

Fourth South Asia Economic Summit (SAES IV)

Dhaka, Bangladesh

22-23 October 2011

Global Recovery, New Risks and Sustainable Growth: Repositioning South Asia

A Concept Note

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Centre for Policy Dialogue (CPD)

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1. Background

As the global economy crawls through a faltering recovery process, the South Asian economies are waking up to the emerging realities of international markets. Admittedly, South Asia withstood the fall-outs of the recent global economic and financial crisis relatively well. The key factors which insulated the region during the crisis included limited integration with international financial markets, sustained flow of remittances from expatriate workers, and resilience of some key export-oriented sectors. Countries in the region with sound macroeconomic fundamentals weathered the global shocks better. It is to be recalled that most of the regional countries devised national policy responses at a relatively early stage of the global economic crisis. Nonetheless, the South Asian countries did experience some slowdown in economic growth, suffered large terms of trade losses and had to confront growing pressure on their fiscal and external balances.

Now, as it leaves behind the immediate consequences of the global crisis, the region is experiencing a set of new risks along with the traditional structural problems and the prevalent widespread poverty. These risks include increasing volatility in the global food prices, rising petroleum and other commodity prices, crisis of public finance in the developed countries, competitive devaluation of major currencies, and growing uncertainties in the host countries of the migrant workers from the region. Furthermore, most of the countries in South Asia are experiencing unpredictable and adverse weather, with greater frequency, linked possibly to impact of global climate change. Thus, the quest for a sustainable growth path for the region has acquired new relevance and importance.

The experience of the recent global economic crisis and the slowdown in the developed economies, brought to the fore, once again, the need to rebalance the demand for accelerated economic growth in the region. This rebalancing of demand ought to take place, at least in part, through greater exploitation of domestic market opportunities and by greater access to regional markets. The prospect of greater opportunity to cater to regional demand appears to be more possible in view of the sustained high economic growth rate recorded by Asian countries, particularly by the largest economy in the South Asia region, India.

Regrettably, regional integration in South Asia has attained only limited success on the ground. The state of regional cooperation remains in a state of suspended animation, notwithstanding the fact that the *South Asian Association for Regional Cooperation (SAARC)* is now more than two and half decades old. It may be pointed out here that while trade openness continues to increase among the South Asian economies, intra-regional trade is still less than 5 per cent of total global trade of the regional countries. Flow of intra-regional investment also remains quite negligible. At the same time,

informal trade in goods and services among the regional countries appears to be on the rise. In spite of the South Asia Free Trade Area (SAFTA) a number of regional countries are trying their best to circumvent the stalling regional process by engaging in bilateral free trade agreements.

It is also no secret that the efforts to foster regional cooperation in South Asia are fraught with political animosity and indifference. However, certain high level interactions among regional leaders in the recent times give us reasons to be hopeful and feel enthusiastic. This is epitomised by the Joint Communiqué announced by the Prime Ministers of Bangladesh and India during the former's visit to India in February 2010 when agreement was reached to undertake important initiatives to foster bilateral cooperation between India and Bangladesh.

Thus, in order to actualise the potentials of regional cooperation with a view to facilitate structural progress of their economies and to address the new developmental risks, the South Asian countries will have to gear up their initiatives for necessary policy reforms and institution building in the coming days. To this end, there is a serious need to reflect on how the South Asian economies are going to reposition themselves collectively in the changing global environment so as to attain political cohesion and inclusive economic growth. It is in this context that challenges in the areas of promotion of trade and investment, ensuring food and energy security, sustaining flow of foreign remittances, improving transport connectivity, managing water resources, and broadening the space for the civil society in the process of development have to be addressed, with efficacy and effectiveness, drawing on fresh thoughts and new initiatives.

2. The South Asia Economic Summit (SAES) Initiative

Since SAFTA came into force in 2006, new hopes have been raised regarding the possibility of greater economic cooperation within the region. According to the agreement, in an increasingly globalised world, South Asia is expected to emerge as a free trade area by 2016. Through a number of other SAARC initiatives, endeavours have been put in motion to move the regional agenda from 'soft' to 'hard' issues of cooperation. Importantly, these efforts at the governmental and inter-governmental levels have been welcome and enthusiastically supported by the private sector, business interests, non-government development organisations (NGOs), media and civil society in general.

It is in this context that the South Asia Economic Summit (SAES) was conceived and launched in 2008. SAES originated from an initiative by a number of civil society think-tanks in South Asia which command excellent reputation as leading centres of excellence in the region and were working

closely with policymakers and providing policy advice to their respective governments. The four initiating institutions were Institute for Policy Studies (IPS), Colombo, Sri Lanka; Research and Information System for Developing Countries (RIS), New Delhi, India; South Asia Watch on Trade, Economics and Environment (SAWTEE), Kathmandu, Nepal; and our Centre, the Centre for Policy Dialogue (CPD), Dhaka, Bangladesh. There is a rich heritage of research, analysis and dialogue on issues relating to regional cooperation in the non-official domain in South Asia, which is often called the Track II initiative. However, one of the distinctive departures of SAES was to seek to improve the interface between Track I and Track II by promoting engagements between non-state actors and high level policymakers and international development partners.

The objective of SAES is to create a platform for in-depth discussion, where leading thinkers, intellectuals and scholars, policymakers, private sector and other stakeholders would be able to conduct interactive discussion on emerging issues, and the opportunities and challenges facing South Asia in a fast changing world. Recommendations originating from this would feed into the official SAARC process which involves regular engagements and meetings at the level of Heads of Governments of the SAARC countries. The forum would also contribute to wider dissemination of ideas to advance the cause of regional integration among various stakeholders in the region. The idea was to gradually move towards a 'South Asian Davos' type of event.

The First South Asia Economic Summit (SAES I) was convened in Colombo during 28 July-3 August 2008 with the main theme being "Economic Integration in South Asia: SAFTA and Beyond." SAES I focused on improving connectivity in the region through transport, energy, and trade facilitation, broadening economic integration through fast tracking of goods liberalisation under the SAFTA and promoting cooperation in the areas of services, investment and tourism. The idea was to discuss modalities to attain the SAARC Development Goals (SDGs).

Building the outcomes of SAES I and in the backdrop of a then-ongoing global food crisis, the Second SAES was held in New Delhi during 10-12 December 2009. The central theme of the SAES II was "South Asia in the Context of Global Financial Meltdown." Inspired by new thinking on economic integration and development, emanating from the debates on global economic crisis, the meeting revisited a number of regional cooperation issues. Emphasis was put on undertaking rigorous policy-oriented research, synthesis of cross-cutting views of the policymakers and other stakeholders, and creating synergies from collective vision of South Asian think-tanks.

The Third Summit (SAES III) was held on 17-19 December 2010 in Kathmandu. The core theme of the Summit was “Regional Economic Integration, Climate Change and Food Security: Agenda for the Decade 2011-2020.” The broad objective of the SAES III was to generate a medium-term perspective by identifying and prioritising pertinent trade, socio-economic and climate change issues of concern and interest to South Asia and to examine implementation status of SAARC commitments with regard to these issues. The meeting further discussed the special needs of the least developed countries (LDCs) and other vulnerable economies of the region, and suggested measures for their meaningful integration into the regional economy.

In continuation of the above described process, the Fourth SAES is scheduled to be convened in Dhaka on 22-23 October 2011. Some of the issues discussed during the earlier SAES events have attained a degree of maturity in view of subsequent developments: transit, connectivity and trade are examples. There is a need to revisit those issues in light of what needs to be done further. Some of the other issues such as energy and food security have assumed added importance in view of very recent developments in domestic and global arena. These also need to be discussed and debated keeping in view the new urgencies. The post-crisis global context once again reemphasises the need for taking stock of what is happening, what are the implications of those for South Asia and how best to strategise keeping in view the interests of South Asian countries. Since SAES IV will be organised on the eve of 17th SAARC Summit which is to take place in the Maldives during 9-11 November 2011, it is hoped that recommendations originating from SAES discussion, in the presence of policymakers, will be able to make important contribution.

3. Theme of SAES IV: Cross-cutting and Thematic Issues

The overarching theme of the SAES IV would be **Global Recovery, New Risks and Sustainable Growth: Repositioning South Asia**. Within this broad theme, the Summit will focus on a set of cross-cutting issues and a cluster of thematic issues.

The three cross-cutting issues to be discussed at the meeting will be the following:

- a. Current Phase of Global Recovery and Implications for South Asia
- b. Towards an Inclusive Growth in South Asia: Role of Regional Cooperation
- c. Delivering on a South Asian Dream: The Political Challenges

The thematic cluster would include the following eight issues:

- i. Food Security in South Asia: What should be the Policy Initiatives in view of Supply Uncertainty and Price Volatility?

- ii. Acceleration of Trade and Investment in South Asia: Where are the Current Obstacles?
- iii. Transport Connectivity in South Asia and Beyond: Current Status and the Next Steps
- iv. Regional Approach to Energy Security in South Asia: Assessing the Progress
- v. Managing International Migration and Flow of Remittances: Recent Global Developments and Implications for South Asia
- vi. Managing Water Resources in the SAARC Region: What are the Possible Win-Win Solutions?
- vii. Addressing Implications of Climate Change within a Regional Framework: What are the Recent Initiatives?
- viii. Role of Non-State Actors in the Development and Democracy in South Asia: Recent Trends

3.1 Cross-cutting Issues

a. Current Phase of Global Recovery and Implications for South Asia

All evidence suggests that the global economy will grow at a slower pace in 2011 and 2012 in comparison to 2010. Whilst South Asian economies are projected to grow at higher rates, their growth prospect will depend to a great extent on how they are able to address the emerging strains in their respective macroeconomy, while keeping up the public and private investment momentum. From this perspective, issues relating to accommodative monetary policy, inflation control, fiscal consolidation, enhancing domestic resource mobilisation, improving effectiveness of public expenditures, exchange rate management, broadening of social security measures, etc. will demand greater attention in the coming days. A number of these domestic economic issues will be conditioned by developments in the international arena and global markets. A global projection suggests that South Asian countries will face increasing competition for export markets and also markets for remittance income. Foreign direct investment (FDI) may favour India, but not necessarily others. Access to foreign aid is also likely to be constrained. Rise of China in the post-crisis global economy may broaden business opportunities for the South Asian economies; however, at the same time China's ascendancy may create new risks and challenges for the regional countries.

How the South Asian economies are going to adjust to and confront these emerging challenges while addressing their own domestic challenges? Can the regional economies think of a collective approach in this regard? What are the thoughts of the international development partners in this connection? What are the implications of the rise of China in the post-crisis global economy? These will be some of the questions that will be asked and addressed in the plenaries.

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

Despite the recent impressive economic growth, rise in production, employment and productivity, South Asia remains home to the largest concentration of income-poor people across the globe. This has been compounded by the growth of inequality and the widening of social disparities in every country regardless of the pace of growth and poverty reduction. The success of poverty alleviation in South Asia through growth-sustaining policy reforms complemented by safety nets for vulnerable groups is rather limited. Attaining the goal of a truly inclusive growth in South Asia will be a challenge.

A number of initiatives have been undertaken under the SAARC framework including establishment of three-tier mechanism to deal with poverty reduction at regional level, preparation of *SAARC Plan of Action on Poverty Alleviation*, declaration of 2006-2015 as the *SAARC Decade for Poverty Alleviation*, and preparation of regional poverty profile. SAARC Secretariat was mandated to play a proactive role as the focal point for implementing various measures including strengthening SAARC institutions related to poverty alleviation.

Can one think of alternate strategies and models for poverty reduction and income inequality in South Asia? To what extent national policies impede developing a regional approach in this regard? How does one assess the role of SAARC in ameliorating poverty in the region? What should be done next? Some of the key issues in this context will be discussed in relevant sessions of the SAES.

c. Delivering on a South Asian Dream: The Political Challenges

Notwithstanding many favourable characteristics of being developed under a single identity, South Asian countries are widely segmented with respect to their visions, goals and targets. Ethnic similarity, closeness in culture, common origin of languages, same historical lineage – all these turned out to be inadequate for promoting the notion of one South Asian society. This has possibly happened only because of wide differences in political perspectives across the region. Bilateral relationships have often dominated the regional policy debate and environment. Indeed, the presence of SAARC, as a collective entity is not strongly evident in the global stage even after twenty six years of its existence.

How does one deepen political understanding in South Asia to strengthen regional bondage? Is there any way of insulating the regional economic cooperation from political tensions? What potential roles are there for the parliamentarians, business leaders, media persons and civil society activists to address the issue of promoting a regional identity?

3.2 Thematic Issues

i. Food Security in South Asia: What should be the Policy Initiatives in view of Supply Uncertainty and Price Volatility?

Global food market will continue to be characterised by the rise of global demand for foodgrains and uncertainty in global food production. As is known, in recent years, there has been significant rise in the prices of cereals, edible oils and meat. Global supply of foodgrains is also likely to get disrupted (including because of natural calamities). Consequently, rising food prices have been fuelling inflation all over the world and have touched South Asian economies as well. Thus, food security in South Asian countries, particularly for the net food importing countries, is likely to come under increased pressure in the coming years. SAARC countries are taking various measures to address the emergent situation (e.g. reduced taxes, increased supply, restricted exports, controlled prices, subsidies to consumers, cash transfers, getting food aid, feeding programmes and food for works programmes). But will these be sufficient to ensure food security, at individual country level and at regional level?

Towards improving food security, a number of goals have been mentioned in the SAARC Development Goals for 2007-2012; e.g. *eradication of hunger poverty* (Goal 1) and *providing adequate nutrition and dietary improvement for the poor* (Goal 4). However, in terms of effective actions, success is rather limited. *SAARC Food Bank*, a proposal currently in the process of discussion at the Ministerial level, needs to be expedited for immediate implementation. The Session will be discussing the above mentioned and other related issues.

ii. Acceleration of Trade and Investment in South Asia: Where are the Current Obstacles?

South Asian economies are relatively open in terms of trade and investment flows. Yet the sad state of intra-regional trade and investment reflects the inability to maximise the gains from the SAFTA which has been in operation since 2006. The outcome of sub-regional initiatives such as the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC) is yet to make any noticeable contribution to enhance trade. Rise of bilateralism bypassing SAFTA is a growing trend among the South Asian countries. Bilateral economic partnership/trade agreements between India-Sri Lanka, India-Bhutan and India-Nepal have been in place for quite some time. The signing of South Asian Framework Agreement on Services (SAFAS) is also likely to open new avenues of trade, but here also concrete initiatives will need to be taken to realise the potential benefits.

The bottlenecks for promotion of intra-regional flow of goods, services and capital are well known. Despite attempts to revisit the sensitive lists under the SAFTA accord, major products with export

interest of member countries are still trading with non-preferential, Most Favored Nation (MFN) duties. Non-tariff barrier (NTB) in intra-regional trade is a major constraining factor, but the progress here has been slow. Compliance with sanitary and phytosanitary (SPS) and technical barriers to trade (TBT) requirements remains a thorny issue. Agreement on Service Trade, signed during Sixteenth SAARC Summit, will bring in new challenges. India-EU Economic Partnership Agreement, India-ASEAN FTA, India-Mercusur Economic Partnership Agreement etc. are likely to have important implications for other regional countries. There is a need to capture those and articulate how regional countries can strategise in view of these developments.

Business communities in South Asia have been voicing their concern with regard to bottlenecks in intra-regional trade and investment such as poor infrastructure for cross-border movement of goods and lack of appropriate trade facilitation, bottlenecks that discourage intra-regional investment. A number of sectors have been identified (such as manufacturing textile machineries, gas exploration, fertiliser, electrical goods, newsprint, etc. between Bangladesh and India) where there are significant opportunities for intra-regional investment. Given the state of knowledge and interests of regional trade and investment, the session will address the question as to why South Asian private sectors and investors are not forthcoming in this context.

iii. Transport Connectivity in South Asia and Beyond: Current Status and the Next Steps

Trade and investment in South Asia suffers because of high transaction costs which have been rising over time. Cross-border trading procedures are complex and create rent-seeking economies. SAARC study on *Regional Multimodal Transport Study* (2007) and ADB study on *BIMSTEC Transport Infrastructure and Logistic Study* (2008) have identified a number of constraints in regional connectivity such as poor quality of roads for movement of high axel-load trucks, and poor rail connectivity within land-locked countries. The *Bhutan Summit* in 2010 once again underscored the importance of development of transport connectivity and transit facilities, especially for land-locked countries. Bangladesh-India Joint Communiqué (2010) has signalled opening up transport connectivity between Bangladesh, Bhutan, India and Nepal. SAARC Regional Multimodal Transport Study (SRMTS), BIMSTEC Transport Infrastructure and Logistics (BTILS), the Asian Highway Network and the Trans-Asian Railway Network have been identified as strategically important key regional transport projects. The Session will discuss the next steps for developing efficient transport connectivity within South Asia and beyond in the context of deepening Asian level connectivity.

iv. Regional Approach to Energy Security in South Asia: Assessing the Progress

Energy demand in South Asia has soared because of growing demand for urban and middle-income consumers as well as for industrial, commercial and transport sectors. It is projected that energy consumption of each of the economies of South Asia will grow steadily in the near term ranging from 7 per cent to 13 per cent. South Asia is heavily depended on imported energy, although it has huge potential of oil, gas, coal, hydro and renewable energy resources. India has an oil reserve of 5,576 million tonnes, followed by Pakistan (3,600 million tonnes). South Asia also has a huge gas reserves ranging from 120 billion cubic metres (bcm) in Afghanistan to 7,985 bcm in Pakistan. Total hydropower potential resources in Bhutan, Nepal and other regional countries are estimated to be to the tune of 437,000 MW, of which only 9 per cent has been exploited till now. There are also substantial reserves of coal in different parts of the region. Gas is being imported by pipeline by India and Pakistan from Central Asian countries. India and Sri Lanka plan to develop large-scale renewable energy plants through biomass, wind energy and hydropower resources.

Under the SAARC initiatives, a number of initiatives have been undertaken in the above connection including strengthening of the SAARC Energy Centre (SENER), establishment of a South Asia Infrastructure Development Financial Institution, building of strategic petroleum reserve, establishment of a regional electricity grid and a regional gas grid. The session will take note of the current state of play with regard to regional energy cooperation, will discuss modalities towards an integrated energy network in the region, and suggest further steps to realise the potentials.

v. Managing International Migration and Flow of Remittances: Recent Global Developments and Implications for South Asia

South Asia is one of the major labour-exporting regions in the world – over 26.7 million immigrants are from South Asia which is about 12.4 per cent of world migrant population in 2010. A major part of these emigrants work in non-OECD countries (34.2 per cent of total immigrants of the region), particularly in the Middle East and North African countries. Remittance flow to South Asian countries was USD 82.6 billion in 2010, which accounted for 18.8 per cent of total global flow of remittances. However, South Asia is yet to tap the growing opportunities in developed and developing countries, particularly for young, female and skilled workers. It has been argued that these opportunities are likely to change in the next decades because of the transformation of scale, reach and complexity, growing demographic disparities, environmental changes, new global political and economic dynamics, technological revolutions and development of social networks. Furthermore, South Asia is likely to be the most affected region in the backdrop of the growing unrest in the Middle East and North Africa.

In the Colombo Process meeting held in Dhaka during 19-21 April 2011, four South Asian countries explored possible avenues of collaboration and potential institutionalisation in response to emergencies that concern overseas workers. Ongoing initiatives to tackle emergency needs and further actions that need to be devised may come up in the discussion during the upcoming SAARC Summit. Can South Asian countries forge a common stand with regard to migration (i.e.: host country policies, refraining from race to the bottom, common stand in the WTO-GATS etc.). The Session will reflect on the ways and means for pursuing collaborative actions in this regard.

vi. Managing Water Resources in the SAARC Region: What are the Possible Win-Win Solutions?

Management of water resources in South Asian countries is getting difficult because of increasing demand for water in irrigation, industrial and domestic use. Increased environmental and social concerns related to water management are getting louder. Cross-border water sharing remains a highly contentious issue. Ongoing negotiations on water sharing issues often get stuck because of lack of political commitment from the participating countries. Indeed, for a number of cross-border rivers, discussion is yet to be initiated even. Significant research and analysis have been carried out at Track II level regarding possibilities and constraints of augmentation and optimisation of integrated use of water resources of Ganga basin between India, Bangladesh and Nepal. The problem of flood control in lower riparian countries is another important issue that has been discussed at Track II level. Bangladesh-India Joint Communiqué (2010) also calls for expeditious conclusion of an agreement on Teesta River and launching of discussions on other common rivers. Such discussions need to be initiated for cross-border rivers in other South Asian countries as well. The session will seek to frame an agenda for the upcoming SAARC Summit towards improved management of water resources in the region.

vii. Addressing Implications of Climate Change within a Regional Framework: What are the Recent Initiatives?

Adverse effects of climate change on human lives, livelihoods and population of South Asia particularly in island states, low-lying regions and long coastlines are becoming increasingly evident. *SAARC Statement on Climate Change*, published in December 2009 reiterated the concerns and demands of South Asian countries in this regard. The *Thimpu Statement on Climate Change* has adopted a sixteen-point joint initiatives including establishment of an inter-governmental expert group to develop clear policy directions, commissioning a study on climate risks in the region, promoting green technology, planting ten million trees by 2015, and commissioning of a SAARC Inter-governmental Climate-related Disasters Initiative on the integration of Climate Change Adaptation (CCA) with Disaster Risk Reduction (DRR). However, global initiatives such as COP 15 and

COP 16 have put forward initiatives which do not have appropriate relevance to the demands of SAARC countries. South Asian countries need to seriously monitor the ongoing discussion on setting modalities as regards the use of Green Climate Fund.

It is often argued that adaptation exercises relating to fallouts of climate change are best addressed in a regional framework. The session will review current initiatives in this regard and propose measures to strengthen regional initiatives towards collective action.

viii. Role of Non-State Actors in the Development and Democracy in South Asia: Recent Trends

Nation building in South Asia for a long time has taken place through both state-centric and participation of non-state actors in political, economic, social, environmental, governance and other areas. Notwithstanding its significant contribution to promotion of democracy and development, role of the non-state actors including that of the private development agencies has tended to be challenged by the state through various means. This often reflects a competitive, not a collaborative relationship between the state and the non-state actors, creating impediments to the development process. Such trends are becoming increasingly visible in a number of South Asian countries, notwithstanding their democratic credentials. The session will essentially address the issues relating to protection of the space for civil society's activism with a view to protect and promote socio-economic, cultural and political rights of the citizens in South Asian countries.

4. Delivery of SAES IV

Date and Venue. The Fourth South Asia Economic Summit will be held in Dhaka on 22-23 October 2011 (Saturday and Sunday). The meeting will take place at the *Ruposhi Bangla* Hotel (former Dhaka Sheraton Hotel).

Organisers and Partnerships. The Centre for Policy Dialogue (CPD), Dhaka <www.cpd.org.bd> is going to be the host organizer for the Fourth South Asia Economic Summit. In organising the fourth SAES CPD hopes to draw on its earlier rich experience in organising regional and international events in Dhaka. Mention may be made here of a number of such events organised by the CPD including the LDC Conference in Dhaka prior to the WTO Cancun (2003) and Hong Kong (2005) Ministerial Meetings and the recently held Dhaka International Dialogue prior to LDC-IV (November, 2010). Earlier CPD has also successfully organised a series of Indo-Bangladesh dialogues spanning over a decade (1995-2007) and has also convened two BCIM (a sub-regional initiative to foster cooperation among Bangladesh, China, India and Myanmar) Forums of which CPD is the Bangladesh focal point.

The other associates of the SAES initiative, namely the RIS, New Delhi <www.ris.org.in>; SAWTEE, Kathmandu <www.sawtee.org>; and IPS, Colombo <www.ips.lk> are the co-organisers of the event.

SAES has traditionally enjoyed support of a number of international and regional development agencies in organising the first three summits. The generous support of UNDP, ADB and Commonwealth Secretariat may be recalled in this context. In organising SAES IV it is hoped that all partner organisations will make substantive contribution in the preparation and delivery of the event.

Relevant trade bodies including the SAARC Chamber of Commerce and Industries (SCCI) and national federations will be invited to be partners in the organisation of SAES IV. The SAARC Secretariat will be kept fully engaged in organisation and delivery of SAES IV. Cooperation will be sought from the Ministry Foreign Affairs, Government of Bangladesh. Collaborative links will be forged with relevant international and regional development partners.

Format. Besides the Inaugural and Closing sessions, there will be three plenaries and eight sessions (four parallel sessions with two sessions running simultaneously). The issues to be discussed at the plenaries and parallel sessions have been elaborated above.

Each of the sessions will be conducted in an interactive fashion. Four/five panelists will initiate discussion highlighting different aspects of the issues identified for the session. Substantive time will be allocated for interactive dialogue based on floor interventions. The Chair of the session will summarise the key thoughts at the end of each session. For informed dialogue, attempts will be made to circulate resource documents among the participants.

Inaugural Session will be a public event with participation of high level policymakers and other policy actors. The Closing Session will discuss the final outcome of the Summit.

The national and international print and electronic media are expected to be present in all the sessions of the event.

Participation. Participants of the Summit will comprise of stakeholders who are actively involved in Track I and Track II of the South Asian development discourse. A total of about 80 participants including 50-60 overseas guests will be invited to attend the event. Participants will include ministers, high officials, experts, business leaders, development activists, and media representatives

from all over the South Asia. Representatives of international and regional development partners and agencies who have been working on relevant issues in the context of South Asia will also be invited to share their findings and recommendations.

There is a high possibility that a number of ministers from Sri Lanka, Nepal, Bhutan, Maldives and Bangladesh as well as the Secretary General of SAARC will attend the Summit. High level representatives of international and regional development agencies are expected to attend the Summit. The Hon'ble Prime Minister of Bangladesh or her representative will be requested to inaugurate SAES IV.

Outcome and Follow-up. An outcome document will be prepared containing the summary of the major issues discussed and the key recommendations put forward by the participants of the Summit. The outcome will be fed into the preparatory process including Ministerial discussions during the run up to the 17th SAARC Summit to be held in Maldives on 9-11 November 2011.

5. Tentative Programme

The tentative Programme Schedule is presented in Annex I.

Fourth South Asia Economic Summit

Dhaka, Bangladesh
22-23 October 2011

Global Recovery, New Risks and Sustainable Growth: Repositioning South Asia

Tentative Programme Schedule

Day One (22 October, 2011)

Inaugural Session	
Refreshment	
<i>Plenary I: Current Phase of Global Recovery and Implications for South Asia</i>	
Lunch	
Stream A	Stream B
A1: Acceleration of Trade and Investment in South Asia: Where are the Current Obstacles?	B1: Food Security in South Asia: What should be the Policy Initiatives in view of Supply Uncertainty and Price Volatility?
Refreshment	
A2: Transport Connectivity in South Asia and Beyond: Current Status and the Next Steps	B2: Addressing Implications of Climate Change within a Regional Framework: What are the Recent Initiatives?

Day Two (23 October, 2011)

<i>Plenary II: Towards an Inclusive Growth in South Asia: Role of Regional Cooperation</i>	
Refreshment	
Stream A	Stream B
A3: Regional Approach to Energy Security in South Asia: Assessing the Progress	B3: Managing Water Resources in the SAARC Region: What are the Possible Win-Win Solutions?
Lunch	
A4: Managing International Migration and Flow of Remittances: Recent Global Developments and Implications for South Asia	B4: Role of Non-State Actors in the Development and Democracy in South Asia: Recent Trends
Refreshment	
<i>Plenary III: Delivering on a South Asian Dream: The Political Challenges</i>	
<i>Closing Session</i>	