

## Dhaka Declaration, Thirteenth SAARC Summit

13/11/2005

The Prime Minister of the People's Republic of Bangladesh, Her Excellency Begum Khaleda Zia; the Prime Minister of the Kingdom of Bhutan, His Excellency Lyonpo Sangay Ngedup; the Prime Minister of the Republic of India, His Excellency Dr. Manmohan Singh; the President of the Republic of Maldives, His Excellency Mr. Maumoon Abdul Gayoom; the King of Nepal, His Majesty Gyanendra Bir Bikram Shah Dev; the Prime Minister of the Islamic Republic of Pakistan, His Excellency Mr. Shaukat Aziz; and, the President of the Democratic Socialist Republic of Sri Lanka, Her Excellency Mrs. Chandrika Bandaranaike Kumaratunga met at the Thirteenth Summit meeting of the South Asian Association for Regional Cooperation (SAARC) in Dhaka, Bangladesh on 12 - 13 November 2005.

### **Regional cooperation**

2. The Heads of State or Government noted that the Thirteenth Summit was taking place at an important moment in the evolution of South Asia when SAARC stood at the threshold of a new decade of its existence. They agreed that the Summit provided a unique opportunity to consolidate the gains made in regional cooperation during its first two decades and to chart a forward-looking strategy to promote effective cooperation at all levels to realize the objectives and principles set out in the Charter of the Association.

3. The Heads of State or Government noted that cooperation and partnership within the framework of SAARC is based on the sound foundation of shared values, beliefs and aspirations. The objectives and goals of SAARC, they affirmed, were of continuing relevance and importance to all Member States. The dynamics of recent political and economic changes in South Asia and the world highlighted the importance of, and the compelling logic for, a more vibrant and effective process of constructive regional cooperation. They emphasized their commitment to making such cooperation an enduring feature and thus contribute to the region's peace, progress and stability.

4. The Heads of State or Government noted that SAARC has evolved in a positive direction during the first two decades of its existence and that its agenda encompassed concerns and areas vital for the fulfillment of the Charter objectives of promoting the welfare of the peoples of South Asia, accelerating economic growth, social progress, cultural development and strengthening collective self-reliance among the countries of South Asia. They stressed that realization of these objectives not only called for continued and serious result-oriented efforts but also for consistent endeavours to translate pledges and commitments into concrete actions, regional initiatives and projects. They reiterated their commitment to making SAARC an effective instrument for cooperation, which will visibly improve the quality of life of millions in South Asia.

5. The Heads of State or Government emphasized that efforts must continue to free South Asia from poverty, hunger and other forms of deprivation and social injustice which present a daunting challenge. Member States expressed determination to work towards significantly accelerating regional cooperation in economic areas. The main emphasis will be to secure a wider economic space, so that benefits and opportunities offered therein can be shared by all, and that the true economic potential of South Asia can be fully realized. Efforts will be made to create dynamic complementarities in the development of human resources and capacity of Member States to address their common challenges. They underlined the need to accelerate regional cooperation through all possible means and mechanisms, including exchange of best practices in various fields in the Member States.

6. The Heads of State or Government reiterated that the peoples of South Asia are the real

source of strength and driving force for SAARC and resolved to make regional cooperation more responsive to their hopes and aspirations. They agreed that the Association should broaden its engagement with the civil society organizations, professional groups, and entrepreneurs. Member States should also strive to promote and assert their South Asian identity, encourage greater people-to-people contact and draw strength from their shared cultural heritage.

7. The Heads of State or Government emphasized the importance of initiating project cooperation under the SAARC auspices. They encouraged Member States to undertake projects, as per existing provisions of the Charter. These projects may pertain to economic and social sectors, including Human Resource Development and Poverty Alleviation. These may be undertaken, where required, with financial or technical assistance, from International Financial Institutions (IFIs) or, UN Funds and Programmes or, any extra-regional State, as appropriate.

### **Poverty Alleviation**

8. The Heads of State or Government decided to declare the decade of 2006-2015 as the SAARC Decade of Poverty Alleviation. During the Decade, endeavours – both at the national and regional level - will continue to be made with a sense of commitment and urgency to free South Asia from poverty.

9. The Heads of State or Government appreciated the valuable work of the Independent South Asian Commission on Poverty Alleviation (ISACPA). They also endorsed the SAARC Development Goals (SDGs), as recommended by the Commission, and called for follow-up and implementation of the Plan of Action on Poverty Alleviation, adopted by the 12th SAARC Summit. They entrusted the ISACPA to continue its advisory and advocacy role in this regard. They endorsed the priorities for action identified in the Report of ISACPA adopted by the Twelfth SAARC Summit. They agreed that these priorities would be duly taken into account while working out the elements for regional initiatives in this vital area. They decided to focus on formulation and implementation of concrete regional programmes and projects as well as forging partnerships among all stakeholders.

10. Underlining the need for an exclusive forum for focused and comprehensive examination of poverty related issues, the Heads of State / Government decided to replace the three-tier mechanism on poverty alleviation by a two-tier one, comprising the Ministers and the Secretaries dealing with Poverty Alleviation at the national level.

### **Funding Mechanisms**

11. The Heads of State or Government decided to establish a SAARC Poverty Alleviation Fund (SPAF) with contributions both voluntary and/or, assessed, as may be agreed. They called upon the Finance Ministers to formulate recommendations on the operational modalities of the Fund, taking into consideration the outcome of the Meeting of the Financial Experts. In this regard, they welcomed the offer of Pakistan to host the next meeting of the Finance Ministers. The operational modalities of the SPAF shall be decided by the Finance/ Planning Ministers. They agreed that the SPAF shall function within the SADF to be reconstituted, as SAARC Development Fund (SDF), to serve as the umbrella financial institution for all SAARC projects and programmes and comprise three Windows namely Social Window, Infrastructure Window and Economic Window with a Permanent Secretariat.

12. The Heads of State or Government decided that Finance Ministers should meet within the first quarter after every Summit and also on the sidelines of the World Bank and ADB annual meetings, to take stock of macro-economic developments and outlook for South Asia, achievement of SAARC Development Goals as co-related to Millennium Development Goals (MDGs) and to assess the investment climate, foreign capital inflows, financial sector

reforms and other areas of cooperation.

### **Advancing Economic Cooperation**

13. The Heads of State or Government stressed that accelerating cooperation in the core economic areas was of vital importance for the realization of Charter objectives and also for making South Asia truly vibrant, dynamic and secure in its robust progress. They reaffirmed their commitment to accelerate cooperation in the economic and commercial fields, especially in the energy sector. They noted the progress in the negotiations on outstanding issues and directed early finalization of all the Annexes ensuring entry into force of the SAFTA Agreement as agreed, with effect from 1 January 2006.

14. The Heads of State or Government stressed the importance of the entry into force of the SAFTA Agreement on the scheduled date i.e. 1 January 2006. The launching of SAFTA would mark an important milestone on the road to a South Asian Economic Union. They directed that the negotiations on the outstanding issues under the Agreement should be completed by end November 2005. They further directed that the necessary national procedures should be completed in time to facilitate the operationalisation of the Agreement.

15. They reiterated the need to strengthen transportation and communication links across the region for accelerated and balanced economic growth. They directed further measures aimed at trade liberalisation, as provided for in the SAFTA Agreement. They noted with satisfaction the ongoing SAARC Regional Multimodal Transport Study to enhance transport connectivity among the Member States. The Heads of State or Government agreed to undertake trade facilitation measures, including transit among SAARC countries, on the basis of understanding among concerned countries, for enhancing intra-regional trade and other economic activities. They noted the Indian proposal in this regard. They agreed to study the proposal by India for daily air service facility by designated airlines, on a reciprocal basis and without prejudice to existing rights, to all the SAARC Member States and also the proposal to extend fifth freedom rights to designated airlines from the Member States, both intermediate and beyond, within the SAARC region on a reciprocal basis.

16. The Heads of State or Government recognized the need to take the process of regional economic integration further by expanding the scope of SAFTA to include trade in services, enhanced investment and harmonized standards.

17. The Heads of State or Government welcomed the signing of the following Agreements during the thirteenth SAARC Summit:

- The Agreement on Mutual Administrative Assistance in Customs Matters
- The Agreement on the Establishment of SAARC Arbitration Council
- The Limited Agreement on Avoidance of Double Taxation and Mutual Administrative Assistance in Tax Matters

18. They emphasized the need for parallel initiatives for dismantling of non-tariff and para-tariff barriers. In this context, they called for expeditious action on conclusion of agreements on mutual recognition of standards, testing and measurements with a view to facilitating intra-regional trade. They recognized the potential of trade in services which have expanded rapidly at the informal level. They called for a study to see how services could be integrated into the SAFTA process.

19. The Heads of State or Government decided to encourage, where appropriate, trade-creating investment in the Member States. They stressed the need for closer regional cooperation in the field of Information and Communication Technologies (ICT), including

Tele-communications.

20. The Heads of State or Government welcomed the Joint Statement of the First SAARC Energy Ministers meeting in October 2005 in Islamabad. They agreed to the recommendation to establish the SAARC Energy Centre in Islamabad; to promote development of energy resources, including hydropower; and energy trade in the region; to develop renewable and alternative energy resources; and promote energy efficiency and conservation in the region. They underlined the need to constitute a South Asian Energy Dialogue process, involving officials, experts, academics, environmentalists and NGOs, to recommend measures to tap potentials of cooperation in energy sector to provide inputs to the Working Group on Energy.

21. The Heads of State or Government noted the proposal for the establishment of a Regional Food Bank proposed by India and agreed to examine the proposal.

22. With regard to paragraph 15 of the Council of Ministers Report, the Heads of State or Government noted the offer of Nepal to host the Regional Support Unit.

### **South Asia's Social Challenges**

23. The Heads of State or Government reiterated their commitment to take initiatives at national as well as regional levels for achieving the specific objectives contained in the SAARC Social Charter. They recognized that realization of these objectives is crucial to enable SAARC to meet the hopes and aspirations of the common peoples of South Asia and visibly improve the quality of their lives. They emphasized that in outlining future actions in this regard national implementation efforts should be complemented by regional programmes and projects in areas requiring collective regional response. They appreciated the establishment of National Coordination Committees (NCCs) in all Member States, decided on annual meetings of the Heads of NCCs and directed convening of their first meeting at the earliest for follow-up and implementation of the Social Charter. In this regard, they noted the proposal from the Maldives to convene an experts' group meeting on establishing a Civil Society Resource Centre.

24. The Heads of State or Government called upon the Member States to expeditiously complete the process of preparing their national strategy and plan of action. They also emphasized that national implementation efforts should be complemented by regional projects and programmes. In this context, they directed that regional projects, particularly in health and poverty alleviation, should be initiated.

25. The Heads of State or Government reiterated their pledge to continue to work in the next decade and beyond to address the formidable challenges faced by women and children, especially the girl child. They noted that sustained efforts were needed on the part of the Member States not only to free them from all types of deprivation but also to make them full partners and beneficiaries of South Asian progress and development. In this context, they decided that a mid-term review of the progress in realizing the objectives of SAARC Decade on the Rights of the Child (2001 – 2010) should be undertaken in 2006.

26. The Heads of State or Government affirmed their strong resolve to continue to work together to address the problem posed by trafficking in women and children. They expressed satisfaction at the ratification of the SAARC Conventions relating to Trafficking in Women and Children and Promotion of Child Welfare by all Member States and called for effective measures for their early implementation. They noted that the civil society organizations and the media have an important role to play in raising awareness of the degrading and inhuman treatment faced by the victims of trafficking. They encouraged them to continue their constructive role in this regard. They stressed that law enforcement agencies in the Member States should also coordinate and strengthen their efforts to

address this problem effectively.

27. The Heads of State or Government noted the achievements of the Member States during recent years in the area of primary education through sustained efforts and adoption of country specific innovative approaches. They recognized that regional initiatives in this particular area might focus on sharing of experiences and best practices. They also called for optimal utilization of resources and identification of strategic interventions in the area of training, management and performance evaluation of these programmes so as to ensure sustainability, coverage and quality of education imparted and services provided. They stressed that freeing South Asia from the scourge of illiteracy is a major objective of SAARC in the third decade of its activities. They called for effective measures to realize the SDGs, in particular universal primary education in the context of pursuing the Millennium Development Goals.

28. The Heads of State or Government stressed that to meet the challenges of the twenty-first century Member States must make important strides in the areas of science, technology and higher education. They decided to give priority attention to encourage regional cooperation in these areas to derive benefits from the synergy of collective, well-planned and focused initiatives undertaken by Member States. They directed that a SAARC Plan of Action for Science, ICT and Technology be elaborated for consideration during a Meeting of SAARC Science, ICT and Technology Ministers to be convened as soon as possible. They noted the offer of India to establish a South Asian University and agreed to examine this matter further.

29. The Heads of State or Government recognized the need to collaborate on preparedness for addressing health emergencies, including prevention and control of pandemics like avian influenza, as these pose a major global threat with impact on health, trade and tourism involving human mobility. They emphasized on the need to develop a regional strategy for such emergencies as soon as possible; and identify and strengthen collaboration within and beyond the region and establish links with other regional organizations. They called for early establishment of a SAARC Health Surveillance Centre and a Rapid Deployment Health Response System, to deal with emerging and re-emerging diseases.

30. The Heads of State or Government welcomed the preparation of a strategy for collective SAARC response to prevent the spread of HIV/AIDS. They noted that regional response in this regard should be further enhanced to eliminate this dreadful disease from South Asia. In this regard, they emphasized the importance of early implementation of the Regional Strategy of HIV/AIDS. At the same time, they underscored the need for increasing cooperation to develop regional strategies for the prevention and treatment of Dengue, Malaria and other infectious or communicable diseases constituting major public health concerns.

31. The Heads of State or Government agreed to launch a regional initiative with regard to basic healthcare services and sanitation in the rural areas and encouraged exchange of experience and best practices within the region. They called for expediting elaboration of a SAARC Plan of Action for cooperation in medical expertise and pharmaceuticals, as well as traditional medicine, and availing affordable pharmaceuticals produced in the region, harmonization of standards and certification procedures and production of affordable medicines. They also agreed that steps should be taken to promote traditional medicine and to protect the intellectual property rights related to them as a matter of regional priority.

### **South Asia's Environmental Challenges and Natural Disasters**

32. They further decided to consider the modalities for having a Regional Environment Treaty in furthering environmental cooperation among the SAARC Member States. They expressed deep concern at the continuing degradation of environment and reaffirmed the

importance of concerted action in the protection and preservation of environment. While expressing satisfaction at the progress in implementation of the SAARC Environment Action Plan, the Leaders welcomed the decision of the Council of Ministers to establish a SAARC Forestry Centre in Bhutan. They emphasized on the need for the Centre to have a coordinating role in the field of Forestry for exchange of information, expertise, training and formulation of regional projects with emphasis on social forestry.

33. The Heads of State or Government welcomed the Declaration of the Special Session of the SAARC Environment Ministers in Male in June 2005 convened in the wake of the tsunami catastrophe. They endorsed the recommendation for elaboration of regional programmes and projects for early warning, preparedness and management of tsunami and other natural disasters. They called for elaboration of a Comprehensive Framework on Early Warning and Disaster Management.

34. They endorsed the decision of the Special Session of the SAARC Environment Ministers to further enhance the capacity of the existing SAARC Institutions namely, SAARC Meteorological Research Centre and SAARC Coastal Zone Management Centre, to carry out their mandated tasks.

35. In view of the extensive loss of life and colossal damage to property as a result of earthquake and tsunami and other natural disasters in South Asia, the Heads of State or Government underscored the urgency to put in place a permanent regional response mechanism dedicated to disaster preparedness, emergency relief and rehabilitation to ensure immediate response. They directed the concerned national authorities to coordinate their activities in such areas of disaster management as early warning, exchange of information, training and sharing of experiences and best practices in emergency relief efforts.

36. The Heads of State or Government underlined the need for collaborative action in the area of environment, including water conservation, to promote sustainable development. They decided to proclaim the Year 2007 as the "Year of Green South Asia" devoted to a region-wide afforestation campaign. They also agreed to address the problem of arsenic contamination of groundwater and assistance to affected peoples.

### **Combating Terrorism**

37. The Heads of State or Government agreed that terrorism violates the fundamental values of the SAARC Charter and the United Nations, and constitutes one of the most critical threats to international peace and security. The Heads of State or Government expressed their satisfaction at the ratification of the Additional Protocol to the SAARC Convention on Suppression of Terrorism by all Member States and called for putting in place effective mechanisms for its implementation. They strongly condemned terrorist violence in all its forms and manifestations, agreed that terrorism is a challenge to all States and a threat to all of humanity, and cannot be justified on any grounds. They underlined that there should be no double standards in the fight against terrorism. In view of the continuing and recent terrorist attacks in the region and their impact on security, economic stability and social development, they expressed their determination to unite in their efforts in preventing and combating terrorism. They also noted the United Nations Security Council resolution 1373 (2001) in this regard.

38. They called for early and effective implementation of the Additional Protocol to the SAARC Convention on Suppression of Terrorism. They underscored the need for an early conclusion of a Comprehensive Convention on International Terrorism. They also agreed that Member States would strengthen their cooperation in such important areas as exchange of information, coordination and cooperation among their relevant agencies.

39. They decided that SAARC Interior/Home Ministers would meet annually preceded by a

meeting of the Interior/Home Secretaries.

40. The Heads of State or Government directed that concrete measures be taken to enforce the provisions of the Regional Convention on Narcotic Drugs and Psychotropic Substances through an appropriate regional mechanism.

### **Security of small states**

41. The Heads of State or Government noted that due to their specific vulnerabilities, small states require special measures for support from all concerned for safeguarding their sovereignty, independence and territorial integrity. In this context, they stressed that protection of small states should be firmly rooted in scrupulous adherence to the UN Charter, rule of law and the strict adherence to universally accepted principles and norms related to sovereign rights and territorial integrity of all States, irrespective of their size. They committed themselves to give concrete expression to protect the interest and security of all small states through the pursuit of appropriate policies and actions.

### **People-to-people contact and cultural cooperation**

42. The Heads of State or Government noted that the spirit of SAARC needed to be sustained by efforts to promote people-to-people contact and by a vibrant civil society throughout South Asia actively engaged in forging links across national boundaries. They felt that the Association of SAARC Speakers and Parliamentarians should meet at an early date to establish a mechanism for periodic contacts among the Parliamentarians of South Asia. They stressed that continued efforts would be made by the Member States at all levels to promote people-to-people contact by facilitating travel among SAARC countries, promotion of youth exchanges in culture and sports, promotion of intra-SAARC tourism, establishment of linkages among professional bodies and through adoption of other concrete measures. They decided to launch 2006 as "South Asia Tourism Year." They directed their Ministers for Tourism to meet at an early date and elaborate a plan of activities to be undertaken during the year 2006. They also stated that Member States would encourage initiatives by private sector entities in promoting understanding and harmony in the region.

43. The Heads of State or Government recognized the crucial role of culture in bringing the peoples of South Asia closer. They also stressed that cooperation in the area of culture was vital for reinforcing and projecting the distinct identity of South Asia. In this context, they expressed satisfaction on the progress made in establishing the SAARC Cultural Centre in Kandy and underlined the importance of making it operational at the earliest. They also directed the SAARC Ministers of Culture to meet as soon as possible to elaborate a SAARC Agenda for Culture. They noted the offer of India to establish a SAARC Museum of Textiles and Handicrafts *inter alia* to preserve designs in various crafts and related traditions, train artisans and crafts persons, foster design skills, hold promotional events, undertake research.

### **International political and economic environment**

44. The Heads of State or Government reviewed international political and economic developments since their last Summit in Islamabad. They underscored the imperative need to ensure universal adherence to the principles and objectives enshrined in the UN Charter. They called upon the international community to redouble efforts to meet the commitments of the Millennium Summit and the Monterrey consensus. They noted the outcome of the UN World Summit 2005 and underlined the need for meaningful reforms of the United Nations system in consonance with its role as the central organ for the cooperative management of the global problems and for the promotion of peace, security, development, justice and human rights. They also reiterated their full support for a comprehensive approach, which would facilitate implementation of the Millennium Declaration and the Millennium

Development Goals (MDGs) in a time bound manner.

45. The Heads of State or Government stressed that promotion of global peace and security inter alia called for removing the existing asymmetries in security and in ensuring undiminished security for all, at the regional and global levels. They also emphasized the importance of pursuing effectively the global objectives of universal disarmament and preventing the proliferation of weapons of mass destruction.

46. The Heads of State or Government reaffirmed their commitment to further strengthen the multilateral trade regime of WTO. They called upon all WTO members to demonstrate necessary understanding and accommodation for a breakthrough at the Hong Kong Ministerial meeting in December 2005 to pave the way for the successful conclusion of the Doha Development Round. They underscored that the development dimension should continue to be at the heart of the on-going negotiations so that the legitimate concerns of the developing countries are adequately reflected in the outcome of the current round of trade negotiations. They agreed that the SAARC Member States would work closely together to coordinate their positions in the on-going negotiations on trade and other key economic issues. The Heads of State or Government directed the Commerce Ministers to hold consultations on the sidelines of the 6th WTO Ministerial Conference to be held in Hong Kong in December 2005, to evolve a common SAARC Position on issues of common concern.

47. The Heads of State or Government addressed the question of electing the Secretary-General of the United Nations in the year 2006, being aware of the unanimous view that the well-established principle of geographical rotation should be observed and that an Asian should be appointed as the next Secretary-General of the United Nations. In this regard, they noted that Sri Lanka has offered a candidate.

### **Enhancing Political Cooperation**

48. The Heads of State or Government welcomed the growing importance being placed by all Member States to promote cooperation in an environment of enduring peace and stability in South Asia. They reiterated their commitment to the principles of sovereign equality, territorial integrity and national independence, non-use of force, non-intervention, and non-interference in the internal affairs of other Member States. Recognizing the increasing interdependence and the imperative of pursuing the objectives of peace, freedom, social justice and economic prosperity, they re-affirmed their resolve to foster mutual understanding, good neighbourly relations and a more meaningful cooperation through sustained constructive engagement among Member States.

### **External Profile and Linkages of SAARC**

49. The Heads of State or Government welcomed the observer status granted to SAARC by the United Nations General Assembly at its Fifty-ninth Session; and expressed the hope that this would not only enhance the profile of SAARC in the world body but would also enable Member States to project common positions of SAARC in various multilateral forums. They also acknowledged the renewed interest of other regional and international organizations, bodies and entities to cooperate with SAARC in various collaborative endeavours in accordance with the objectives and priorities of SAARC. The Heads of State or Government welcomed the request by the Islamic Republic of Afghanistan for membership and invited Afghanistan as a member, subject to the completion of formalities. They also welcomed and agreed in principle with the desire of the People's Republic of China and Japan to be associated as observers. The Council of Ministers will decide the modalities in this regard at their twenty-seventh meeting in July 2006.

### **Strengthening Institutional Mechanisms of SAARC**

50. The Heads of State or Government agreed that with the incremental broadening of the SAARC agenda and increased emphasis being placed on implementation of plans and programmes, there was a need for a commensurate strengthening of institutional capabilities of SAARC. Recognizing the importance of thematic Ministerial meetings, they emphasized that these meetings should focus on regional challenges and priorities and contribute to the realization of the objectives of SAARC. They agreed that on completion of twenty years of SAARC's existence, it was essential that a comprehensive review and reform of all SAARC institutions and mechanisms, including the Secretariat and the Regional Centers should be undertaken. In this context, they called on the Council of Ministers to convene a Meeting of Experts, to be nominated by each Member State, to undertake a detailed Study and present a report to the next Council of Ministers. They empowered the current Chairman of the Council of Ministers to prepare within the next fifteen days a draft Terms of Reference for the Study to be approved, if necessary, by tele-conferencing of all SAARC Foreign Ministers.

### **SAARC Vision: An agenda for Third Decade of SAARC**

51. The Heads of State or Government reiterated their commitment to the realisation of the vision of South Asian Economic Union in a phased and planned manner. They agreed that as SAARC completed its twenty years of its existence, it was an opportune occasion to draw a roadmap for regional cooperation in South Asia for the next decade. In view of the new challenges facing the region, pledges and commitments made in the last two decades should be translated into concrete actions in the form of regional projects and programmes and innovative initiatives.

52. They directed all SAARC institutions and mechanisms to work collectively towards a decade dedicated to implementation so that a visible and discernible impact can be felt across South Asia. They emphasized that while this would enable SAARC to realize its basic objectives of improving the quality of life of all South Asian peoples, it would at the same time create an enabling environment towards the establishment of a South Asian Economic Union. They directed the Standing Committee to formulate its recommendations, at its next Special Session, on a Vision for SAARC's Third Decade and the course of action for its realization, to be elaborated by a high-level Committee of Senior Officials.

### **Date and venue of the Fourteenth SAARC Summit**

53. The Heads of State or Government welcomed the offer of the Government of India to host the Fourteenth SAARC Summit in 2007.

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## **Islamabad Declaration**

06/01/2004

"We the Prime Minister of the people's republic of Bangladesh, Begum Khaleda Zia, the Prime Minister of the Kingdom of Bhutan, Lyonpo Jigmi Yoezer Thinley, the Prime Minister of the Republic of India, Atal Behari Vajpayee, the President of the Republic of Maldives, Maumoon Abdul Gayoom, the Prime Minister of the Kingdom of Nepal, Surya Bahadur Thapa, the Prime of Minister of the Islamic Republic of Pakistan, Mir Zafarullah Khan Jamali and the President of the Democratic Socialist Republic of Sri Lanka, Chandrika Bandaranaike Kumaratunga:

**Having met** at the Twelfth Summit meeting of the South Asian Association for Regional cooperation (SAARC) in Islamabad, Pakistan on 4-6 January 2004;

**Guided by** the vision of a peaceful and prosperous South Asia and proud of its rich culture and traditions;

**Deeply** conscious of the growing interdependence within and amongst nations and regions in an increasingly globalising world;

**Desirous** of promoting peace, stability, amity and progress in the region through strict adherence to the principles of the United Nations Charter and Non-Alignment, particularly respect for the principles of sovereign equality, territorial integrity, national independence, non-use of force and non-interference in the internal affairs of the states and peaceful settlement of all disputes;

**Reaffirming** the centrality of SAARC for promoting regional cooperation and emphasizing the need to enhance its efficacy;

**Strongly reaffirming** our commitment to the objectives, principles and provisions of the Charter of the South Asian Association for Regional Cooperation (SAARC);

**Declare that:**

## **Regional Cooperation**

### **Economic**

1. We renew our commitment to the objectives and principles of SAARC and pledge to reinvigorate cooperation to realize peace amity, progress and prosperity of all peoples of South Asia.
2. We affirm our determination to create an inclusive, just and equitable partnership for peace, development and prosperity. Satisfactory progress has been made in SAPTA. The signing of the Framework Agreement on SAFTA is a major milestone. It is important to maintain this momentum and move towards further broadening of economic cooperation and to ensure equitable distribution of benefits of trade and cater to the special needs of the small and LDC Member States by providing them special and differential treatment.
3. We reiterate our commitment made at the 11th SAARC Summit at Kathmandu in January 2002 for the creation of a South Asian Economic Union. In this context, we underline that creation of a suitable political and economic environment would be conducive to the realization of this objective.
4. A study on creating a South Asian Energy Cooperation including the concept of an Energy Ring should be undertaken by the Working Group on Energy.
5. For accelerated and balanced economic growth it is essential to strengthen transportation, transit and communication links across the region.
6. Public and private sector cooperation, particularly joint ventures holds great promise. It is important to move towards Project cooperation under SAARC. Prospects for setting up of a South Asian Development Bank should be examined by the SAARCFINANCE through the Council of Ministers.
7. Priority attention should also be given to the need for harmonization of standards, simplification of custom procedures, as well as cooperation among the central banks.
8. Development of tourism within South Asia could bring economic, social and cultural dividends. There is a need for increasing cooperation to jointly promote tourism within

South Asia as well as to promote South Asia as tourism destination inter alia by improved air links. To achieve this and to commemorate the twentieth year of the establishment of SAARC, the year 2005 is designated as "South Asia Tourism Year", for the success of which, each member would individually and jointly organize special events.

9. SAARC members should continue to safeguard their collective interests in multilateral forums by discussing, coordinating and exchanging information with a view to adopting common positions, where appropriate on various issues.

### **Poverty Alleviation**

10. We recognize poverty alleviation as the greatest challenge facing the peoples of South Asia and declare poverty alleviation as the overarching goal of all SAARC activities. It is, imperative to relate regional co-operation to the actual needs of the people.

11. Provision of basic needs, promotion of literacy, and better health care are a regional priority. It is important to undertake effective and sustained poverty reduction programmes through pro-poor growth strategies and other policy interventions with specific sectoral targets.

12. The Plan of Action of Poverty Alleviation, prepared by the meeting of Finance and Planning Ministers in Islamabad in 2002, is hereby approved.

13. The reconstituted Independent South Asian Commission for Poverty Alleviation (ISACPA) has done commendable work. An effective strategy should be devised to implement suggestions made in its report "Our Future Our Responsibility". In this context, ISACPA should continue its advocacy role. It should prepare and submit to the next SAARC Summit a comprehensive and realistic blue-print setting out SAARC Development Goals for the next five years in the areas of poverty alleviation, education, health and environment giving due regard, among others, to the suggestions made in ISACPA report.

14. The SAARC Secretariat should periodically update and submit regional poverty Profiles.

15. SAARC should continue to collaborate with international organizations and UN agencies in the field of Poverty Alleviation. Arrangements for SAARC Food Security Reserves should be made more effective. We also recommend the establishment of a Regional Food Bank for which a concept paper should be prepared.

16. Investment in human resources is critical for future development of South Asia. It is, therefore, essential to establish a network of centres of higher learning, training and Skill Development Institutes (SDI's) across South Asia. In this context, the role of the SAARC Human Resource Development Centre (SHRDC) is important.

### **Science and Technology**

17. Strengthening of scientific and technological co-operation across the region is fundamental to accelerating the pace of economic and social development. Sharing of scientific and technological expertise, joint research and development and industrial application of higher technology should be encouraged and facilitated.

### **Social**

18. We hail the signing of the SAARC Social Charter as a historic development, which would have a far reaching impact on the lives of millions of South Asians. Issues covered under the Charter such as poverty alleviation, population stabilization, empowerment of women, youth mobilization, human resource development, promotion of health and nutrition and protection of children are key to the welfare and well being of all South Asians.

19. Progress has been made in the constitution of SAARC Autonomous Advocacy Group of Prominent Women Personalities (SAWAG). To enable women to contribute to the socio-economic development, there is a need for SAARC to encourage women entrepreneurs in the region.

20. Member states should move towards an early ratification of the two Conventions on Child Welfare and Trafficking in Women and Children for Prostitution.

21. Easy and affordable health care, prevention and treatment of HIV/AIDS, Tuberculosis and other serious communicable diseases are priorities. The year 2004 is declared as the "SAARC Awareness Year". The SAARC Secretariat should effectively implement the proposed programmes on the observation of the SAARC Awareness year and develop a regional strategy through a consultative process and collaborate closely with the Joint UN Programme on HIV/AIDS (UNAIDS) and other international organizations and civil society.

22. The important initiative taken by Maldives in hosting the Emergency Meeting of the SAARC Health Ministers on SARS epidemic in Male on 29 April 2003 was a welcome development.

23. As agreed by the SAARC Health Ministers' Conference held recently in New Delhi, a SAARC Health Surveillance Center and Rapid Deployment Health Response System should be set up to deal with the emerging and re-emerging diseases as well as to establish a network between various institutions dealing with malaria and other vector borne diseases in the Member States. Also, documentation of traditional knowledge to safeguard Intellectual Property Rights (IPRS) in medicine needs attention.

24. The importance of cooperation in medical expertise and pharmaceuticals as well as in the field of traditional medicine requires elaboration of a SAARC Plan of Action that should be developed in the shortest possible time.

25. We take pride in the rich cultural mosaic of the peoples of South Asia and underline the need for preservation of traditional skills and crafts and pro motion of cultural exchanges between nations.

26. We welcome the establishment of a SAARC Cultural Centre in Kandy, which will serve as symbol of South Asian shared cultural heritage.

### **Environment**

27. It is important to undertake and reinforce regional cooperation in the conservation of our water resources, environment, pollution prevention and control as well as our preparedness to deal with natural calamities. We welcome the early establishment of the Coast Zone Management Centre in the Maldives.

28. The early and effective implementation of the SAARC Environment Plan of Action is important. We further stressed the early submission of the State of the Environment reports to expedite the preparation of SAARC State of Environment report and the commissioning of the work on drafting a Regional Environment Treaty.

### **Combating Terrorism**

29. We condemn terrorist violence in all its forms and manifestations and note that people of South Asia continue to face a serious threat from terrorism.

30. We are convinced that terrorism, in all its forms and manifestations, is a challenge to all states and to all of humanity, and cannot be justified on any ground, whatsoever. Terrorism

violates the fundamental values of the United Nations and the SAARC Charter and constitutes one of the most serious threats to international peace and security. We agree to fully implement the relevant international conventions to which we are parties.

31. We reaffirm our commitment to SAARC Regional Convention on Suppression of terrorism, which, among others, recognizes the seriousness of the problem of terrorism as it affects the security, stability, and development of the region.

32. The signing of the Additional Protocol to the SAARC Regional Convention on Combating Terrorism to deal effectively with financing of terrorism is a further manifestation of our determination to eliminate all forms and manifestations of terrorism from South Asia.

### **SAARC Award**

33. We welcome the institution of the SAARC Award on the basis of a concept paper drawn up by His Majesty's Government of Nepal and decide to present the Award during the Summits in future. The Award will honour and encourage outstanding individuals and organizations within the region in the fields of peace, development, poverty alleviation, and in other areas of regional cooperation.

### **Information and Communications**

34. We recognize the vital role that information and media can play in the promotion of peace, progress and harmony in South Asia. In this context, the initiatives for introducing regular 'SAARC Roundup' and 'SAARC News' programmes for telecast and broadcast on National TV and Radio channels, respectively in Member Countries is a welcome development. We agree to the establishment of a SAARC Information Centre in Kathmandu.

35. SAARC should endeavour to bring the benefits of information and communications technology to all peoples of the region, bridging the digital divide and assist in the development of knowledge based societies.

### **SAARC Integrated Programme of Action (SIPA)**

36. We note with satisfaction the progress achieved in regional cooperation through SIPA. The commitment to SIPA must be matched by a corresponding allocation of resources for it.

### **Sub-Regional Cooperation**

37. We encourage the development of specific projects relevant to the individual needs of three or more Member states under the provisions articles VII and X of the SAARC Charter.

### **Inter-Regional Cooperation**

38. We express our determination to develop mutually beneficial links between SAARC and other regional and international organizations, bodies and entities and agree to establish dialogue partnership with other regional bodies and with states outside the region, interested in SAARC activities.

### **Enhancing Political Cooperation**

39. We envision South Asia to be a peaceful and stable region where each nation is at peace with itself and its neighbours and where conflicts, differences and disputes are addressed through peaceful means and dialogue.

40. Reaffirm our pledge to promote good neighborly 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.

### **Security of Small States**

41. We are particularly mindful of the security concerns of small states that arise, inter alia, from their particular vulnerabilities, which should be firmly addressed by scrupulous adherence to the UN Charter, rules of international law and strict adherence to the universally accepted principles and norms related to sovereign rights and territorial integrity of all states. This should be ensured by all, both severally and collectively, through appropriate actions.

42. We endorse the recommendations made by the Council of Ministers at its Twenty-third and Twenty-fourth sessions.

### **Thirteenth SAARC Summit**

43. We appreciate the offer the People's Republic of Bangladesh to host the Thirteenth SAARC Summit in January 2005."

**Islamabad**  
**06 January 2004**

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## **SAARC Declaration, January 4-6, 2002 - Kathmandu (Nepal)**

The Prime Minister of the People's Republic of Bangladesh, Her Excellency Begum Khaleda Zia; the Prime Minister of the Royal Government of Bhutan, His Excellency Lyonpo Khandu Wangchuk, the Prime Minister of the Republic of India, His Excellency Mr. Atal Behari Vajpayee; the President of the Republic of Maldives, His Excellency Mr. Maumoon Abdul Gayoom; the Prime Minister of the Kingdom of Nepal, Right Honourable Mr. Sher Bahadur Deuba; the President of the Islamic Republic of Pakistan, His Excellency General Pervez Musharraf; and the President of the Democratic Socialist Republic of Sri Lanka, Her Excellency Mrs. Chandrika Bandaranaike Kumaratunga met at the Eleventh Summit meeting of the South Asian Association for Regional Cooperation (SAARC) in Kathmandu, Nepal from 4 to 6 January 2002.

### **Regional Cooperation**

1. The Heads of State or Government reaffirmed their commitment to regional cooperation through SAARC and underscored the importance of annual Summit meetings in charting common strategies for the realization of the objectives and principles set out in the Charter of the Association. Meeting for the first time at the dawn of the new millennium, they solemnly renewed their pledge to strengthen the Association and make it more cohesive, result oriented, and forward looking, by adopting clearly defined programs and effective implementation strategies in line with popular expectations. To give effect to the shared aspirations for a more prosperous South Asia, the Leaders agreed to the vision of a phased and planned process eventually leading to a South Asian Economic Union.

2. The Heads of State or Government stressed that equitable sharing of the benefits of

regional cooperation is essential to achieve and maintain a minimum acceptable level of economic and social development in each Member State. To this end, they expressed their commitment to a speedier process of harmonizing the policies and practices and imbibing regional goals and strategies in their national development programs.

3. The Heads of State or Government expressed their firm determination to fully benefit from the wealth of traditional wisdom, creativity and enterprise in the region, They also pledged to enhance transparency and accountability in governance and to encourage effective participation of the peoples and civil societies in the formulation as well as implementation of the programs of cooperation.

4. Reiterating their resolve to promote the regional identity and to strengthen cooperation at the international level, the Heads of State or Government also emphasized the need to evolve common positions on issues of shared interests at the international fora.

#### Cooperation in the Economic Sector

5. The Heads of State or Government agreed to accelerate cooperation in the core areas of trade, finance and investment to realize the goal of an integrated South Asian economy in a step-by-step manner. They expressed their determination to make the full use of regional synergy to maximize the benefits of globalisation and liberalization and to minimize their negative impacts on the region. While recognizing that trade and economic expansion is closely inter-linked, the Leaders made a commitment to widen and deepen the scope of regional networks of activities in trade and financial matters.

6. The Heads of State or Government noted with satisfaction the outcomes of the successive meetings of the SAARC Commerce Ministers aimed at enlarging the scope of cooperation in the core areas. They recognised the importance of achieving a free trade area and reaffirmed that the treaty regime for creating a free trade area must incorporate, inter alia binding timeframes for freeing trade, measures to facilitate trade and provisions to ensure an equitable distribution of benefits of trade to all states, especially for small and least developed countries, including mechanisms for compensation of revenue loss.

7. Recognising the need to move quickly towards a South Asian Free Trade Area, the Heads of State or Government directed the Council of Ministers to finalize the text of the Draft Treaty Framework by the end of 2002. They also directed that in moving towards the goal of SAFTA, the Member States expedite action to remove tariff and non-tariff barriers and structural impediments to free trade. They also instructed to conclude the meeting of the Inter Governmental Group on Trade Liberalization for the Fourth Round of Trade Negotiations under SAPTA as early as possible as per the decision of the Tenth SAARC Summit in Colombo.

8. The Heads of State or Government renewed their commitment to encourage the participation of the private sector and assured their full support for their socially responsible economic initiatives. While welcoming the practice of holding trade fairs in cooperation with the private sector at the regional level, they appreciated the efforts of the SAARC Chamber of Commerce and Industry to promote regional economic cooperation in the spirit of public and private sector partnership.

9. The Heads of State or Government also decided to instruct the Secretary-General to facilitate an early finalization of a regionally agreed investment framework to meet investment needs of the SAARC Member States.

10. The Heads of State or Government recognized the immense tourism potential of South Asia and underlined the need to take measures to promote South Asia as a

common tourist destination through joint efforts in areas such as upgrading of infrastructure, air linkages, simplification and harmonization of administrative procedures and training and joint marketing.

#### Poverty Alleviation

11. The Heads of State or Government acknowledged that investment in poverty alleviation programs contributes to social stability, economic progress and overall prosperity. They were of the view that widespread and debilitating poverty continued to be the most formidable developmental challenge for the region. Conscious of the magnitude of poverty in the region, and recalling also the decision of the UN Millennium Summit 2000 to reduce the world poverty in half by 2015, and also recalling the commitments made at the Eve year review of the World Summit for Social Development to reduce poverty with enhanced social mobilization, the Heads of State or Government made a review of the SAARC activities aimed at poverty alleviation and decided to reinvigorate them in the context of the regional and global commitments to poverty reduction.

12. The Heads of State or Government expressed their firm resolve to combat the problem of poverty with a new sense of urgency by actively promoting the synergetic partnership among national governments, international agencies, the private sector, and the civil society. They reaffirmed their pledge to undertake effective and sustained poverty alleviation programs through pro-poor growth strategy and social as well as other policy interventions with specific sectoral targets. The Leaders also agreed to take immediate steps for an effective implementation of the programs for social mobilization and decentralization, and for strengthening institution building, and support mechanisms to ensure participation of the poor, both as stake-holder and beneficiary, in governance and development process.

13. The Heads of State or Government decided to undertake sustained measures to extend rural micro-credit programs with focus on women and the disadvantaged sections of the society. They also stressed the need for widening the opportunities for gainful employment. While highlighting the importance of promoting agriculture, indigenous skills and small scale and cottage industries to address the incidence of rural poverty, they decided to enhance cooperation in agricultural research extension and adoption. They specifically instructed that the Technical Committees should identify programmes and activities that impact on poverty alleviation. They urged the need to create gainful employment and promote cooperation in vocational training.

14. The Heads of State or Government emphasized the need to promote sharing of the best practices and experiences among the Member States and to this end, instructed the Secretary-General to disseminate such information to the Member States on a Regular basis. They directed the Council of Ministers to review on a continuous basis the regional poverty profile to be prepared by the Secretary-General with the assistance of the related UN agencies, nodal agencies and independent research institutions specialized in the field.

15. In order to ensure social stability and to protect the vulnerable sections or population from the adverse impacts of globalisation and liberalization, the Heads of State or Government stressed the need to enhance cooperation to create and maintain appropriate safety nets.

16. The Heads of State or Government agreed that a special session on poverty alleviation at the Ministerial level should undertake a comprehensive review and evaluation of the status of implementation of poverty eradication policies and programs carried out so far, and to recommend further concrete measures to enhance effective cooperation at the regional level to the Twelfth SAARC Summit. They also directed the

Council of Ministers to take necessary steps to fully activate the existing three-tier mechanism for poverty alleviation.

17. The Leaders directed the Council of Ministers to coordinate efforts to integrate poverty alleviation programs into the development strategies of Member States. In this context, they agreed to reconstitute the Independent South Asian Commission on Poverty Alleviation, with Nepal as its Convener and Bangladesh as Convener, for reviewing the progress made in cooperation on poverty alleviation and for suggesting appropriate and effective measures. They instructed the Chairman of the Council of Ministers to seek two nominations from each Member State by end of January 2002 to enable to hold its first meeting before the proposed Ministerial Meeting on Poverty Alleviation in Pakistan in April 2002.

18. Expressing concern at the region's special vulnerability in the slowdown in world economy and its negative impact on the poor and the marginalized, the Heads of State or Government called for a supportive international environment and enhanced level of assistance by international community for poverty alleviation programs in South Asia.

#### Cooperation in the Social and Cultural Sector

19. The Heads of State or Government reiterated the need for an early finalisation of the SAARC Social Charter and instructed the Inter Governmental Expert Group to expedite their work on the basis of the draft submitted by the Secretary-General as a working paper for its consideration, complete the draft framework of the Charter as early as possible and present it for consideration at the next meeting of the Council of Ministers. While drawing up the Charter, they also directed the Council of Ministers to include the important areas of poverty eradication, population stabilization, the empowerment of women, youth mobilization, human resources development, the promotion of health and nutrition and the protection of children.

20. The Leaders recognized the debilitating and widespread impact of the HIV/ AIDS, TB and other communicable deadly diseases on the population of South Asia and stressed the need for evolving a regional strategy to combat these diseases. The strategy should include, inter alia culturally appropriate preventive measures, an affordable treatment regime and should specially target the vulnerable groups. In this regard, they felt that SAARC should collaborate with the international organizations and civil society on those diseases. They also emphasized that the SAARC Tuberculosis Centre in Kathmandu should play a coordinating role in the related areas.

21, In accordance with the Colombo Declaration, the Heads of State or Government decided to mandate the Ministers of Cultural Affairs Meeting in Sri Lanka to finalise the details relating to the establishment as well as financing of the SAARC Cultural Centre and submit its report to the next session of the Council of Ministers.

#### Women and Children

22. The Heads of State or Government welcomed the signing of the SAARC Convention on Preventing and Combating the Trafficking in Women and Children for Prostitution and expressed their collective resolve to treat trafficking in women and children for the commercial sexual exploitation as a criminal offence of a serious nature. They also welcomed the signing of the SAARC Convention on Regional Arrangements for the Promotion of Child Welfare in South Asia and observed that the Convention reflected their commitment to place the child first in the national and regional programs of the Member States. They instructed the Secretary-General, in consultation with Member States and other specialised agencies, to present a report on measures for the effective implementation of the Conventions to the next meeting of the Council of Ministers.

23. The Heads of State or Government agreed to establish, on the basis of recommendations of the Regional Task Force responsible for the implementation of the provisions of the SAARC Convention on Preventing and Combating Trafficking in Women and Children for Prostitution, a voluntary fund with contributions from Member States, individuals, and donor countries and agencies for the rehabilitation and reintegration of the victims of trafficking.

24. The Leaders recognized 'the need to. form an autonomous advocacy group of prominent women personalities from the Member States with a view to making recommendations to the SAARC bodies on a broad spectrum of gender related issues. They directed the Council of Ministers to take necessary steps to prepare and present for consideration at their next meeting the Terms of Reference for the purpose.

25. The Heads of State or Government recognized the need to actively pursue and promote social development through empowerment of women and to achieve their full participation in decision making at all levels. They reaffirmed their commitment to uplift the social status of the people, women and children in particular, in the region and expressed their common resolve to accord the highest priority to promoting social development through specific and targeted programs. The Leaders directed the Council of Ministers to take necessary measures to ensure the enjoyment by women and girl child of their inherent potentials. They also directed the Council of Ministers to constitute a Task Force to review the status of implementation of past decisions related to the social sector and to suggest guidelines for their effective implementation in the future.

26. The Leaders directed the Council of Ministers to take concrete steps to Live priority to investing in children as an effective means for poverty reduction in the long run. Reaffirming their commitment to the Colombo Plan of Action and the Rawalpindi Declaration and recalling the declaration of 2001 to 2010 as the SAARC Decade of the Rights of the Child, the Heads of State or Government noted with appreciation the South Asia High-level Meeting on Children held in Kathmandu in May 2001. They reaffirmed their conviction that the children in South Asia deserve urgent and focused attention to enhance the long-term and overall progress of the countries of the region.

27. The Heads of State or Government agreed to mobilize the necessary resources and intensify broad based actions to achieve a set of priority goals related to improving the status of children, such as' polio eradication by 2005, protection of children from mother-to-child transmission of HIV/AIDS, and quality basic education to the children within a time-bound period.

#### Education

28. The Heads of State or Government instructed the concerned Ministries of the Governments to devise appropriate strategies for raising the quality of education through the exchange of information among the universities in the region. While emphasizing the importance of mutual recognition of the educational institutions, they agreed to give the necessary impetus to realize the goal of a common regional educational standard through uniform methods of instruction and teaching aids. They were unanimous in recognizing the benefit of introducing SAARC in the national curricula at appropriate levels of study in order to enhance the awareness about Association's goals and objectives.

29. The Heads of State or Government recognized that access to quality education was an important element for the empowerment of all segments of society, and undertook to develop or strengthen national strategies and action plans to ensure that all children particularly the girl child have access to quality primary education by 2015; and to improve levels of adult literacy by fifty percent by eliminating gender disparities in access to education as envisaged in the Dakar Framework for Action on Education for All adopted by the World Education Forum held at Dakar in April 2000.

## International Political and Economic Environment

30. The Heads of State or Government reiterated their firm support for the principles and purposes of the United Nations in order to create a just balanced and equitable world order. They reaffirmed their commitment to continue working with the NAM and other like-minded countries for the reform and democratisation of the United Nations System with a view to making it an effective and more democratic institution for international peace, security, progress and cooperation.

31. The Heads of State or Government were of the view that stability, peace and security in South Asia should be promoted together with efforts to improve the global security environment. They underscored their commitment to general and complete disarmament including nuclear disarmament on a universal basis, under effective international control. They agreed that global non-proliferation goals could not be achieved in the absence of progress towards nuclear disarmament and in this context called upon all nuclear weapon states, whether party or non-party to the NPT, to engage constructively through a transparent and credible process of negotiations at the Conference on Disarmament. The Leaders also recognized the linkage between disarmament and development.

32. The Leaders emphasized the need to take appropriate measures to make international financial institutions and the global trading regime more responsive to the needs and concerns of the developing countries. They reiterated the call for genuine partnership among the developed and developing countries in international trade and finance and for the reform of the global financial architecture with the enhanced level of resources.

33. The Leaders also called upon the developed countries to facilitate and ensure unimpeded and enhanced level of market access to products from the developing, the least developed and the land-locked countries.

34. Recognizing the important role that trade can play in advancing the overall development of a country, thus contributing to an equitable and sustainable world order, the Heads Of State or Government also called for an early realization of a rule based and non-discriminatory world trade regime. In this context, they appreciated the positive elements of the Fourth WTO Ministerial Conference held in Doha and called upon the developed countries to fulfill their commitments to address the particular concerns and needs of the developing and the least developed countries. The Leaders also instructed the forthcoming meeting of the Committee on Economic Cooperation to devote at least half a day for discussions on the evaluation of the decisions of the recently concluded Doha conference in order to evolve better coordinated positions among the Member States on all WTO issues. They further stressed the need to intensify coordination among the SAARC missions in Geneva and begin the necessary preparation to advance the common interest of the region in the Fifth WTO Ministerial conference.

35. The Heads of State or Government noted with serious concern the adverse impact of the shrinking Official Development Assistance (ODA) and other concessional financial flows on developing countries in general, and the least developed among them in particular. They further noted with concern the current trend of global economic slowdown and its adverse effects on these economies. Taking into account the interdependent nature of the global economy, the Leaders urged the developed countries to enhance the level of ODA flows to meet the internationally agreed targets.

36. Recalling the recommendations of the Third United Nations Conference on the Least Developed Countries held in Brussels in May 2001 and the decisions of the Zanzibar Declaration of July 2001, the Leaders urged the developed countries to adopt more liberal trade and aid policies responsive to the particular needs of the least developed

countries. Referring to the forthcoming International Conference on Financing for Development to be held in Mexico in March 2002, the Leaders urged the international community to strengthen cooperation for development by addressing international and systemic issues related to financing for development in the developing and the least developed countries in a holistic manner.

37. The Heads of State or Government welcomed the initiative of the donor countries to relieve the external debt burden of the Highly Indebted Poor Countries. They urged the international donor community and financial institutions to widen the scope and extent of debt relief initiatives to cover all those developing and the least developed countries, which are facing developmental difficulties particularly due to the current global recession. In the context of growing global interdependence, they underlined the importance of forging cooperative partnership between the developed and the developing countries to ensure equitable benefits to all.

38. The Heads of State or Government expressed concern over the continued violence and bloodshed in the Middle East, and the set backs suffered by the peace process. They reaffirmed their support for the achievement of a just, lasting and comprehensive peace based on Security Council Resolution 242 (1967) and Resolution 338 (1973) and the establishment of a sovereign Palestine State under the leadership of PLO, which could coexist with its neighbours in peace, security and harmony.

#### Security of Small States

39. The Heads of State or Government recognized that due to their particular vulnerability, small states require special measures for support from the international community for the safeguarding of their sovereign independence and territorial integrity. They reiterated that the real protection of small states should be firmly rooted in the scrupulous adherence to the UN Charter, the rule of law and the strict adherence to universally accepted principles and norms related to sovereign rights and territorial integrity of all states, irrespective of size. This, they stressed, should be ensured by all the countries, either severally or collectively through the pursuit of appropriate action.

#### Terrorism

40. The Heads of State or Government were convinced that terrorism, in all its forms and manifestations, is a challenge to all states and to all of humanity, and cannot be justified on ideological, political, religious or on any other ground. The Leaders agreed that terrorism violates the fundamental values of the United Nations and the SAARC Charter and constitutes one of the most serious threats to international peace and security in the Twenty-first century.

41. The Heads of State or Government emphasized the need for the urgent conclusion of a Comprehensive Convention on Combating International Terrorism. They also emphasized that international co-operation to combat terrorism should be conducted in conformity with the UN Charter, international law and relevant international conventions.

42. The Heads of State or Government reiterated their support to the United Nations Security Council Resolution 1373 of September 28, 2001 and affirmed their determination to redouble efforts, collectively as well as individually, to prevent and suppress terrorism in all its forms and manifestations, including by increased cooperation and full implementation of the relevant international Conventions relating to terrorism to which they are parties. In this context, they called on all states to prevent and suppress the financing of terrorist acts by criminalizing the collection of funds for such acts and refraining from organizing, instigating, assisting or participating in terrorist acts in states or acquiescing in organized activities within its territory directed towards the commission of such acts. The Leaders reaffirmed that the fight against terrorism in all its forms and

manifestations has to be comprehensive and sustained.

43. The Heads of State or Government were unanimous in recognizing the distinct ominous link between terrorism, drug-trafficking, money laundering and other trans national crimes and emphasized the need to coordinate efforts at the national and regional levels to strengthen then the global response to this serious challenge and threat to international security. They called upon the international community to assist Member States of SAARC to deal effectively with the adverse economic effects of terrorism in general and to meet the rising insurance and security related costs in particular.

44. The Heads of State or Government reaffirmed their commitment to SAARC Regional Convention on Suppression of Terrorism, which, among others, recognizes the seriousness of the problem of terrorism as it affects the security, stability, and development of the region. They also reiterated their firm resolve to accelerate the enactment of enabling legislation within a definite time-frame for the full implementation of the Convention, together with strengthening of SAARC Terrorist Offences Monitoring Desk and the SAARC Drug Offences Monitoring Desk in an effective manner.

#### Report of the Group of Eminent Persons

45. The Leaders noted with appreciation that the Report of the Group of Eminent Persons (GEP) was an important contribution in the on-going process of introspection into the functioning of the Association as well as in setting out a perspective plan of action for it. They endorsed the report of the Council of Ministers on the implementation of the recommendations of the GEP Report, and directed the Council of Ministers to undertake a review of progress in this regard.

#### Enhancing Political Cooperation

46. The Heads of State or Government reaffirmed their commitment to the promotion of mutual trust and understanding and, recognizing that the aims of promoting peace, stability and amity and accelerated socio-economic cooperation may best be achieved by fostering good neighbourly relations, relieving tensions and building confidence, agreed that a process of informal consultations would prove useful in this regard. The Leaders further recognized that this process would contribute to the appreciation of each other's problems and perceptions as well as for decisive action in agreed areas of regional political regional cooperation. They underlined the importance of consultations in promoting mutual understanding and reinforcing the confidence building process among the Member States.

#### Sub-regional Cooperation

47. The Heads of State or Government reaffirmed the validity of the idea of encouraging the development of specific projects relevant to the individual needs of three or more Member States under the provisions of Articles VII and X of the SAARC Charter

#### South Asian Development Fund (SADF)

48. The Heads of State or Government underlined the urgent need to make the South Asian Development Fund operational by making utilization of the existing funds. They also instructed the Secretary-General to submit a proposal for seeking assistance from possible regional and international sources for the implementation of specific regional poverty alleviation priority projects.

#### Environment

49. The Heads of State or Government noted with satisfaction the growing, public

awareness on the need for protecting the environment within the framework of regional cooperation. They reiterated their call for the early and effective implementation of the SAARC Environment Plan of Action as endorsed by the SAARC Environment Ministers. They directed their Environment Ministers to take this into account and come up with an agreed position in their forthcoming meeting.

50. The Heads of State or Government also felt a strong need to devise a mechanism for cooperation in the field of the early warning as well as preparedness and management of natural disasters along with programs to promote conservation of land and water resources.

51. The Heads of State or Government also stressed the need to develop a cooperative mechanism for the protection, enrichment and utilization of bio-diversity as provided for in the UN Convention on Biological Diversity and to establish a regional bio diversity database with a view to providing equitable benefits to all Member States. They also underscored the importance of protecting associated knowledge and other indigenous intellectual manifestations for the advancement of the region. They also directed the Council of Ministers to explore the possibility of establishing a SAARC Seed Security Reserve to strengthen cooperation in the field of agriculture and to protect IPRs of the seeds of the Reserve.

#### People-to-People Contact

52. The Heads of State or Government were unanimous in recognizing the need for further promoting a sense of regional identity amongst the peoples of the region. The Leaders lauded the roles played by the intellectuals, professionals and eminent persons in promoting people-to-people contacts within the region and agreed to encourage such endeavours as a healthy sign of regional cohesion and fraternity. In this context, they took note of the activities of the SAARCLAW including other recognized bodies. They also took note of the First Meeting of the Chief Election Commissioners of SAARC Countries held in Kathmandu in February 1999 and appreciated the initiative on free and fair election. The Leaders instructed the Secretary-General to collect on a regular basis study reports and other relevant documents and information from the civil society on matters relating to regional cooperation for dissemination to Member States.

#### Rationalization and Institutional Issues

53. The Heads of State or Government were in agreement that the Summit and all other meetings of SAARC needed to be made more business-like and result-oriented with focus on programs and activities supported by informed regional inputs from the cross-sections of the society. They directed the Chairman of the Council of Ministers to undertake a review of the functioning and operation of SAARC Secretariat, and to make recommendations to advance the process of rationalisation and to make SAARC more functional and business-like, to the next meeting of the Council of Ministers.

#### SAARC Award

54. The Heads of State or Government noted with appreciation the proposal made by Nepal to institute a SAARC AWARD to honour the outstanding work of individuals and organizations with the region in the fields of peace, development, poverty alleviation and regional cooperation, and requested His Majesty's Government of Nepal to submit a concept paper for consideration by the next session of the Council of Ministers.

#### Date and Venue of the Twelfth Summit

55. The Heads of State or Government welcomed with appreciation the offer of the Government of the Islamic Republic of Pakistan to host the Twelfth Summit Meeting of

the Heads of State or Government of the South Asian Association for the Regional Cooperation (SAARC) in Pakistan in early 2003.

56. The Heads of State or Government of Bangladesh, Bhutan, India, Maldives, Pakistan and Sri Lanka expressed their deep appreciation for the exemplary manner in which the right Honourable Prime Minister of Nepal conducted the proceedings of the Eleventh SAARC Summit in his capacity as Chairperson. They also expressed their deep gratitude for the generous hospitality extended to them by His Majesty's Government and people of Nepal, and for the excellent arrangements made for the Summit.

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## Social Charter

04/01/2004

Re-affirming that the principal goal of SAARC is to promote the welfare of the peoples of South Asia, to improve their quality of life, to accelerate economic growth, social progress and cultural development and to provide all individuals the opportunity to live in dignity and to realize their full potential.

Recognising that the countries of South Asia have been linked by age-old cultural, social and historical traditions and that these have enriched the interaction of ideas, values, cultures and philosophies among the people and the States and that these commonalities constitute solid foundations for regional cooperation for addressing more effectively the economic and social needs of people.

Recalling that all Member States attach high importance to the imperative of social development and economic growth and that their national legislative, executive and administrative frameworks provide, in varying degrees, for the progressive realization of social and economic goals, with specific provisions, where appropriate, for the principles of equity, affirmative action and public interest.

Observing that regional cooperation in the social sector has received the focused attention of the Member States and that specific areas such as health, nutrition, food security, safe drinking water and sanitation, population activities, and child development and rights along with gender equality, participation of women in development, welfare of the elderly people, youth mobilization and human resources development continue to remain on the agenda of regional cooperation.

Noting that high level meetings convened since the inception of SAARC on the subjects of children, women, human resettlements, Sustainable developments, agriculture and food, poverty alleviation etc. have contributed immensely to the enrichment of the social agenda in the region and that several directives of the Heads of State or Government of SAARC Countries at their Summit meetings have imparted dynamism and urgency to adopting regional programmes to fully and effectively realize social goals.

Reiterating that the SAARC Charter and the, SAARC Conventions, respectively on Narcotic Drugs and Psychotropic Substances, Preventing and Combating Trafficking in Women and Children for Prostitution, Regional Arrangements for the Promotion of Child Welfare in South Asia and the SAARC Agreement on Food Security Reserve provide regional frameworks for addressing specific social issues, which require concerted and coordinated actions and

strategies for the effective realization of their objectives.

Realizing that the health of the population of the countries of the region is closely interlinked and can be sustained only by putting in place coordinated surveillance mechanisms and prevention and management strategies.

Noting, in particular, that Heads of State or Government of SAARC Countries, at their Tenth Summit in Colombo in July 1998, re-affirmed the need to develop, beyond national plans of action, a regional dimension of cooperation in the social sector and that the Eleventh SAARC Summit in Kathmandu in January 2002 directed that a SAARC Social Charter be concluded as early as possible.

Convinced that it was timely to develop a regional instrument which consolidated the multifarious commitments of SAARC Member States in the social sector and provided a practical platform for concerted, coherent and complementary action in determining social priorities, improving the structure and content of social policies and programmes, ensuring greater efficiency in the utilization of national, regional and external resources and in enhancing the equity and sustainability of social programmes and the quality of living conditions of their beneficiaries.

The Member States of the South Asian Association for Regional Cooperation hereby agree to adopt this Charter:

## **Article I General Provisions**

1. States Parties shall maintain a social policy and strategy in order to ensure an overall and balanced social development of their peoples. The salient features of individual social policy and programme shall be determined, taking into account the broader national development goals and specific historic and political contexts of each State Party.
2. States Parties agree that the obligations under the Social Charter shall be respected, protected and fulfilled without reservation and that the enforcement thereof at the national level shall be continuously reviewed through agreed regional arrangements and mechanisms.
3. States Parties shall establish a people-centered framework for social development to guide their work and in the future, to build a culture of cooperation and partnership and to respond to the immediate needs of those who are most affected by human distress. States Parties are determined to meet this challenge and promote social development throughout the region.

## **Article II Principles, Goals and Objectives**

1. The provisions made herein shall complement the national processes of policymaking, policy-implementation and policy-evaluation, while providing broad parameters and principles for addressing common social issues and developing and implementing result-oriented programmes in specific social areas.
2. In the light of the commitments made in this Charter, States Parties agree to:
  - i. Place people at the center of development and direct their economies to meet human needs more effectively;
  - ii. Fulfill the responsibility towards present and future generations by ensuring equity among

generations, and protecting the integrity and sustainable use of the environment;

iii. Recognize that, while social development is a national responsibility, its successful achievement requires the collective commitment and cooperation of the international community;

iv. Integrate economic, cultural and social policies so that they become mutually supportive, and acknowledge the interdependence of public and private spheres of activity;

v. Recognize that the achievement of sustained social development requires sound, equitable and broad-based economic policies;

vi. Promote participatory governance, human dignity, social justice and solidarity at the national, regional and international levels;

vii. Ensure tolerance, non-violence, pluralism and non-discrimination in respect of diversity within and among societies;

viii. Promote the equitable distribution of income and greater access to resources through equity and equality of opportunity for all;

ix. Recognize the family as the basic unit of society, and acknowledge that it plays a key role in social development and as such should be strengthened, with attention to the rights, capabilities and responsibilities of its members including children, youth and the elderly;

x. Affirm that while State, society, community and family have obligations towards children, these must be viewed in the context of inculcating in children intrinsic and attendant sense of duty and set of values directed towards preserving and strengthening the family, community, society and nation;

xi. Ensure that disadvantaged, marginalized and vulnerable persons and groups are included in social development, and that society acknowledges and responds to the consequences of disability by securing the legal rights of the individual and by making the physical and social environment accessible;

xii. Promote universal respect for and observance and protection of human rights and fundamental freedoms for all, in particular the right to development; promote the effective exercise of rights and the discharge of responsibilities in a balanced manner at all levels of society; promote gender equity; promote the welfare and interest of children and youth; promote social integration and strengthen civil society;

xiii. Recognize the promotion of health as a regional objective and strive to enhance it by responding to urgent health issues and outbreak of any communicable disease in the region through sharing information with each other, imparting public health and curative skills to professionals in the region; and adopting a coordinated approach to health related issues in international fora;

xiv. Support progress and protect people and communities whereby every member of society is enabled to satisfy basic human needs and to realize his or her personal dignity, safety and creativity;

xv. Recognize and support people with diverse cultures, beliefs and traditions in their pursuit of economic and social development with full respect for their identity, traditions, forms of social organization and cultural values;

xvi. Underline the importance of transparent and accountable conduct of administration in public and private, national and international institutions;

xvii. Recognize that empowering people, particularly women, to strengthen their own capacities is an important objective of development and its principal resource. Empowerment requires the full participation of people in the formulation, implementation and evaluation of decisions and sharing the results equitably;

xviii. Accept the universality of social development, and outline an effective approach to it, with a renewed call for international cooperation and partnership;

xix. Ensure that the elderly persons lead meaningful and fulfilling lives while enjoying all rights without discrimination and facilitate the creation of an environment in which they continue to utilize their knowledge, experience and skills;

xx. Recognize that information communication technology can help in fulfilling social development goals and emphasize the need to facilitate easy access to this technology;

xxi. Strengthen policies and programmes that improve, broaden and ensure the participation of women in all spheres of political, economic, social and cultural life, as equal partners, and improve their access to all resources needed for the full enjoyment of their fundamental freedoms and other entitlements.

### **Article III Poverty Alleviation**

1. States Parties affirm that highest priority shall be accorded to the alleviation of poverty in all South Asian Countries. Recognising that South Asia's poor could constitute a huge and potential resource, provided their basic needs are met and they are mobilized to create economic growth, States Parties reaffirm that the poor should be empowered and irreversibly linked to the mainstream of development. They also agree to take appropriate measures to create income-generating activities for the poor.

2. Noting that a large number of the people remain below the poverty line, States Parties re-affirm their commitment to implement an assured nutritional standards approach towards the satisfaction of basic needs of the South Asian poor.

3. Noting the vital importance of biotechnology for the long-term food security of developing countries as well as for medicinal purposes, States Parties resolve that cooperation should be extended to the exchange of expertise in genetic conservation and maintenance of germplasm banks. They stress the importance of the role of training facilities in this area and agree that cooperation in the cataloguing of genetic resources in different SAARC countries would be mutually beneficial.

4. States Parties agree that access to basic education, adequate housing, safe drinking water and sanitation, and primary health care should be guaranteed in legislation, executive and administrative provisions, in addition to ensuring of adequate standard of living, including adequate shelter, food and clothing.

5. States Parties underline the imperative for providing a better habitat to the people of South Asia as part of addressing the problems of the homeless. They agree that each country share the experiences gained in their efforts to provide shelter, and exchange expertise for effectively alleviating the problem.

### **Article IV Health**

1. States Parties re-affirm that they will strive to protect and promote the health of the population in the region. Recognizing that it is not possible to achieve good health in any country without addressing the problems of primary health issues and communicable diseases in the region, the States Parties agree to share information regarding the outbreak of any communicable disease among their populations.
2. Conscious that considerable expertise has been built up within the SAARC countries on disease prevention, management and treatment, States Parties affirm their willingness to share knowledge and expertise with other countries in the region.
3. Noting that the capacity for manufacture of drugs and other chemicals exists in different countries, States Parties agree to share such capacity and products when sought by any other State Party.
4. Realizing that health issues are related to livelihood and trade issues which are influenced by international agreements and conventions, the States Parties agree to hold prior consultation on such issues and to make an effort to arrive at a coordinated stand on issues that relate to the health of their population.
5. States Parties also agree to strive at adopting regional standards on drugs and pharmaceutical products.

#### **Article V**

#### **Education, Human Resource Development and Youth Mobilization**

1. Deeply conscious that education is the cutting edge in the struggle against poverty and the promotion of development, States Parties re-affirm the importance of attaining the target of providing free education to all children between the ages of 6 - 14 years. They agree to share their respective experiences and technical expertise to achieve this goal.
2. States Parties agree that broad-based growth should create productive employment opportunities for all groups of people, including young people.
3. States Parties agree to provide enhanced job opportunities for young people through increased investment in education and vocational training.
4. States Parties agree to provide adequate employment opportunities and leisure time activities for youth to make them economically and socially productive.
5. States Parties shall find ways and means to provide youth with access to education, create awareness on family planning, HIV/AIDS and other sexually-transmitted diseases, and risks of consumption of tobacco, alcohol and drugs.
6. States Parties stress the idealism of youth must be harnessed for regional cooperative programmes. They further stress the imperative of the resurgence of South Asian consciousness in the youth of each country through participation in the development programmes and through greater understanding and appreciation of each other's country. The Organized Volunteers Programme under which volunteers from one country would be able to work in other countries in the social fields shall be revitalized.
7. States Parties recognize that it is essential to promote increased cross-fertilization of ideas through greater interaction among students, scholars and academics in the SAARC countries. They express the resolve that a concerted programme of exchange of scholars among Member States should be strengthened.

#### **Article VI**

## **Promotion of the status of women**

1. States Parties reaffirm their belief that discrimination against women is incompatible with human rights and dignity and with the welfare of the family and society; that it prevents women realizing their social and economic potential and their participation on equal terms with men, in the political, social, economic and cultural life of the country, and is a serious obstacle to the full development of their personality and in their contribution to the social and economic development of their countries.

2. States Parties agree that all appropriate measures shall be taken to educate public opinion and to direct national aspirations towards the eradication of prejudice and the abolition of customary and all other practices, which are based on discrimination against women. States Parties further declare that all forms of discrimination and violence against women are offences against human rights and dignity and that such offences must be prohibited through legislative, administrative and judicial actions.

3. States Parties shall take all appropriate measures to ensure to women on equal terms with men, an enabling environment for their effective participation in the local, regional and national development processes and for the enjoyment of their fundamental freedoms and legitimate entitlements.

4. States Parties also affirm the need to empower women through literacy and education recognizing the fact that such empowerment paves the way for faster economic and social development. They particularly stress the need to reduce, and eventually eliminate, the gender gap in literacy that currently exists in the SAARC nations, within a time-bound period.

5. States Parties re-affirm their commitment to effectively implement the SAARC Convention on Combating the Trafficking of Women and Children for Prostitution and to combat and suppress all forms of traffic in women and exploitation of women, including through the cooperation of appropriate sections of the civil society.

6. States Parties are of the firm view that at the regional level, mechanisms and institutions, to promote the advancement of women as an integral part of mainstream political, economic, social and cultural development be established.

## **Article VII**

### **Promotion of the Rights and Well-being of the Child**

1. States Parties are convinced that the child, by reason of his or her physical and mental dependence, needs special safeguards and care, including appropriate legal protection, before as well as after birth.

2. The child, for the full and harmonious development of his or her personality, should grow up in a family environment, in an atmosphere of happiness, love and understanding.

3. States Parties shall protect the child against all forms of abuse and exploitation prejudicial to any aspects of the child's well-being.

4. States Parties shall take necessary actions to implement effectively the SAARC Convention on Regional Arrangements for the Promotion of Child Welfare and to combat and suppress all offences against the person, dignity and the life of the child.

5. States Parties are resolved that the child shall enjoy special protection, and shall be given opportunities and facilities, by law and by other means, to enable him or her to develop its full potential physically, mentally, emotionally, morally, spiritually, socially and

culturally in a healthy and normal manner and in conditions of freedom and dignity. The best interests and welfare of the child shall be the paramount consideration and the guiding principle in all matters involving his or her life.

6. States Parties agree to extend to the child all possible support from government, society and the community. The child shall be entitled to grow and develop in health with due protection. To this end, special services shall be provided for the child and its mother, including pre-natal, natal (especially delivery by trained birth attendant) and post-natal care, immunization, early childhood care, timely and appropriate nutrition, education and recreation. States Parties shall undertake specific steps to reduce low birth weight, malnutrition, anemia amongst women and children, infant, child and maternal morbidity and mortality rates, through the inter-generational life cycle approach, increase education, literacy, and skill development amongst adolescents and youth, especially of girls and elimination of child/early marriage.

7. States Parties shall take effective measures for the rehabilitation and re-integration of children in conflict with the law.

8. State Parties shall take appropriate measures for the re-habilitation of street children, orphaned, displaced and abandoned children, and children affected by armed conflict.

9. States Parties pledge that a physically, mentally, emotionally or socially disadvantaged child shall be given the special treatment, education and care required by his or her particular condition.

10. States Parties shall ensure that a child of tender years shall not, save in exceptional circumstances, be separated from his or her mother and that society and the public authorities shall be required to extend particular care to children without a family and to those without adequate means of support, including where desirable, provision of State and other assistance towards his or her maintenance.

11. States Parties shall take all appropriate measures, including legislative, administrative, social and educational measures, to protect children from the illicit use of narcotic drugs and psychotropic substances as defined in the relevant international treaties, and to prevent the use of children in the illicit production and trafficking of such substances. In this respect, States Parties shall expedite the implementation of the SAARC Convention on Narcotic Drugs and Psychotropic Substances at the national and regional levels.

### **Article VIII Population Stabilisation**

1. States Parties underscore the vital importance of enhanced cooperation in the social development and well-being of the people of South Asia. They agree that national programmes evolved through stakeholder partnership, with enhancement of allocation of requisite resources and well-coordinated regional programmes will contribute to a positive atmosphere for the development of a socially content, healthy and sustainable population in the region.

2. States Parties are of the view that population policies should provide for human-centered approach to population and development and aim towards human survival and wellbeing. In this regard, they affirm that national, local or provincial policies and strategies should aim to bring stabilization in the growth of population in each country, through voluntary sustainable family planning and contraceptive methods, which do not affect the health of women.

3. States Parties shall endeavour to inculcate a culture of self-contentment and regulation

where unsustainable consumption and production patterns would have no place in the society and unsustainable population changes, internal migration resulting in excessive population concentration, homelessness, increasing poverty, unemployment, growing insecurity and violence, environmental degradation and increased vulnerability to disasters would be carefully, diligently and effectively managed.

4. States Parties shall take action to ensure reproductive health, reduction of maternal and infant mortality rates as also provision of adequate facilities to enable an infant to enjoy the warmth of love and support of his/her parents.

5. States Parties also agree to set up a SAARC Network of Focal Institutions on population activities for facilitating the sharing of information, experiences and resources within the region.

### **Article IX Drug de-addiction, Rehabilitation and Reintegration**

1. States Parties agree that regional cooperation should be enhanced through exchange of information, sharing of national experiences and common programmes in the specific areas, which should receive the priority consideration of the appropriate mechanisms both at the national and regional levels.

2. States Parties identify for intensive cooperation, the strengthening of legal systems to enhance collaboration in terms of financial investigation; asset forfeiture; money laundering; countering criminal conspiracies and organized crime: mutual legal assistance; controlled deliveries; extradition; the updating of laws and other relevant structures to meet the obligations of the SAARC Convention and other related international obligations, and developing of measures to counter drug trafficking through exchange of information; intercountry cooperation; controlled deliveries; strengthened SDOMD; regional training; frequent meetings at both policy and operational levels; strengthening the enforcement capabilities in the SAARC countries; enhanced control of production and use of licit drugs, and precursors and their essential chemicals.

3. Keeping in view the complementarities between demand reduction activities and supply control programmes, States Parties agree that all aspects of demand reduction, supply control, de-addiction and rehabilitation should be addressed by regional mechanisms.

### **Article X Implementation**

1. The implementation of the Social Charter shall be facilitated by a National Coordination Committee or any appropriate national mechanism as may be decided in each country. Information on such mechanism will be exchanged between States Parties through the SAARC Secretariat. Appropriate SAARC bodies shall review the implementation of the Social Charter at the regional level.

2. Member States shall formulate a national plan of action or modify the existing one, if any, in order to operationalise the provisions of the Social Charter. This shall be done through a transparent and broad-based participatory process. Stakeholder approach shall also be followed in respect of implementation and evaluation of the programmes under National Plans of Action.

### **Article XI Entry into force**

The Social Charter shall come into force upon the signature thereof by all States Parties.

**Article XII  
Amendment**

The Social Charter may be amended through agreement among all States Parties.

IN FAITH WHEREOF We Have Set Our Hands And Seals Hereunto.

DONE In ISLAMABAD, PAKISTAN, On This The Fourth Day Of January Of The Year Two Thousand Four, In Nine Originals, In The English Language, All Texts Being Equally Authentic.

Begum Khaleda Zia  
PRIME MINISTER OF THE PEOPLE'S  
REPUBLIC OF BANGLADESH

Maumoon Abdul Gayoom  
PRESIDENT OF THE  
REPUBLIC OF MALDIVES

Jigmi Yoezer Thinley  
PRIME MINISTER OF THE  
KINGDOM OF BHUTAN

Surya Bahadur Thapa  
PRIME MINISTER OF THE  
KINGDOM OF NEPAL

Atal Behari Vajpayee  
PRIME MINISTER OF THE  
REPUBLIC OF INDIA

Mir Zafarullah Khan Jamali  
PRIME MINISTER OF THE  
ISLAMIC REPUBLIC OF PAKISTAN

Chandrika Bandaranaike Kumaratunga  
PRESIDENT OF THE DEMOCRATIC SOCIALIST  
REPUBLIC OF SRI LANKA

**Agreement on South Asian Free Trade Area (SAFTA)**

06/01/2004

The Governments of the SAARC (South Asian Association for Regional Cooperation) Member States comprising the People's Republic of Bangladesh, the Kingdom of Bhutan, the Republic of India, the Republic of Maldives, the Kingdom of Nepal, the Islamic Republic of Pakistan and the Democratic Socialist Republic of Sri Lanka hereinafter referred to as "Contracting States"

**Motivated** by the commitment to strengthen intra-SAARC economic cooperation to maximise the realisation of the region's potential for trade and development for the benefit of their people, in a spirit of mutual accommodation, with full respect for the principles of sovereign equality, independence and territorial integrity of all States;

**Noting** that the Agreement on SAARC Preferential Trading Arrangement (SAPTA) signed in Dhaka on the 11th of April 1993 provides for the adoption of various instruments of trade liberalisation on a preferential basis;

**Convinced** that preferential trading arrangements among SAARC Member States will act as a stimulus to the strengthening of national and SAARC economic resilience, and the development of the national economies of the Contracting States by expanding investment and production opportunities, trade, and foreign exchange earnings as well as the development of economic and technological cooperation;

**Aware** that a number of regions are entering into such arrangements to enhance trade through the free movement of goods;

**Recognising** that least developed countries in the region need to be accorded special and differential treatment commensurate with their development needs; and

**Recognising** that it is necessary to progress beyond a Preferential Trading Arrangement to move towards higher levels of trade and economic cooperation in the region by removing barriers to cross-border flow of goods;

**Have agreed as follows:**

## **Article 1**

### ***Definitions***

For the purposes of this Agreement:

1. **Concessions** mean tariff, para-tariff and non-tariff concessions agreed under the Trade Liberalisation Programme;
2. **Direct Trade Measures** mean measures conducive to promoting mutual trade of Contracting States such as long and medium-term contracts containing import and supply commitments in respect of specific products, buy-back arrangements, state trading operations, and government and public procurement.
3. **Least Developed Contracting State** refers to a Contracting State which is designated as a "Least Developed Country" by the United Nations;
4. **Margin of Preference** means percentage of tariff by which tariffs are reduced on products imported from one Contracting State to another as a result of preferential treatment.
5. **Non-Tariff Measures** include any measure, regulation, or practice, other than "tariffs"

and "paratariffs".

6. **Para-Tariffs** mean border charges and fees, other than "tariffs", on foreign trade transactions of a tariff-like effect which are levied solely on imports, but not those indirect taxes and charges, which are levied in the same manner on like domestic products. Import charges corresponding to specific services rendered are not considered as para-tariff measures;

7. **Products** mean all products including manufactures and commodities in their raw, semi-processed and processed forms;

8. **SAPTA** means Agreement on SAARC Preferential Trading Arrangement signed in Dhaka on the 11th of April 1993;

9. **Serious injury** means a significant impairment of the domestic industry of like or directly competitive products due to a surge in preferential imports causing substantial losses in terms of earnings, production or employment unsustainable in the short term;

10. **Tariffs** mean customs duties included in the national tariff schedules of the Contracting States;

II. **Threat of serious injury** means a situation in which a substantial increase of preferential imports is of a nature to cause "serious injury" to domestic producers, and that such injury, although not yet existing, is clearly imminent. A determination of threat of serious injury shall be based on facts and not on mere allegation, conjecture, or remote or hypothetical possibility.

## **Article 2**

### ***Establishment***

The Contracting States hereby establish the South Asian Free Trade Area (SAFTA) to promote and enhance mutual trade and economic cooperation among the Contracting States, through exchanging concessions in accordance with this Agreement.

## **Article 3**

### ***Objectives and Principles***

1. The Objectives of this Agreement are to promote and enhance mutual trade and economic cooperation among Contracting States by, inter-alia:

- a) eliminating barriers to trade in, and facilitating the cross-border movement of goods between the territories of the Contracting States;
- b) Promoting conditions of fair competition in the free trade area, and ensuring equitable benefits to all Contracting States, taking into account their respective levels and pattern of economic development;
- c) Creating effective mechanism for the implementation and application of this Agreement, for its joint administration and for the resolution of disputes; and
- d) Establishing a framework for further regional cooperation to expand and enhance the mutual benefits of this Agreement.

2. SAFTA shall be governed in accordance with the following principles:

a) SAFTA will be governed by the provisions of this Agreement and also by the rules, regulations, decisions, understandings and protocols to be agreed upon within its framework by the Contracting States;

b) The Contracting States affirm their existing rights and obligations with respect to each other under Marrakesh Agreement Establishing the World Trade Organisation and other Treaties/Agreements to which such Contracting States are signatories;

c) SAFTA shall be based and applied on the principles of overall reciprocity and mutuality of advantages in such a way as to benefit equitably all Contracting States, taking into account their respective levels of economic and industrial development, the pattern of their external trade and tariff policies and systems;

d) SAFTA shall involve the free movement of goods, between countries through, inter alia, the elimination of tariffs, para tariffs and non-tariff restrictions on the movement of goods, and any other equivalent measures;

e) SAFTA shall entail adoption of trade facilitation and other measures, and the progressive harmonisation of legislations by the Contracting States in the relevant areas; and

f) The special needs of the Least Developed Contracting States shall be clearly recognised by adopting concrete preferential measures in their favour on a non-reciprocal basis.

#### **Article 4**

**Instruments** The SAFTA Agreement will be implemented through the following instruments:

1. Trade Liberalisation Programme
2. Rules of Origin
3. Institutional Arrangements
4. Consultations and Dispute Settlement Procedures
5. Safeguard Measures
6. Any other instrument that may be agreed upon.

#### **Article 5**

##### ***National Treatment***

Each Contracting State shall accord national treatment to the products of other Contracting States in accordance with the provisions of Article III of GATT 1994.

#### **Article 6**

##### ***Components***

SAFTA may, inter-alia, consist of arrangements relating to:

- a) tariffs;
- b) para-tariffs;

- c) non-tariff measures;
- d) direct trade measures.

## **Article 7**

### **Trade Liberalisation Programme**

1. Contracting States agree to the following schedule of tariff reductions:

a) The tariff reduction by the Non-Least Developed Contracting States from existing tariff rates to 20% shall be done within a time frame of 2 years, from the date of coming into force of the Agreement. Contracting States are encouraged to adopt reductions in equal annual installments. If actual tariff rates after the coming into force of the Agreement are below 20%, there shall be an annual reduction on a Margin of Preference basis of 10% on actual tariff rates for each of the two years.

b) The tariff reduction by the Least Developed Contracting States from existing tariff rates will be to 30% within the time frame of 2 years from the date of coming into force of the Agreement. If actual tariff rates on the date of coming into force of the Agreement are below 30%, there will be an annual reduction on a Margin of Preference basis of 5 % on actual tariff rates for each of the two years.

c) The subsequent tariff reduction by Non-Least Developed Contracting States from 20% or below to 0-5% shall be done within a second time frame of 5 years, beginning from the third year from the date of coming into force of the Agreement. However, the period of subsequent tariff reduction by Sri Lanka shall be six years. Contracting States are encouraged to adopt reductions in equal annual installments, but not less than 15% annually.

d) The subsequent tariff reduction by the Least Developed Contracting States from 30% or below to 0-5% shall be done within a second time frame of 8 years beginning from the third year from the date of coming into force of the Agreement. The Least Developed Contracting States are encouraged to adopt reductions in equal annual installments, not less than 10% annually.

2. The above schedules of tariff reductions will not prevent Contracting States from immediately reducing their tariffs to 0-5% or from following an accelerated schedule of tariff reduction.

3. a) Contracting States may not apply the Trade Liberalisation Programme as in paragraph 1 above, to the tariff lines included in the Sensitive Lists which shall be negotiated by the Contracting States (for LDCs and Non-LDCs) and incorporated in this Agreement as an integral part. The number of products in the Sensitive Lists shall be subject to maximum ceiling to be mutually agreed among the Contracting States with flexibility to Least Developed Contracting States to seek derogation in respect of the products of their export interest; and

b) The Sensitive List shall be reviewed after every four years or earlier as may be decided by SAFTA Ministerial Council (SMC), established under Article 10, with a view to reducing the number of items in the Sensitive List.

4. The Contracting States shall notify the SAARC Secretariat all non-tariff and para-tariff measures to their trade on an annual basis. The notified measures shall be reviewed by the Committee of Experts, established under Article 10, in its regular meetings to examine their compatibility with relevant WTO provisions. The Committee of Experts shall recommend the elimination or implementation of the measure in the least trade restrictive manner in order

to facilitate intra SAARC trade.

5. Contracting Parties shall eliminate all quantitative restrictions, except otherwise permitted under GATT 1994, in respect of products included in the Trade Liberalisation Programme.

6. Notwithstanding the provisions contained in paragraph 1 of this Article, the Non-Least Developed Contracting States shall reduce their tariff to 0-5% for the products of Least Developed Contracting States within a timeframe of three years beginning from the date of coming into force of the Agreement.

## **Article 8**

### ***Additional Measures***

Contracting States agree to consider, in addition to the measures set out in Article 7, the adoption of trade facilitation and other measures to support and complement SAFTA for mutual benefit. These may include, among others:

- a) harmonisation of standards, reciprocal recognition of tests and accreditation of testing laboratories of Contracting States and certification of products;
- b) simplification and harmonisation of customs clearance procedure;
- c) harmonisation of national customs classification based on HS coding system;
- d) Customs cooperation to resolve dispute at customs entry points;
- e) simplification and harmonisation of import licensing and registration procedures;
- f) simplification of banking procedures for import financing;
- g) transit facilities for efficient intra-SAARC trade, especially for the land-locked Contracting States;
- h) removal of barriers to intra-SAARC investments;
- i) macroeconomic consultations;
- j) rules for fair competition and the promotion of venture capital;
- k) development of communication systems and transport infrastructure;
- 1) making exceptions to their foreign exchange restrictions, if any, relating to payments for products under the SAFTA scheme, as well as repatriation of such payments without prejudice to their rights under Article XVIII of the General Agreement on Tariffs and Trade (GATT) and the relevant provisions of Articles of Treaty of the International Monetary Fund (IMF); and
- m) Simplification of procedures for business visas.

## **Article 9**

### ***Extension of Negotiated Concessions***

Concessions agreed to, other than those made exclusively to the Least Developed Contracting States, shall be extended unconditionally to all Contracting States.

*The initial notification shall be made within three months from the date of coming into force of the Agreement and the COE shall review the notification in its first meeting and take appropriate decisions.*

## **Article 10**

### ***Institutional Arrangements***

1. The Contracting States hereby establish the SAFTA Ministerial Council (hereinafter referred to as SMC).
2. The SMC shall be the highest decision-making body of SAFTA and shall be responsible for the administration and implementation of this Agreement and all decisions and arrangements made within its legal framework.
3. The SMC shall consist of the Ministers of Commerce / Trade of the Contracting States.
4. The SMC shall meet at least once every year or more often as and when considered necessary by the Contracting States. Each Contracting State shall chair the SMC for a period of one year on rotational basis in alphabetical order.
5. The SMC shall be supported by a Committee of Experts (hereinafter referred to as COE), with one nominee from each Contracting State at the level of a Senior Economic Official, with expertise in trade matters.
6. The COE shall monitor, review and facilitate implementation of the provisions of this Agreement and undertake any task assigned to it by the SMC. The COE shall submit its report to SMC every six months.
7. The COE will also act as Dispute Settlement Body under this Agreement.
8. The COE shall meet at least once every six months or more often as and when considered necessary by the Contracting States. Each Contracting State shall chair the COE for a period of one year on rotational basis in alphabetical order.
9. The SAARC Secretariat shall provide secretarial support to the SMC and COE in the discharge of their functions.
10. The SMC and COE will adopt their own rules of procedure.

## **Article 11**

### ***Special and Differential Treatment for the Least Developed Contracting States***

In addition to other provisions of this Agreement, all Contracting States shall provide special and more favourable treatment exclusively to the Least Developed Contracting States as set out in the following sub-paragraphs:

- a) The Contracting States shall give special regard to the situation of the Least Developed Contracting States when considering the application of anti-dumping and/or countervailing measures. In this regard, the Contracting States shall provide an opportunity to Least Developed Contracting States for consultations. The Contracting States shall, to the extent practical, favourably consider accepting price undertakings offered by exporters from Least Developed Contracting States. These constructive remedies shall be available until the trade liberalisation programme has been completed by all Contracting States.

b) Greater flexibility in continuation of quantitative or other restrictions provisionally and without discrimination in critical circumstances by the Least Developed Contracting States on imports from other Contracting States.

c) Contracting States shall also consider, where practical, taking direct trade measures with a view to enhancing sustainable exports from Least Developed Contracting States, such as long and medium-term contracts containing import and supply commitments in respect of specific products, buy-back arrangements, state trading operations, and government and public procurement.

d) Special consideration shall be given by Contracting States to requests from Least Developed Contracting States for technical assistance and cooperation arrangements designed to assist them in expanding their trade with other Contracting States and in taking advantage of the potential benefits of SAFTA. A list of possible areas for such technical assistance shall be negotiated by the Contracting States and incorporated in this Agreement as an integral part.

e) The Contracting States recognise that the Least Developed Contracting States may face loss of customs revenue due to the implementation of the Trade Liberalisation Programme under this Agreement. Until alternative domestic arrangements are formulated to address this situation, the Contracting States agree to establish an appropriate mechanism to compensate the Least Developed Contracting States for their loss of customs revenue. This mechanism and its rules and regulations shall be established prior to the commencement of the Trade Liberalisation Programme (TLP).

## **Article 12**

### ***Special Provision for Maldives***

Notwithstanding the potential or actual graduation of Maldives from the status of a Least Developed Country, it shall be accorded in this Agreement and in any subsequent contractual undertakings thereof treatment no less favourable than that provided for the Least Developed Contracting States.

## **Article 13**

### ***Non-application***

Notwithstanding the measures as set out in this Agreement its provisions shall not apply in relation to preferences already granted or to be granted by any Contracting State to other Contracting States outside the framework of this Agreement, and to third countries through bilateral, plurilateral and multilateral trade agreements and similar arrangements.

## **Article 14**

### ***General Exceptions***

a) Nothing in this Agreement shall be construed to prevent any Contracting State from taking action and adopting measures which it considers necessary for the protection of its national security.

b) Subject to the requirement that such measures are not applied in a manner which would constitute a means of arbitrary or unjustifiable discrimination between countries where the similar conditions prevail, or a disguised restriction on intra-regional trade, nothing in this Agreement shall be construed to prevent any Contracting State from taking action and adopting measures which it considers necessary for the protection of:

- (i) public morals;
- (ii) human, animal or plant life and health; and
- (iii) articles of artistic, historic and archaeological value.

## **Article 15**

### ***Balance of Payments Measures***

1. Notwithstanding the provisions of this Agreement, any Contracting State facing serious balance of payments difficulties may suspend provisionally the concessions extended under this Agreement.
2. Any such measure taken pursuant to paragraph 1 of this Article shall be immediately notified to the Committee of Experts.
3. The Committee of Experts shall periodically review the measures taken pursuant to paragraph 1 of this Article.
4. Any Contracting State which takes action pursuant to paragraph 1 of this Article shall afford, upon request from any other Contracting State, adequate opportunities for consultations with a view to preserving the stability of concessions under SAFTA.
5. If no satisfactory adjustment is effected between the Contracting States concerned within 30 days of the beginning of such consultations, to be extended by another 30 days through mutual consent, the matter may be referred to the Committee of Experts.
6. Any such measures taken pursuant to paragraph 1 of this Article shall be phased out soon after the Committee of Experts comes to the conclusion that the balance of payments situation of the Contracting State concerned has improved.

## **Article 16**

### ***Safeguard Measures***

1. If any product, which is the subject of a concession under this Agreement, is imported into the territory of a Contracting State in such a manner or in such quantities as to cause, or threaten to cause, serious injury to producers of like or directly competitive products in the importing Contracting State, the importing Contracting State may, pursuant to an investigation by the competent authorities of that Contracting State conducted in accordance with the provisions set out in this Article, suspend temporarily the concessions granted under the provisions of this Agreement. The examination of the impact on the domestic industry concerned shall include an evaluation of all other relevant economic factors and indices having a bearing on the state of the domestic industry of the product and a causal relationship must be clearly established between "serious injury" and imports from within the SAARC region, to the exclusion of all such other factors.
2. Such suspension shall only be for such time and to the extent as may be necessary to prevent or remedy such injury and in no case, will such suspension be for duration of more than 3 years.
3. No safeguard measure shall be applied again by a Contracting State to the import of a product which has been subject to such a measure during the period of implementation of Trade Liberalisation Programme by the Contracting States, for a period of time equal to that during which such measure had been previously applied, provided that the period of non-application is at least two years.

4. All investigation procedures for resorting to safeguard measures under this Article shall be consistent with Article XIX of GATT 1994 and WTO Agreement on Safeguards.

5. Safeguard action under this Article shall be non-discriminatory and applicable to the product imported from all other Contracting States subject to the provisions of paragraph 8 of this Article.

6. When safeguard provisions are used in accordance with this Article, the Contracting State invoking such measures shall immediately notify the exporting Contracting State(s) and the Committee of Experts.

7. In critical circumstances where delay would cause damage which it would be difficult to repair, a Contracting State may take a provisional safeguard measure pursuant to a preliminary determination that there is clear evidence that increased imports have caused or are threatening to cause serious injury. The duration of the provisional measure shall not exceed 200 days, during this period the pertinent requirements of this Article shall be met.

8. Notwithstanding any of the provisions of this Article, safeguard measures under this article shall not be applied against a product originating in a Least Developed Contracting State as long as its share of imports of the product concerned in the importing Contracting State does not exceed 5 percent, provided Least Developed Contracting States with less than 5% import share collectively account for not more than 15% of total imports of the product concerned.

## **Article 17**

***Maintenance of the Value of Concessions*** Any of the concessions agreed upon under this Agreement shall not be diminished or nullified, by the application of any measures restricting trade by the Contracting States, except under the provisions of other articles of this Agreement.

## **Article 18**

***Rules of Origin*** Rules of Origin shall be negotiated by the Contracting States and incorporated in this Agreement as an integral part.

## **Article 19**

### ***Consultations***

1. Each Contracting State shall accord sympathetic consideration to and will afford adequate opportunity for consultations regarding representations made by another Contracting State with respect to any matter affecting the operation of this Agreement.

2. The Committee of Experts may, at the request of a Contracting State, consult with any Contracting State in respect of any matter for which it has not been possible to find a satisfactory solution through consultations under paragraph 1.

## **Article 20**

### ***Dispute Settlement Mechanism***

1. Any dispute that may arise among the Contracting States regarding the interpretation and application of the provisions of this Agreement or any instrument adopted within its framework concerning the rights and obligations of the Contracting States will be amicably settled among the parties concerned through a process initiated by a request for bilateral

consultations.

2. Any Contracting State may request consultations in accordance with paragraph 1 of this Article with other Contracting State in writing stating the reasons for the request including identification of the measures at issue. All such requests should be notified to the Committee of Experts, through the SAARC Secretariat with an indication of the legal basis for the complaint.

3. If a request for consultations is made pursuant to this Article, the Contracting State to which the request is made shall, unless otherwise mutually agreed, reply to the request within 15 days after the date of its receipt and shall enter into consultations in good faith within a period of no more than 30 days after the date of receipt of the request, with a view to reaching a mutually satisfactory solution.

4. If the Contracting State does not respond within 15 days after the date of receipt of the request, or does not enter into consultations within a period of no more than 30 days, or a period otherwise mutually agreed, after the date of receipt of the request, then the Contracting State that requested the holding of consultations may proceed to request the Committee of Experts to settle the dispute in accordance with working procedures to be drawn up by the Committee.

5. Consultations shall be confidential, and without prejudice to the rights of any Contracting State in any further proceedings.

6. If the consultations fail to settle a dispute within 30 days after the date of receipt of the request for consultations, to be extended by a further period of 30 days through mutual consent, the complaining Contracting State may request the Committee of Experts to settle the dispute. The complaining Contracting State may request the Committee of Experts to settle the dispute during the 60-day period if the consulting Contracting States jointly consider that consultations have failed to settle the dispute.

7. The Committee of Experts shall promptly investigate the matter referred to it and make recommendations on the matter within a period of 60 days from the date of referral.

8. The Committee of Experts may request a specialist from a Contracting State not party to the dispute selected from a panel of specialists to be established by the Committee within one year from the date of entry into force of the Agreement for peer review of the matter referred to it. Such review shall be submitted to the Committee within a period of 30 days from the date of referral of the matter to the specialist.

9. Any Contracting State, which is a party to the dispute, may appeal the recommendations of the Committee of Experts to the SMC. The SMC shall review the matter within the period of 60 days from date of submission of request for appeal. The SMC may uphold, modify or reverse the recommendations of the Committee of Experts.

10. Where the Committee of Experts or SMC concludes that the measure subject to dispute is inconsistent with any of the provisions of this Agreement, it shall recommend that the Contracting State concerned bring the measure into conformity with this Agreement. In addition to its recommendations, the Committee of Experts or SMC may suggest ways in which the Contracting State concerned could implement the recommendations.

11. The Contracting State to which the Committee's or SMC's recommendations are addressed shall within 30 days from the date of adoption of the recommendations by the Committee or SMC, inform the Committee of Experts of its intentions regarding implementation of the recommendations. Should the said Contracting State fail to implement the recommendations within 90 days from the date of adoption of the recommendations by the Committee, the Committee of Experts may authorise other

interested Contracting States to withdraw concessions having trade effects equivalent to those of the measure in dispute.

## **Article 21**

### ***Withdrawal***

1. Any Contracting State may withdraw from this Agreement at any time after its entry into force. Such withdrawal shall be effective on expiry of six months from the date on which a written notice thereof is received by the Secretary-General of SAARC, the depositary of this Agreement. That Contracting State shall simultaneously inform the Committee of Experts of the action it has taken.

2. The rights and obligations of a Contracting State which has withdrawn from this Agreement shall cease to apply as of that effective date.

3. Following the withdrawal by any Contracting State, the Committee shall meet within 30 days to consider action subsequent to withdrawal.

## **Article 22**

### ***Entry into Force***

1. This Agreement shall enter into force on 1st January 2006 upon completion of formalities, including ratification by all Contracting States and issuance of a notification thereof by the SAARC Secretariat. This Agreement shall supercede the Agreement on SAARC Preferential Trading Arrangement (SAPTA).

2. Notwithstanding the supercession of SAPTA by this Agreement, the concessions granted under the SAPTA Framework shall remain available to the Contracting States until the completion of the Trade Liberalisation Programme.

## **Article 23**

### ***Reservations***

This Agreement shall not be signed with reservations, nor will reservations be admitted at the time of notification to the SAARC Secretariat of the completion of formalities.

## **Article 24**

### ***Amendments***

This Agreement may be amended by consensus in the SAFTA Ministerial Council. Any such amendment will become effective upon the deposit of instruments of acceptance with the Secretary General of SAARC by all Contracting States.

## **Article 25**

### ***Depositary***

This Agreement will be deposited with the Secretary General of SAARC, who will promptly furnish a certified copy thereof to each Contracting State.

**In witness whereof** the undersigned being duly authorised thereto by their respective Governments have signed this Agreement.

**Done** In Islamabad, Pakistan, On This The Sixth Day Of the Year Two Thousand Four, In Nine Originals In The English Language All Texts Being Equally Authentic.

M MORSHED KHAN  
Minister for Foreign Affairs  
People's Republic of Bangladesh

NADO RINCHHEN  
Officiating Minister for Foreign Affairs  
Kingdom of Bhutan

YASHWANT SINHA  
Minister of External Affairs  
Republic of India

FATHULLA JAMEEL  
Minister of Foreign Affairs  
Republic of Maldives

DR BHEKH B THAPA  
Ambassador-at-Large  
for Foreign Affairs Majesty's  
Government of Nepal

KHURSHID M KASURI  
Minister of Foreign Affairs  
Islamic Republic of Pakistan

TYRONNE FERNANDO  
Minister of Foreign Affairs  
Democratic Socialist Republic of Sri Lanka.

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