



*Speech of:*

# H.E. Rt. Madhav Kumar Nepal

*Honorable Prime Minister of the Federal Democratic Republic of Nepal*

at the Inaugural Session of  
**THE SIXTEENTH SAARC SUMMIT**

Thimphu, Bhutan  
April 28-29, Bhutan



**Mr. Chairman,  
Excellencies,  
Distinguished Delegates and Observers,  
Ladies and Gentlemen,**

May I, at the outset, express my warm congratulations to Your Excellency for your assumption of the onerous responsibility of the Chairperson of the SAARC. I am fully confident that your long association in the SAARC process and from your insight, wisdom, and leadership, our Association will receive further momentum and dynamism in the days to come.

I would also like to express our profound appreciation to Your Excellency and through you to the Royal Government of Bhutan for the warm reception and generous hospitality extended to us since our arrival in this picturesque capital Thimphu and for meticulous preparations and excellent arrangements made for the Summit. I hope that the Thimphu Summit will go down in the history of SAARC as the memorable and historic event, since we will be completing one full cycle of Summit level meetings in all the original member states of SAARC. This symbolizes the coming of age of our Association capable to take up added responsibilities as well as to chart future roadmap in tune of emerging realities and challenges.

**Mr. Chairman,**

When we speak about the roadmap of SAARC, the most common denominator is that SAARC is all about regional integration – economically, culturally, and socially. It is about inclusive growth and development of the region. It is about greater connectivity and easier movement of goods and people in the region. It is about eventually an economic union, with a common market and common currency for optimum utilization of resources in the region and for their shared benefits to our people. Therefore, time has come for us to think and act in a bigger way to address the myriad challenges that we are facing in the region and move ahead to achieve the goals and objectives for a cohesive and prosperous region.

One of the emerging challenges that we face today is imminent calamitous effects from climate change and environmental degradation to our people in the region and beyond. Despite our least contribution to this negative phenomenon, all our countries are prone to devastating effects of global warming in the form of sea level rise, snow melts in the Himalayas and erratic weather patterns, resulting in prolonged droughts sometimes and heavy rainfall at other times causing flash floods and landslides and directly impacting on agriculture and food supply. Retreat of glaciers in the Himalayas and the dangers from glacial lake outbursts pose immense risk to the lives and livelihood of more than one billion people in the region depending upon the rivers down from the Himalayas. Thus, from the high Himalayas to the low lying regions in the Indian Ocean, we all face the imminent dangers from the impact of climate change and environmental degradation.

Given the gravity and multi-dimensional effect of climate change to humanity, concerted actions are urgently required at all levels – national, regional and international. If we fail to act fast and act now on the burning issue of global warming, prosperity will squarely blame on us for our failure to protect their precious lives, rare biodiversities, animal species and plants. To avert such unthinkable consequences, we in SAARC, must come forward more vocally for urgent international action to save the planet earth from the effects of climate change with the theme ‘Towards a Green and Happy South Asia’.

As a mountainous country with fragile ecosystem, Nepal remains extremely vulnerable to the impacts of climate change. The Kalapathar Declaration our Cabinet meeting adopted at the base camp of the Mt. Everest on the eve of COP 15 on Climate Change in Copenhagen in December 2009, sent a message of the imminent threat of climate change to mountainous countries like Nepal. Therefore, we are working to forge Mountain Alliance Initiative for Climate Change to vigorously push the agenda in regional and global climate change forums. We are making preparations to call a ministerial meeting of such vulnerable countries in Nepal later this year to

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promote greater and effective co-operation in this direction. I am convinced that by joining hands together, we in SAARC can effectively articulate our shared views and common position on issues of climate change and protect environment. In this context, we are fully supportive of the need for a legal-institutional framework on cooperation on environment within SAARC framework, which will go a long way in our collective efforts to protect environment in the region.

**Mr. Chairman,**

Prevalence of wide-spread poverty and economic deprivation is another critical challenge in the region. While South Asia region has witnessed impressive economic growth in recent years, despite global economic downturn, we are still grappling with the problem of high incidence of poverty. The challenges of poverty eradication from the SAARC region are daunting so are the opportunities before us. Our region is bestowed by abundant natural resources, which are waiting for their full utilization. Also, the region has the most youthful population, full of ingenuity and innovation, capable of changing the socio-economic landscape of the region. By optimal utilization of natural and human resources together, SAARC has the potential to become one of the dynamic and prosperous regions in the world. It is, therefore, incumbent on us to chart regional strategy for poverty alleviation, including the fulfillment of SAARC Development Goals (SDGs), in which every member state has a vital role.

It is our firm belief that one of the surest ways from a prosperous SAARC is through increased intra-SAARC regional trade. Unfortunately, intra-SAARC regional trade, at present, is significantly low, which means that our people have not been fully benefitted from the dividends of increased trade among our countries. The progress of SAFTA, which is the main instrument and vehicle for intra-SAARC regional trade, had been painstakingly slow due to tariff, non-tariff and para-tariff barriers. We, therefore, need to be bold enough to remove remaining trade barriers in the path of SAFTA so that we reap the advantages of complementarities

that exist in the region and move ahead to the direction of a common market in South Asia. We should also give due consideration on trade facilitation measures and give special consideration to LDCs and land-locked member states in the SAFTA framework so as to augment their low volume of trade in the region.

**Mr. Chairman,**

Physical connectivity is pre-requisite not only for greater volume of trade but also for increased flow of people in the region. Efficient networks of highways, railroads, seaports, and connection by air between and among our countries are critical for seamless movement of goods and people. In a globalised world, when space and distance have increasingly becoming inconsequential, in SAARC, we are still handicapped with the problem of adequate physical infrastructure to connect our people. In order to overcome such hindrances and to improve connectivity in the region, we need to urgently focus on efficient development of SAARC multi-modal transport system, by upgrading existing roads, rail networks and air linkages, and creating new ones, as well as by providing adequate transit facilities to land-locked member states. As we are celebrating Nepal Tourism Year in 2011, we will be pleased to organize SAARC Tourism Ministers Meeting in Kathmandu in early part of 2011, which will provide opportunity to chart strategies for developing tourism packages and destination promotion in the region.

**Mr. Chairman,**

The imperative need for SAARC to focus on project-based approach rather than to squander its time, energy, and resources on peripheral matters should be viewed from the above perspective. The success of the whole SAARC process will be judged by our ability to deliver concrete results to our people. Only by articulating cooperative strategies and backed by concrete action plans, we will be able to accomplish the cherished goals and objectives of SAARC. Here lies the importance of the need for investment in SAARC regional and sub-regional projects, which are result-oriented and directly beneficial to the people.

I am happy to note that, with the establishment of SAARC Development Fund (SDF), SAARC is moving to that direction. Our people have tremendous hopes and expectations from this newly created institution for qualitative transformation in their lives. I am fully confident that SDF, sooner than later, will embark on social and infrastructure projects at regional or sub-regional level for greater economic benefits to our people. In this task, we are favorably disposed to the idea of mobilization of external resources, if need be, besides our own financial subscription to the Fund. I wish to extend my sincere appreciation to the Royal Government of Bhutan for hosting the permanent SDF Secretariat in Thimphu and congratulate its first CEO and assure Nepal's fullest support to the activities of the Fund.

It is also encouraging that SAARC has been able to establish linkages with many countries and regional and international organizations to foster goodwill, cooperation and understanding. The presence of distinguished representatives of observer states and regional and international organizations in SAARC gatherings is the testimony of growing interest in the SAARC process and to

enhance cooperation within the SAARC framework. I earnestly believe that enhanced level of interactions with our friends and well-wishers of SAARC will create new avenues for dialogue and cooperation.

**Mr. Chairman,**

SAARC embodies hopes and aspirations of nearly 1.5 billion people of our region for harmonious and prosperous South Asia. In its 25 years of history, SAARC has made significant stride to realize the objectives enshrined in the Charter. Since its inception, SAARC had laid bricks and mortars of new ideas and fresh approaches to solidify its edifice. Now, SAARC has sufficiently matured and entered to a stage that is able to translate the ideas into concrete actions and deliver tangible benefits to our people. We are fully confident that with our collective resolve and wisdom, SAARC is set to emerge as a vibrant and dynamic reality in the region and beyond, to reckon with. I would like to reiterate Nepal's full commitment to work together with other member states of SAARC in this pursuit.

I thank you, Mr. Chairman. ■

