5TH SOUTH ASIA ECONOMIC SUMMIT

Islamabad, Pakistan 11 – 13th September 2012

**Organizer**

Sustainable Development Policy Institute (SDPI), Pakistan

**Co-organizers**

Institute for Policy Studies (IPS), Sri Lanka
Research and Information System for Developing Countries (RIS), India
South Asia Watch on Trade, Economics and Environment (SAWTEE), Nepal
Centre for Policy Dialogue (CPD), Bangladesh
South Asia Centre for Policy Studies (SACEPS)

**Partners**

SAARC Chamber of Commerce & Industry
The World Bank
International Food Policy Research Institute and USAID
Commonwealth Secretariat
United Nations Development Programme
United Nations Economic and Social Commission for Asia and the Pacific
Affiliated Network for Social Accountability
South Asian Network for Development and Environmental Economics
Embassy of France in Pakistan
The Asia Foundation
UK Department for International Development
Key Issues for Discussion

Plenary Session I
Beyond MDGs and Post Rio Outlook: South Asian Goals towards Sustainable Development

a. What are the current and future opportunities of sustainable development in South Asian countries?
b. Where is South Asia currently positioned in the global debate on the Millennium Development Goals beyond 2015?
c. How has South Asian thinking on sustainable development evolved post-Rio+20 Summit held in June 2012?
d. Given the current development phase of South Asian economies what opportunities are presented by the current multilateral and bilateral trading regime?
e. How South Asia’s sustainable development can be helped by regional cooperation in environment, energy and water sectors?
f. How improved connectivity between South Asian countries may help in reducing socio-economic gaps?
g. What national policies are inhibiting development of a regional approach?
h. What is the experience of initiatives such as SAARC Plan of Action on Poverty Alleviation, and SAARC Decade for Poverty Alleviation?

Plenary Session I
Post Economic Crisis Outlook of South Asia: Moving towards Inclusive & Sustainable Growth

a. How have the global economic crisis, US debt crisis and Eurozone crisis impacted South Asian economies?
b. What opportunities did these crises offer to South Asian economies?
c. What are the current and future opportunities of economic growth in South Asian countries?
d. What can be a collective approach for South Asia amid increased competition for exporting destinations and remittances?
e. What explains the sudden surge in remittances in South Asia? Have these inflows contributed towards mitigating poverty and inequality in South Asia?
f. How has the global economic slowdown challenged South Asia’s drive towards sustainable development particularly with respect to governance, human development and environment?
g. Is there any role for SAARC in offering a regional strategy to address above mentioned challenges?

In preparing these discussion points we greatly benefited from previous year’s list of items under discussion (at 4th South Asia Economic Summit) and our consultations with co-organizers and partner organizations. We would like to acknowledge all who contributed in making the current list as comprehensive as possible.
h. How South Asia may engage with China in order to deal with the aftermath of global financial crisis and ongoing Eurozone crisis?

i. What are the opinions of international development partners on South Asia’s position amid the global economic slowdown and lack of consensus amongst global community on the future of world economy?

j. How successful are the human development policies and social safety nets in South Asian countries in reducing the incidence of poverty and inequality? What are the regional best practices in the area of inclusive growth strategies?

Plenary Session III
Development Agenda for a New South Asia

a. What are the new opportunities for South Asia given the normalization of relations between India and Pakistan?

b. What are the prospects for SAARC given the normalization of relations between India and Pakistan?

c. What are new and emerging sectoral issues that require a regionally collective response?

d. What can SAARC learn from the experiences of other regional blocks such as EU and ASEAN?

e. Is an integrated South Asian vision a feasible preposition?

f. Is there any way of insulating the regional economic cooperation from political tensions?

g. How can the political understanding in South Asia be deepened on strengthening regional cooperation?

h. What has been the experience with SAARC Social Charter?

i. What may be the roles for parliamentarians, business community, media and civil society for promoting a regional identity?

j. How best can South Asia collectively address the issues confronting least developed countries in the region?

k. How will non-traditional security threats impact South Asia’s pursuit towards sustainable development?

Parallel Session A1
Regional Trade Agreements in South Asia: Current Outlook and Way Forward

a. What are the recent patterns of intra-regional trade in South Asia?

b. What are the key constraints for promotion of intra-regional flow of goods, services and capital?

c. How issues concerning intra-regional trade including trading with non-preferential, Most Favored Nation (MFN) duties, non-tariff barriers (NTBs), compliance with sanitary and physosanitary (SPS) and technical barriers to trade (TBT) can be resolved?

d. How can standards related to merchandize trade be made trade supportive?
e. How successful have been the regional trade agreements in South Asia e.g. India – Sri Lanka and Pakistan – Sri Lanka FTAs?
f. How successful have been trade agreements in promoting investment cooperation and other forms of deeper integration?
g. What are the prospects for SAFTA in the presence of bilateral agreements?
h. What measures should South Asian countries take to strengthen trade facilitation in the region?
i. What has been the impact of the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC) in terms of enhancing trade?
j. How regional countries should strategize their trade policies in the face of India-EU Economic Partnership Agreement, India ASEAN FTA and India Mercusur Economic Partnership Agreement?
k. How are South Asia countries engaging with China? What has been the result of agreements such as China – Pakistan FTA?

Parallel Session A2
Climate Change Challenges for Sustainable Development

a. What are the potential threats of climate change in South Asia?
b. How the regional countries have responded, jointly and individually, to threats of climate change? What national and regional policies are in place to address the adverse impact of climate change?
c. What type of regional framework is needed for collective action towards adaptation to the impact of climate change?
d. The Thimpu Statement on Climate Change has adopted a 16-point joint initiative including establishment of an inter-governmental expert group to develop clear policy directions. How effective can these initiatives be in tackling the impact of climate change?
e. How can South Asian climate concerns be reflected in global initiatives such as Conference of Parties (CoP)?
f. How successful have the South Asian countries been in terms of accessing the Green Climate Fund? How can they access more funds to face climate change?
g. Rio+20 Summit in July 2012 had two related issues at hand namely: green economy and institutional framework for sustainable development. How is South Asia positioned in both these spheres?

Parallel Session A3
Regional Cooperation for Energy Security

a. What are the key regional energy security challenges?
b. What has been the progress with regard to regional energy cooperation?
c. What are the current patterns and prospects for regional trade in energy (e.g. India-Bhutan trade in energy)?
d. What are the modalities towards an integrated energy network in the region?
e. How successful has been the SAARC Energy Centre?

f. How far is the region with initiatives such as South Asia Infrastructure Development Financial Institution, building of strategic petroleum reserve, establishment of a regional electricity grid and a regional gas grid?

g. What are the opportunities for common exploitation of regional water resources for energy?

h. How can the existing reserves of coal in different parts of the region be used by regional countries?

i. What are the opportunities for renewable energy plants through biomass, wind energy and hydropower resources?

j. What policies should be taken nationally and regionally to realize the primary and commercial potential of the region?

Parallel Session A4
Potential Supply Chains in South Asia: Identification & Prospects

a. What are the broad challenges in the way of promoting regional supply chains?

b. What are the sector-specific challenges in the way of promoting regional supply chains?

c. What are the infrastructure and trade facilitation challenges in the way of promoting regional supply chains?

d. What are the labour and capital market challenges in the way of promoting regional supply chains?

e. Can SAARC play any role in developing a facilitation framework for supply chains across the region?

f. How correct are arguments which say that regional supply chain might undermine the efforts of individual countries to develop their own domestic backward linkages?

g. Can the regional sourcing replace South Asia’s specific needs which countries are importing from outside the region?

h. What is the potential role that SAFTA can play in promotion of regional supply chains?

i. Will the sensitive list under SAFTA or bilateral regional trade agreements pose challenges for the regional supply chains?

j. Will regional supply chains lead to trade diversions and therefore trigger welfare costs?

k. What lessons can be learnt from the recent growth in regional textile and clothing supply chains in South Asia?

l. What lessons can be learnt from the recent growth in regional supply chains in South Asia for sectors other than textile and clothing?

m. What can South Asia learn from ASEAN’s experience of regional supply chains?

n. Is there any role of fiscal incentives for promoting regional supply chains?

Parallel Session A4
Climate Change and South Asia – Examining Empirical Evidence
Climate change and weather extremes affect both agriculture productivity and human health, but we do not know for sure the intensity of the impacts and human response or adaptation strategy. Better understanding of the effect of climate change on agriculture and human health, and adaptation strategies can help to design appropriate policy response. In this panel, SANDEE researchers will discuss some of the findings from related research. Researchers will discuss the following issues:

a. What would be likely impact of climate change on agriculture?
b. Are people using migration as one of the adaptation strategies to the climate change?
c. Can organic agriculture, that requires less inputs and preserves soil nutrients, be a viable alternative to conventional agriculture as a response to climate change?
d. What would be the effect of extreme heat-waves on human health and workability?
e. Does information on extreme heat-waves help to reduce the exposure and hence lower human death?

Parallel Session A6
Regional Cooperation on Water: Opportunities for South Asia

a. What are the current challenges in water sector faced by South Asia?
b. What are the national and regional initiatives to manage the water scarcity in South Asia?
c. What is holding back improved joint management of water resources in South Asia?
d. Can a common and comprehensive basin-wise approach to water sector cooperation be developed in South Asia?
e. How effective has been the Track II discourse regarding integrated use of water resources of Ganga basin between India, Bangladesh and Nepal?
f. How effective has been the Track I and Track II efforts regarding sharing of water resources between India and Pakistan?
g. What is the progress on Bangladesh-India Joint Communiqué (2010) regarding agreement on Teesta River?
h. What are the opportunities for common exploitation of regional water resources for energy?
i. Is there a need for new water sharing agreements e.g. between Afghanistan and Pakistan?
j. How can a regional agenda on ‘win-win’ water sharing be framed to alleviate water security threats in the region?

Parallel Session B1
Transport & Logistics Corridors: South Asian Outlook

a. What are the current constraints to regional connectivity between people and places in South Asia?
b. What are the possible regional cooperation venues in transport, logistics and communications sectors?
c. How far is the regional cooperation in transport, logistics and communications sectors hindered by low quality endowment and governance of infrastructure in South Asian countries?

d. How can efficient transport and communications connectivity be developed with in South Asia and beyond in the context of deepening Asia level connectivity?

e. What is the current progress towards SAARC Regional Multimodal Transport Study, BIMSTEC Transport Infrastructure and Logistics, Asian Highway Network, and the Trans-Asian Railway Network?

f. How can commitments of various initiatives such as the Bhutan Summit (2010), Bangladesh – India Joint Communiqué (2010 and 2011) which signal opening up transport connectivity be materialized?

g. How can the multi-modal regional transport in South Asia be innovatively financed?

h. How can SAARC become more effective in development of regional transport system?

i. How procedural issues such as lack of intra-regional cellular communication and prohibitive visa regimes impacting trade flows in South Asia?

Parallel Session B2
Economic Growth without Welfare: The Case of South Asia

South Asia despite of seeing rising growth rates in recent past has failed to make substantial dent in the adverse social sector, poverty and inequality indicators. This disconnect between macro and microeconomic performance requires a careful inquiry. Most of these economies have put in place social safety nets at the national and sub-national levels which have support from multilateral and bilateral partners as well. The experience of such initiatives has been mixed. This session will share lessons as to: a) how far the process of economic growth has been made pro-poor in these economies, b) have redistributive policies paid dividends on ground, c) how effective have been the social safety nets in South Asia and d) how far have South Asian economies been able to reduce various forms of inequalities.

Parallel Session B3
Social Accountability as catalyst for inclusive development in South Asia

It is increasingly being recognized that the benefits of economic growth of past decade in South Asia has not effectively percolated down to the poor and most marginalized; and this has resulted in growing disparity of income and wealth. This could largely be attributed to absence of equity perspective in the business friendly policy and programmes of the States – owing to weaker negotiating and lobbying capabilities of marginalized communities.

Social accountability, the citizen-driven approach to directly demand greater accountability and responsiveness from public officials and service providers, has demonstrated its efficacy with regard to framing new type of relations between State and the society, improving governance performance and service delivery; and enhancing trust between public institutions and the citizen. Evidences do suggest that these citizen-led mechanisms have proven successful in terms
of citizens’ empowerment and increased development effectiveness. Social accountability can thus be the catalyst for equitable voice relationship between citizen and the government to mitigate the inherent structural injustice of a social order that perpetuates unequal control over both economic and political resources within the society.

The panel on Social Accountability would deliberate around this key issue of enabling equitable voice relationship for embedding legitimate citizens’ voice within the discourse on economic growth; and will also examine the questions of inherent capacity of citizens, conceivably facilitated by a change agent to effectively engage with the government for demanding accountability; and responsiveness in government for accommodating space for citizen led efforts to improve governance.

**Parallel Session B4**
**Competition Law & Policy in the South Asia**

a. How are South Asian competition policies configured to serve the interests of producers and consumers?
b. Have such policies been effective in bringing about a level playing field in South Asia?
c. How far are current competition regimes facilitating intra-regional investments?
d. How can the existing competition regimes be made more responsive to the needs of intra-regional investors (and consumers)?
e. How can cooperation between competition agencies in South Asia facilitate interests of all stakeholders?
f. What are the bottlenecks that discourage intra-regional investments?
g. How to expedite removal of bottlenecks that discourage intra-regional investments?
h. How far are current investment promotion regimes facilitating intra-regional investments?
i. How can SAARC become more effective in promotion of competitive regimes and intra-regional investment?
j. How can SAARC Chamber of Commerce become more active in promotion of intra-regional investment?

**Parallel Session B5**
**Migration across South Asia: Emerging Trends & Opportunities**

a. What are the current trends in intra-regional migration across South Asia?
b. How are the political differences in South Asia impacting migration across the region?
c. How have constraints to migration impacted mobility of labour, capital and merchandise?
d. What can South Asia learn from other regional blocks such as EU and ASEAN in terms of pro-development migration policies?
e. How procedural issues such as lack of intra-regional cellular communication and prohibitive visa regimes have impacted trade and investment flows in South Asia?
f. How such procedural issues may be dealt with over the medium to longer run?
g. How low levels of migration are hurting trade (in goods and services) amongst South Asian countries?
h. What role can be played by SAARC in facilitating movement of people across South Asia?
i. What role can be played by civil society and business associations in facilitating movement of people across South Asia?

Parallel Session B6
Food Security: Challenges and Way Forward in South Asia

a. How does the regional food security scenario look like given the global food supply uncertainty and price volatility?
b. What measures the net food importing South Asian countries will have to pursue to face the pressure of food supply shortfall and rising food prices?
c. Are measures such as reduced taxes, increased supply, restricted exports, controlled prices, subsidies to consumers, cash transfers, food aid, feeding programs and food for work program effective in tackling the impact of price hike or ensuring food security at national level?
d. How are climate change impacts going to affect food security in South Asia?
e. What measures are being taken by SAARC as a regional group to address the emergent food security situation?
f. What role can SAARC play in removing trade restrictions for food grains?
g. How can SAARC Food Bank be made more vibrant to address food security issues?
h. How effective will be recent initiative such as SAARC Seed Bank in alleviating seed shortages in the region?

Parallel Session B7
Costs of Economic non-cooperation to Consumers in South Asia

a. How far is the consumer welfare agenda respected in the national trade policies across South Asia?
b. What are the costs or forgone benefits that various stakeholders, consumers in particular, have to bear because of economic non-cooperation?
c. What are the priorities for economic-cooperation among South Asian countries from a consumer’s perspective?
d. How best can institutional arrangements and legal instruments under SAARC be used for facilitating economic cooperation in South Asia?
e. What are the relative merits and opportunities offered by SAFTA and other Trade Agreements among South Asian countries for fostering economic integration in the region?
f. How can the cost of intra-regional economic transactions, trade in particular, be reduced through improvement in governance?
g. While SAARC Agreement on Trade in Services (SATIS) is awaiting full ratification, the idea of a Regional Investment Agreement is also being proposed. How can these initiatives pave the way for deeper economic-cooperation?

Parallel Session B8
Regional Trade in Agriculture: Prospects for South Asia

a. What is the extent and emerging patterns of agriculture trade in South Asia?
b. What is the untapped potential of intraregional trade in agriculture?
c. Which key agriculture sub-sectors exhibit potential for future growth of intraregional trade in South Asia?
d. What are the potential intraregional supply chains in agriculture?
e. What are prospects of regional trade in agriculture towards mitigating food security threat in South Asia?
f. How is climate change impacting agriculture productivity, growth and trade in the South Asian region?
g. What are country specific competitive and comparative advantages in agriculture sector that need to be explored?
h. What are the key NTBs that are constraining regional trade in agriculture?
i. Which trade facilitation issues are constraining regional trade in agriculture?
j. Which transport and logistics (and related infrastructure) issues are constraining regional trade in agriculture?
k. How can SAFTA provide more robust basis for deeper integration in agriculture sector across South Asia?
l. How far have bilateral regional trade agreements helped in increasing intraregional trade in agriculture sector?
m. How can initiatives such as SAARC Agricultural Centre, SAARC Food bank and proposal such as SAARC Seed Bank help in fostering intraregional trade in agriculture?

Parallel Session B9
Regional Tourism Potential in South Asia

a. What are the current challenges in the promotion of intraregional tourism in South Asia?
b. What are the potential socio-economic gains to South Asian countries that may accrue from increased intraregional tourism in the region?
c. Which infrastructure issues are curtailing growth of intraregional tourism?
d. Which country specific procedural issues (e.g. visas, licenses etc.) are curtailing growth of intraregional tourism?
e. What may constitute a regional approach towards expansion of intraregional tourism?
f. How may SAARC help towards strengthening a regional approach towards expanding of intraregional tourism?
g. What has been the progress due to initiatives such as SAARC Action Plan on Tourism?
h. What may South Asia learn from the experience of ASEAN in this area of regional integration?

Parallel Session C1
Trade Normalization between India & Pakistan: Prospects for South Asia

a. What are the current Track-I efforts in India and Pakistan which are exhibiting a normalization of trade relations between India and Pakistan?
b. How has the business community in Pakistan responded to relaxation of trade regime with India?
c. India has allowed FDI from Pakistan. How can the latter maximize its gains through this opportunity?
d. What are the prospects for other South Asian countries if trade normalization between India and Pakistan is sustained in the longer run? Can this pave way for deeper forms of integration in the region?
e. Can the normalization of trade relations between the two countries strengthen the case for collective negotiations of SAARC members with countries in other regional blocks such as EU and ASEAN?
f. Which non-traditional sectors (in terms of trade and investment) will benefit from the normalization of trade relations?
g. How will the normalization of trade relations pave way for efforts to resolve NTBs, transformation of informal to formal trade and addressing of procedural issues such as cross-border movement of people?
h. While the gains for producers and traders is usually highlighted in the event of normalization of trade relations, however are there any gains for the consumers in South Asia?
i. How and in which areas Track-II may step up its efforts to support Track-I initiatives so that such cases of normalization be sustained over the longer run?
j. How can SAARC build up on the recent successes of trade relations between the two countries?

Parallel Session C3
Liberalization of Services Trade in South Asia

a. What are the current trends in the intraregional services trade?
b. How strong is the realization towards the importance of liberalization of trade in services for South Asia?
c. What are the explicit or implicit barriers to services trade in South Asia?
d. How have the above barriers led to an increase in intraregional informal trade in services sectors?
e. What are the measurement and data accessibility issues in evaluating the services trade in South Asia?
f. Which services sub-sectors may gain in the event of bringing down of barriers to services trade in the region?
g. What is the current state of services trade negotiations (regionally and at bilateral level)?
h. What are the prospects of liberalization of trade in services under SAFTA?
i. How far are domestic policy and regulatory environment in South Asian countries impacting regional services trade?