success stories of South Asia (1st ISACPA): Bangladesh Rural Advancement Committees, Agha Khan Rural Support Programme of Pakistan, Small Farmer Development Programme of Nepal, SEWA of India, Grammen Bank of Bangladesh, Monagar District Health Project of Bhutan, etc
- 2nd ISACPA: Choupal Project of ICT (India), Village Pay Phones (Bangladesh), Mechanization of Fishing Boats (Maldives), Edhi Foundation Ambulance Services (Pakistan), Food-Security in War-Torn Areas (Sri Lanka), Rural Energy for Development (Nepal), Food-Aid to Students and Road Workers (Bhutan), etc.

Give meaning to new ideas

- Remove social injustice to poverty and make poor owners of assets and make them stakeholders of enterprises and corporates
- Do at least two projects in each SAARC country every year and report on the increasing number of poor stakeholders owning assets
- These ideas were scratched in the surface in ISACPA 2 by emphasizing the need to remove/amend outdated legislation having an adverse impact on the poor and mainstreaming the informal sector

Concluding Remarks

- The GEP : “...firmly believes that regional cooperation in core economic areas as suggested [in the GEP], if effectively operationalized, will certainly contribute towards accelerating economic growth in the member states, reducing poverty in the region as a whole”
- Strengthen the existing economic cooperation under SAFTA, SAFAS, and other frameworks – this will have a more prominent impact on poverty via growth than many of the other regional mechanisms

Thank you