

Module 14 : International Agencies

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Chapter I

United Nations

Headquarters	Manhattan Island, New York City, New York, USA
Membership	192 member states
Official languages	Arabic, Chinese, English, French, Russian, Spanish
Secretary General	Kofi Annan Ban Ki Moon (will take over from January 1,2007)
Formation	as wartime alliance: 1 January 1942 as international organization: 24 October 1945

In 1942, the then U S President, Franklin Roosevelt, flanked by the leaders of 26 Allied countries, first coined the term "United Nations" to describe the continued fight against the Axis Powers. Following World War II, the allies adopted the term to define a worldwide body of nations. On June 26, 1945, fifty nations signed the United Nations Charter in San Francisco, California. The United States Senate ratified the UN Charter on July 28, 1945. The United Nations came into effect on October 24, 1945. October 24 is now celebrated around the globe as UN Day.

A. Preamble

“We the Peoples of the United Nations Determined

- i. to save succeeding generations from the scourge of war, which twice in our lifetime has brought untold sorrow to mankind, and
- ii. to reaffirm faith in fundamental human rights, in the dignity and worth of the human person, in the equal rights of men and women and of nations large and small, and

- iii. to establish conditions under which justice and respect for the obligations arising from treaties and other sources of international law can be maintained, and
- iv. to promote social progress and better standards of life in larger freedom,

And for these Ends

- i. to practice tolerance and live together in peace with one another as good neighbors, and to unite our strength to maintain international peace and security, and
- ii. to ensure by the acceptance of principles and the institution of methods, that armed force shall not be used, save in the common interest, and
- iii. to employ international machinery for the promotion of the economic and social advancement of all peoples, ***Have Resolved to Combine our Efforts to Accomplish these Aims***

Accordingly, our respective Governments, through representatives assembled in the city of San Francisco, who have exhibited their full powers found to be in good and due form, have agreed to the present Charter of the United Nations and do hereby establish an international organization to be known as the United Nations. “

The United Nations’ aims are set out in the preamble to the UN Charter: to maintain international peace and security; to develop friendly relations among nations; to achieve international cooperation in solving economic, social, cultural, and humanitarian problems and in promoting respect for human rights and fundamental freedoms; and to be a center for harmonizing the actions of nations in attaining these common ends.

The headquarters of the United Nations is located in New York City. The General Assembly building and the Secretariat were built in 1949 and 1950 on land donated by the Rockefeller family. The property is now considered international territory. Under special agreement with the United States, certain diplomatic privileges and immunities have

been granted, but generally the laws of New York City, New York State and the United States apply.

The United Nations currently has 192 member states. The official languages of the United Nations are Arabic, Chinese, English, French, Russian, and Spanish.

B. Purpose and Principles

Article 1

The Purposes of the United Nations are:

1. To maintain international peace and security, and to that end: to take effective collective measures for the prevention and removal of threats to the peace, and for the suppression of acts of aggression or other breaches of the peace, and to bring about by peaceful means, and in conformity with the principles of justice and international law, adjustment or settlement of international disputes or situations which might lead to a breach of the peace;
2. To develop friendly relations among nations based on respect for the principle of equal rights and self-determination of peoples, and to take other appropriate measures to strengthen universal peace;
3. To achieve international cooperation in solving international problems of an economic, social, cultural, or humanitarian character, and in promoting and encouraging respect for human rights and for fundamental freedoms for all without distinction as to race, sex, language, or religion; and
4. To be a center for harmonizing the actions of nations in the attainment of these common ends.

Article 2

The Organization and its Members, in pursuit of the Purposes stated in Article 1, shall act in accordance with the following Principles.

1. The Organization is based on the principle of the sovereign equality of all its Members.
2. All Members, in order to ensure to all of them the rights and benefits resulting from membership, shall fulfill in good faith the obligations assumed by them in accordance with the present Charter.
3. All Members shall settle their international disputes by peaceful means in such a manner that international peace and security, and justice, are not endangered.
4. All Members shall refrain in their international relations from the threat or use of force against the territorial integrity or political independence of any state, or in any other manner inconsistent with the Purposes of the United Nations.
5. All Members shall give the United Nations every assistance in any action it takes in accordance with the present Charter, and shall refrain from giving assistance to any state against which the United Nations is taking preventive or enforcement action.
6. The Organization shall ensure that states which are not Members of the United Nations act in accordance with these Principles so far as may be necessary for the maintenance of international peace and security.
7. Nothing contained in the present Charter shall authorize the United Nations to intervene in matters which are essentially within the domestic jurisdiction of any state or shall require the Members to submit such matters to settlement under the present Charter; but this principle shall not prejudice the application of enforcement measures under Chapter VII.

Membership

Article 3

The original Members of the United Nations shall be the states which, having participated in the United Nations Conference on International Organization at San Francisco, or having previously signed the

Declaration by United Nations of January 1, 1942, sign the present Charter and ratify it in accordance with Article 110.

Article 4

1. Membership in the United Nations is open to all other peace-loving states which accept the obligations contained in the present Charter and, in the judgment of the Organization, are able and willing to carry out these obligations.
2. The admission of any such state to membership in the United Nations will be effected by a decision of the General Assembly upon the recommendation of the Security Council.

Article 5

A member of the United Nations against which preventive or enforcement action has been taken by the Security Council may be suspended from the exercise of the rights and privileges of membership by the General Assembly upon the recommendation of the Security Council. The exercise of these rights and privileges may be restored by the Security Council.

Article 6

A Member of the United Nations which has persistently violated the Principles contained in the present Charter may be expelled from the Organization by the General Assembly upon the recommendation of the Security Council.

C. Principal Organs

The principal organs of the United Nations include the Security Council, the General Assembly, the Economic and Social Council (ECOSOC), the International Court of Justice, and the Secretariat. (The Trusteeship Council, an original principal organ, suspended operations in 1994 when it fulfilled its function by overseeing the independence of the UN's last remaining trust territory.)

Security Council – New York

The Security Council has five permanent members (China, France, Russia, the United Kingdom, and the U.S. – informally known as the P-5), each with the right to veto, and 10 non-permanent members elected by the General Assembly for two-year terms. Five non-permanent members are elected from Africa and Asia combined. One non-permanent member comes from Eastern Europe, two from Latin America, and two from Western Europe and other areas. The president (or chair) of the Council rotates monthly in English alphabetical order of the members.

Under the UN Charter, the Security Council has "primary responsibility for the maintenance of international peace and security," and all UN members "agree to accept and carry out the decisions of the Security Council in accordance with the present Charter." Other organs of the UN make recommendations to member governments. The Security Council, however, has the power under the Charter to make decisions that member states must carry out. Unlike other representative bodies, the Security Council is always in session. A representative of each Council member must always be available so that the Council can meet at any time.

Decisions in the 15-member Security Council on all substantive matters require the affirmative votes of nine members, including the support of all five permanent members. A negative vote by a permanent member (also known as a veto) prevents adoption of a proposal that has received the required number of affirmative votes. Abstention is not regarded as a veto.

Under Chapter VI of the Charter, "Pacific Settlement of Disputes," the Security Council "may investigate any dispute, or any situation which might lead to international friction or give rise to a dispute." The Council may "recommend appropriate procedures or methods of adjustment" if it determines that the situation might endanger international peace and security. These recommendations are not binding on UN members.

Under Chapter VII, the Council has broader power to decide what measures are to be taken in situations involving "threats to the peace,

breaches of the peace, or acts of aggression." In such situations, the Council is not limited to recommendations but may take action, including the use of armed force "to maintain or restore international peace and security." Decisions taken under Chapter VII, both with regard to military action and to economic sanctions, are binding on all UN member states.

Starting with the UN Truce Supervision Organization (UNTSO) in 1948, the Security Council has dispatched peacekeeping missions to the world's conflicts. These missions have helped prevent or limit many outbreaks of international violence from growing into wider conflicts.

General Assembly – New York

All UN member states are members of the General Assembly. The Assembly has six main committees: Disarmament and International Security; Economic and Financial; Social, Humanitarian, and Cultural; Special Political and Decolonization; Administrative and Budgetary; and Legal. Other committees address UN procedures, membership, and specific issues, including peacekeeping, outer space, and UN Charter reform.

The General Assembly meets in regular session once a year under a president elected from among the representatives. The regular session usually begins in mid-September and ends in mid-December. Special sessions can be convened at the request of the Security Council, a majority of UN members, or, if the majority concurs, a single member. A special session was held in October 1995 at the head of government level to commemorate the UN's 50th anniversary.

Voting in the General Assembly on important questions is by a two-thirds majority of those present and voting. Voting questions may include recommendations on peace and security; election of members to organs; admission, suspension, and expulsion of members; and budgetary matters. Other questions are decided by majority vote. Each member state has one vote. Apart from the approval of budgetary matters, including the adoption of a scale of assessment, General Assembly resolutions are not binding on the members. The Assembly may make recommendations on any matter within the scope of the

UN, except on matters of peace and security under Security Council consideration. Since the late 1980s, virtually all budgetary decisions at the UN have been taken by consensus.

As the only UN organ in which all members are represented, the Assembly serves as a forum for members to launch initiatives on international questions of peace, economic progress, and human rights. It can initiate studies; make recommendations; develop and codify international law; promote human rights; and advance international economic, social, cultural, and educational programs.

The Assembly may take action on maintaining international peace if the Security Council is unable to exercise its primary responsibility, usually due to disagreement among the permanent members. The "Uniting for Peace" resolutions, adopted in 1950, empower the Assembly to convene in emergency special sessions to recommend collective measures -- including the use of armed force -- in the case of a breach of the peace or act of aggression. Two-thirds of the members must approve any such recommendation. Emergency special sessions under this procedure have been held on ten occasions, most recently in 1997.

When an issue is considered particularly important, the General Assembly may convene an international conference to focus global attention and build a consensus for consolidated action. High-level U.S. delegations use these opportunities to promote U.S. policy viewpoints and develop international agreements on future activities.

Economic and Social Council – New York

The General Assembly elects the 54 members of the Economic and Social Council (ECOSOC). Eighteen are elected each year for three-year terms. The U.S. has always been a member.

Under the UN Charter, ECOSOC is responsible for identifying solutions to international economic, social, and health problems, as well as facilitating international cultural and education cooperation and encouraging respect for human rights. ECOSOC meets for one annual four-week session and for shorter ad hoc, procedural, or special meetings. Voting is by simple majority.

ECOSOC coordinates the work of fourteen specialized UN agencies, ten functional commissions, and five regional commissions. Through much of its history, ECOSOC had served primarily as a discussion vehicle. ECOSOC had little authority to force action, which a number of member states felt marginalized the agency's utility. However, beginning in 1992, the U.S. and other nations began an effort to make ECOSOC more relevant by strengthening its policy responsibilities in economic, social, and related fields, particularly in the area of development.

The resulting reform made ECOSOC the oversight and policy-setting body for UN operational development activities and established smaller executive boards for the UN Development Program (UNDP), UN Population Fund (UNFPA), and UN Children's Fund (UNICEF). The creation of an oversight body and smaller executive boards provides those agencies with operating guidance and promotes more effective management. The reform also gave ECOSOC a strong hand in ensuring that UN agencies coordinated their work on issues of common interest, such as narcotics control, human rights, the alleviation of poverty, and the prevention of HIV/AIDS.

International Court of Justice - The Hague, Netherlands

The International Court of Justice (ICJ) is the principal judicial organ of the UN. Established in 1946, its main functions are to decide cases submitted to it by states and to give advisory opinions on legal questions submitted to it by the General Assembly or Security Council, or by such specialized agencies authorized to do so by the General Assembly in accordance with the UN Charter.

The Court is composed of 15 judges elected by the General Assembly and the Security Council from a list of persons nominated by the national groups in the Permanent Court of Arbitration. Judges serve for nine years and may be re-elected. No two may be nationals of the same country. One-third of the Court is elected every three years. A U.S. citizen has always been a member of the Court. Questions before the Court are decided by a majority of judges present.

Only states may be parties in cases before the International Court of Justice. This requirement does not preclude private interests from

being the subject of proceedings if one state brings a case against another. Jurisdiction of the Court is based on the consent of each UN member state to comply with an ICJ decision in a case to which it is a party. Any judgments reached are binding. If a party fails to perform its obligations under an ICJ decision, the other party may seek recourse in the Security Council.

State parties to the Court's statute may declare their recognition of the compulsory jurisdiction of the Court for a wide range of international disputes. The U.S. accepted the Court's compulsory jurisdiction in 1946, but withdrew its acceptance following the Court's decision in a 1986 case involving activities in Nicaragua.

Secretariat – New York

The Secretariat is composed of international civil servants who carry out the daily tasks of the United Nations. It provides studies, information, and facilities needed by UN bodies for their meetings. It also carries out tasks as directed by the Security Council, the General Assembly, the Economic and Social Council, and other UN bodies. The Charter provides that the staff be chosen by application of the "highest standards of efficiency, competence, and integrity," with due regard for the importance of recruiting on a wide geographical basis.

The Charter provides that the staff shall not seek or receive instructions from any authority other than the UN. Each UN member is obligated to respect the international character of the Secretariat and not seek to influence its staff.

Under the UN Charter, the chief administrative officer of the UN and the head of the Secretariat is the Secretary-General of the United Nations, appointed to a five-year term by the General Assembly on the recommendation of the Security Council. Kofi Annan, the first Secretary-General from sub-Saharan Africa, began his first term on January 1, 1997. He was reappointed to a second term beginning January 1, 2002.

The Secretary-General's duties include helping resolve international disputes, administering peacekeeping operations, organizing international conferences, gathering information on the implementation of Security Council decisions, and consulting with

member governments regarding various initiatives. The Secretary-General may bring to the attention of the Security Council any matter that, in his or her opinion, may threaten international peace and security. In 1997, the General Assembly established a position of Deputy Secretary-General. Since 1998, Louise Frechette of Canada has held this position. Other senior UN officials, such as the Under-Secretaries-General for Political Affairs and Peacekeeping, also advise the Secretary-General. The Secretary-General also appoints Special Representatives and Envoys to mediate conflict in the world's trouble spots.

D. The UN Family

In addition to the principal UN organs, the UN family includes over 60 programs or specialized agencies, often headquartered in one of the UN offices around the world. Some agencies existed prior to UN creation and are related to it by agreement. Others were established by the General Assembly. Each provides expertise in a specific area. Some of those programs and agencies (with the location of their headquarters) are described below.

UN Children's Fund (UNICEF). New York City.

UNICEF provides long-term humanitarian and developmental assistance to children and mothers in developing countries. UNICEF relies on contributions from governments and private donors. Its programs emphasize developing community-level services to promote the health and well being of children. UNICEF was awarded the Nobel Peace Prize in 1965.

UN Development Program (UNDP). New York City.

UNDP is the largest multilateral source of grant technical assistance in the world. Voluntarily funded, it provides expert advice, training, and limited equipment to developing countries, with increasing emphasis on assistance to the poorest countries. It focuses on six areas of assistance: democratic governance, poverty reduction, crisis prevention and recovery, energy and the environment, information technology, and HIV/AIDS.

UN Environment Program (UNEP). Nairobi, Kenya

UNEP coordinates UN environmental activities, assisting developing countries in implementing environmentally sound policies. UNEP has developed guidelines and treaties on issues such as the international transport of potentially harmful chemicals, trans-boundary air pollution, and the contamination of international waterways.

The UN High Commissioner for Refugees (UNHCR). Geneva, Switzerland.

UNHCR protects and supports refugees at the request of a government or the UN and assists in their return or resettlement. UNHCR was awarded the Nobel Peace Prize in 1954 and 1982.

World Food Program (WFP). Rome, Italy

The WFP distributes food commodities to long-term refugees and displaced persons, and provides emergency food assistance during natural and man-made disasters. In 2004, the WFP fed 113 million people in 80 countries, including most of the world's refugees and internally displaced people.

E. Specialized Agencies

Food and Agriculture Organization (FAO). Rome, Italy

FAO programs seek to raise levels of nutrition and standards of living; to improve agricultural productivity, to promote rural development; and, by these means, to provide access of all people at all times to the food they need for an active and healthy life.

International Civil Aviation Organization (ICAO). Montreal, Canada.

ICAO develops the principles and techniques of international air navigation and fosters the planning and development of international air transport to ensure safe and orderly growth. The ICAO Council adopts standards and makes recommendations concerning air navigation, the prevention of unlawful interference, and the facilitation of border-crossing procedures for international civil aviation.

International Labor Organization (ILO). Geneva, Switzerland.

The ILO seeks to strengthen worker rights, improve working and living conditions, create employment, and provide information and training opportunities. ILO programs include the occupational safety and health hazard alert system and the labor standards and human rights programs.

This being a very important organization, it has been discussed in detail as a separate chapter.

International Maritime Organization (IMO). London, England.

The IMO's main objective is to facilitate cooperation among governments on technical matters affecting international shipping to achieve the highest possible degree of maritime safety and navigational efficiency. It also attempts to improve the marine environment through the prevention of pollution caused by ships and other craft and deals with legal matters connected with international shipping.

International Telecommunication Union (ITU). Geneva, Switzerland

The ITU brings together governments to coordinate the establishment and operation of global communication networks and services, including telegraph, telephone, radio communications, Internet, and the information society. It fosters cooperation and partnership among its members and offers technical assistance in this area.

UN Educational, Scientific and Cultural Organization (UNESCO). Paris, France

UNESCO's purpose is to contribute to peace and security by promoting cooperation among nations through education, science, culture, and communication to further universal respect for justice, the rule of law, human rights, and fundamental freedoms without distinction of race, sex, language, or religion.

Universal Postal Union (UPU). Bern, Switzerland

The UPU attempts to secure the organization and improvement of the postal services, to promote international collaboration, and provide technical assistance in this area. The member countries constitute a single postal territory.

World Intellectual Property Organization (WIPO). Geneva, Switzerland. The purpose of WIPO is to promote international cooperation in the field of intellectual property rights. It works in the areas of both industrial and literary-artistic property.

World Meteorological Organization (WMO). Geneva, Switzerland.

WMO coordinates global scientific activity to allow increasingly prompt and accurate weather prediction and other services for public, private, and commercial use.

World Health Organization (WHO). Geneva, Switzerland.

WHO acts as a coordinating authority on pressing global public health issues. WHO's objective, as set out in its Constitution, is the attainment of all peoples of the highest possible level of health.

This organization has been discussed in detail as a separate chapter.

F. Other Related Bodies

World Bank. Washington, DC.

The World Bank is one of the world's main sources of development assistance. It focuses on the poorest people in the poorest countries.

International Atomic Energy Agency (IAEA). Vienna, Austria.

The role of IAEA is to promote the contribution of atomic energy for peace, health, and prosperity throughout the world and to enhance the safety and security of radioactive materials and nuclear facilities worldwide. It has the responsibility of creating and implementing the safeguard provisions of various nuclear non-proliferation and nuclear free zone treaties.

International Monetary Fund (IMF). Washington, DC.

The purposes of the IMF are to promote international monetary cooperation through consultation and collaboration, to promote exchange stability and orderly exchange arrangements, and to assist in the establishment of a multilateral system of payments and the elimination of foreign exchange restrictions.

World Bank and IMF have been discussed in detail as separate chapters.

G. Reform of the United Nations

The United Nations is currently engaged in one of the most important debates in its history: how to reform itself, strengthen itself as an institution, and ensure that it addresses effectively the threats and challenges of the 21st century.

H. India and the United Nations

The United Nations, since its birth in 1945, has proved to be a unique experiment for the world community of nations. Born as an "embodiment of the will of the peoples of the world", the United Nations has served as a repository of collective wisdom and a forum for joint action for each of its Member States, in their search for a better, safer, healthier and a more prosperous existence.

As a founder member of the United Nations, India has been a firm supporter of the Purposes and Principles of the United Nations, and has made significant contributions to the furtherance and implementation of these noble aims, and to the evolution and functioning of its various specialized programmes. It stood at the forefront during the UN's tumultuous years of struggle against colonialism and apartheid, its struggle towards global disarmament and the ending of the arms race, and towards the creation of a more equitable international economic order. At the very first session of the UN, India had raised its voice against colonialism and apartheid, two issues which have been among the most significant of the UN's successes in the last half century. India exulted in the UN's triumph, and saw in the UN's victory, a vindication of the policy relentlessly pursued by it from its initial days at the world forum.

Today, as we stand at the beginning of the 21st century, new challenges are before us. Freed from the shackles of the Cold War, the UN stands poised to grapple with the changes which the world has witnessed over the years. Today's challenges, be they political, economic, social, environmental or demographic, are global, impinging on the affairs of all States and making the interdependence of peoples so much greater. If this demands a greater dependence on the UN as the only democratic, universal forum for the community of nations, it also demands a strengthening of the UN itself and its revitalization. The ongoing reform process is primarily aimed towards these ends. A revitalized and strengthened United Nations and a more representative Security Council will enable this unique organisation to face the challenges of the 21st century more effectively.

As the United Nations strives to find solutions to these issues, India pledges to work, with abiding faith and hope, towards UN's success, and to assume greater responsibilities that the world community expects from it.

Chapter II

International Labour Organization (ILO)

The ILO was founded in 1919 and is now part of the United Nations. It is the international organization that sets standards on international labour rights and monitors how they are applied. India, was one of the founding members of the ILO and has been a permanent member of the ILO Governing Body since 1922. The common aims and ideals of the ILO and India are highlighted by their constitutions.

The ILO is 'tripartite' which means that employers, governments and trade unions sit down together in the ILO. Most countries of the world belong to the ILO. It therefore has the most universal support as a body promoting fundamental human rights at work. The ILO is unique among the UN Organizations due to its tripartite structure; that is both the employers' and the workers' representatives have an equal voice with those of the governments in shaping its policies and programmes, resulting in meaningful cooperation amongst the social partners. India fully subscribes to tripartism and has long established tripartite bodies as the Indian Labour Conference, the Standing Labour Committee and various Industrial Committees.

During its long life, the ILO has passed nearly 200 **Conventions** (182 by 1999). Conventions are standards that guarantee various labour rights. Governments of countries that have joined the ILO are asked to ratify these Conventions. Once ratified, that particular Convention is binding on the country concerned. The Government is supposed to pass laws to implement it and report regularly to the ILO on how it is implementing it. Copies of the government reports should be circulated to employers' and workers' organizations so that they too have an opportunity to make their comments.

The ILO also has a similar number of **Recommendations**. They are not binding but are guidelines for governments on labour standards.

National union confederations, union federations for particular branches of industry, regional or local organizations, and even a union of a plant or plants, all have a right to submit their comments to the ILO. International

trade unions are also entitled to make comments. Comments and complaints can be made at any time. It is more difficult but not impossible for other types of workers' organizations to make complaints to the ILO.

When the ILO receives a complaint about non-implementation of a ratified Convention, it can request more information or a report from the government. The government comes under pressure to ensure the Convention is actually implemented and the workers' rights are respected. As a result, in thousands of cases there has been real improvement.

There are many, many cases where ILO Conventions are blatantly violated by employers and governments, however. Some governments collude with employers to violate workers' rights.

Unfortunately, the ILO can do very little apart from naming and shaming governments. If a government is not ashamed of violating workers' rights, it is likely that these violations will continue.

Trying to pursue millions of violations is an impossible task. Instead, the ILO concentrates on seven 'Core' Conventions which are seen as fundamental and apply in all countries, even where a government does not respect them.

On 18 June 1998, the ILO adopted the ILO Declaration on Fundamental Principles and Rights at Work and its Follow-Up. This confirms that *all member states must implement the ILO's Core Conventions even if they have not ratified them*. This is an important tool for workers to use.

ILO Core Conventions

Fundamental Right	ILO Convention Number
The freedom to form and join trade unions.	87
The right for trade unions to negotiate with employers.	98
An end to forced labour.	29 and 105
Minimum age for workers.	138
An end to discrimination in the workplace.	100
Equal pay for equal work	111

Chapter III

World Health Organization

The World Health Organization is the United Nations specialized agency for health. It was established on 7 April 1948, headquartered in Geneva, Switzerland.

WHO is governed by 192 Member States through the World Health Assembly. The Health Assembly is composed of representatives from WHO's Member States. The main tasks of the World Health Assembly are to approve the WHO programme and the budget for the following biennium and to decide major policy questions.

A. Membership

WHO has 192 Member States, including all UN Member States and 2 non-UN-members. Territories that are not UN Member States may join as Associate Members (with full information but limited participation and voting rights) if approved by an Assembly vote.

B. Mission

WHO's constitution states that its mission "is the attainment by all peoples of the highest possible level of health". Its major task is to combat disease, especially key infectious diseases, and to promote the general health of the peoples of the world as well as coordinating international efforts to monitor outbreaks of infectious disease such as SARS, malaria, and AIDS, it also has programmes to combat such diseases, by developing and distributing vaccines WHO is nearing success in developing vaccines against malaria and schistosomiasis and aims to eradicate polio within the next few years.

WHO also compiles the widely followed International Classification of Diseases (ICD). The constitution of WHO defines health as a state of complete physical, mental and social well-being, and not as consisting only of the absence of disease or infirmity or mental retardation.

In addition to its work in eradicating disease, WHO also carries out campaigns — for example, to boost consumption of fruits and vegetables worldwide, or to discourage tobacco consumption – and conducts research: for instance, into whether or not the electromagnetic field surrounding cell phones has a negative influence on health.

In addition to WHO's stated mission, international treaties assign the Organization a variety of responsibilities. For instance, the Single Convention on Narcotic Drugs and the Convention on Psychotropic Substances call on WHO to issue binding scientific and medical assessments of psychoactive drugs and recommend how they should be regulated. In this way, WHO acts as a check on the power of the drug policymaking

C. Working

The day-to-day work of WHO is carried out by its Secretariat, which is staffed by some 3,500 health and other experts and support staff, working at headquarters, in the six regional offices, and in the individual representation offices in several countries. WHO is also represented by WHO Goodwill Ambassadors.

The Regional Offices are:

- Regional Office for Africa (AFRO), with headquarters in Brazzaville, includes most of Africa.
- Regional Office for South East Asia (SEARO), with headquarters in New Delhi, India. North Korea is served by SEARO.
- Regional Office for the Eastern Mediterranean (EMRO), with headquarters in Cairo, Egypt. EMRO includes the countries of Africa and particularly in the Maghreb that are not included in AFRO as well as the countries of the Middle East.
- Regional Office for Western Pacific (WPRO), with headquarters in Manila, Philippines. WPRO covers all the Asian countries not served by SEARO and EMRO, and all the countries in Oceania. South Korea is served by WPRO.
- Regional Office for the Americas (AMRO), with headquarters in Washington, DC, United States of America. It is better known as the Pan American Health Organization, or PAHO. Since it predates

the establishment of WHO, PAHO is by far the most autonomous of the 6 regional offices.

Country Offices

The World Health Organization operates 147 country and liaison offices, in all its regions.

Some WHO-private sector partnerships

- PATH: Program for Appropriate Technology in Health
- AVI: International AIDS Vaccine Initiative
- MMV: Medicines for Malaria Venture
- MVI: Malaria Vaccine Initiative
- TB Alliance: Global Alliance for TB Drug Development
- Aeras: Aeras Global TB Vaccine Foundation
- IPM: International Partnership for Microbicides PDVI: Pediatric Dengue Vaccine Initiative
- FIND: Foundation for Innovative New Diagnostics
- IOWH: Institute for One World Health
- DNDi: Drugs for Neglected Diseases Initiative

Chapter IV

European Union

Monetary authority	European Central Bank
Administrative centre	Brussels (de facto capital)
Member states	25 member states
Official languages	20 official languages
History	
Europe Day	May 9, 1950
Formation as EEC - Signed - Enforced	Treaty of Rome - March 25, 1957 - January 1, 1958
Formation as EU - Signed - Enforced	Maastricht Treaty - February 7, 1992 - November 1, 1993

The idea of European integration stems from the deep conviction that the sufferings caused by two world wars must never be repeated. If the individual countries work more and more closely together and pursue common goals – such was the conviction – no more armed conflicts will ever occur. In that regard the European Union has proved totally successful so far: never before has Western Europe been spared the scourge of wars for so long. From that particular angle, accession of the countries of Central and Eastern Europe is a particularly important factor in terms of peace policy.

The Council of European Union

The Council of the European Union, which is also referred as the Council of Ministers, is the central decision-making authority and the effective legislative body of the EU. It adopts all the essential legal acts and concludes international agreements, depending on the particular sphere, sometimes on its own but mostly together with the European Parliament. The members of the EU Council are ministers of the Member States. Depending on the issue being dealt with, the Council is made up of Finance Ministers, Ministers of Agriculture, Ministers of the Environment, Ministers of Foreign Affairs, etc. The Council (and hence also the European Council) is presided over by a Member State on a six-monthly rotating basis.

The European Commission

The European Commission is in a sense a government of the EU. The Commission has the sole authority to take legislative initiatives, which it then submits to the European Parliament and the Council of the European Union. It monitors compliance with the treaties and implementation of European policy by the Member States. It is also responsible for the supervision of EU expenditure.

The European Parliament

This professional Parliament, which sits in Strasbourg and in Brussels, is elected for five years in each case.

The Court of Justice

The European Court of Justice (ECJ) with its seat in Luxembourg is the supreme judicial body of the EU. Its task is to safeguard EU law in the application and interpretation of the Community Treaties.

The Union currently has a common single market consisting of a customs union, a single currency managed by the European Central Bank (so far adopted by 12 of the 25 member states), a Common Agricultural Policy, a common trade policy, and a Common Fisheries Policy.^[2] A Common Foreign and Security Policy was also established as the second of the three pillars of the European Union.

The European Union's activities cover all areas of public policy, from health and economic policy to foreign affairs and defence. However, the extent of its powers differs greatly between areas. Depending on the area in question, the EU may therefore resemble a federation (e.g. on monetary affairs, agricultural, trade and environmental policy, economic and social policy), a confederation (e.g. on home affairs) or an international organisation (e.g. in foreign affairs).

B. India and the European Union

1. EU-India relations go back to the early 1960s. India was among the first countries to establish diplomatic relations with the (then) EEC. The 1994 cooperation agreement signed between EU and India took bilateral relations beyond merely trade and economic cooperation. Together with the Joint Political Statement signed in 1993 it opened the way for annual ministerial meetings and a broad political dialogue. Since then, dialogues have been held at different levels and at regular intervals.
2. The first India-EU Summit in Lisbon in June 2000 marked a watershed in the evolution of this relationship. A decision was taken to hold annual summits. Since then there have been four Summit-level interactions, the last being the Fifth Summit at The Hague on 8 November 2004. India-EU relations have grown exponentially from what used to be a purely trade and economic driven relationship to one covering all areas of interaction. The 5th Summit at The Hague was a landmark Summit for it endorsed the EU's proposal to upgrade its relationship with India to a 'Strategic Partnership'.
3. The EU, which has strategic partnerships with only five other countries (USA, Canada, Russia, Japan and China), now sees India as a "regional and global leaderengaging increasingly on equal terms with other world powers".
4. The frequency and intensity of India's contacts with the EU have grown exponentially since 2000. In order to provide greater coherence and focus to all the various activities being undertaken as well as undertake new initiatives, the European

Commission has prepared a comprehensive Communication outlining in detail its views on various areas in which a strategic partnership could be forged with India.

5. The EU (as a bloc of 25 nations) is India's largest export destination and has a share of over 24% in her total exports. In the year 2003, India occupied a share of 1.35% in the total EU imports. On the other hand, India was 16th largest importer of EU's products and had a share of 1.46% in EU's global exports. India's exports to EU in 2003 were Euros 13.30 billion and imports were worth Euros 14.20 bn. The EU is one of the largest sources of FDI for India. However, the current level of FDI from the EU is far below potential. Taking the period from 1991 to 2003, the total FDI approvals for EU-15 have approximately been \$15 billion. The actual cumulative inflows are however around 6.2 billion Euros (US\$ 5.6 billion), as per Eurostat Data. The most important countries in the EU for FDI are UK, Germany, and Netherlands followed by France, Italy and Belgium.

Bilateral Agreements

Bilateral Investment Protection:

India has signed Bilateral Investment Protection Agreements (BIPA) with 16 of the 25 EU Member States.

Double Taxation Avoidance:

India has Double Taxation Avoidance Agreements (DTAA) with 18 out of 25 EU Member States.

S & T Agreement:

India and EU have signed an agreement for cooperation in the field of Science & Technology in the year 2001. The agreement also assures a predictable and secure IPR regime for the EU companies and research institutions interested in cooperation with India.

Information Technology:

India and EU have signed a Joint Vision Statement for promoting cooperation in the field of information and communications technology. This provides a framework for exchange of views on regulatory practices, mutual cooperation in regulatory and industry initiatives and specific issues/projects of bilateral interest.

Customs:

India and the EU have concluded a customs cooperation agreement in order to establish a framework for mutual cooperation and assistance in preventing frauds, tax evasions and other economic offences in this field. The Agreement was initialled at the India-EU Summit in Delhi in November 2003 and subsequently it was signed at Brussels in 2004.

Chapter V

The Commonwealth of Nations

Official language	English
Head of the Commonwealth	Queen Elizabeth II
Date of Establishment	1926 (as an informal "British" Commonwealth), 1949 (as the modern Commonwealth)
Number of Member States	53
Headquarters	London, England

The Modern Commonwealth is a voluntary association of 53 independent sovereign states. The association has no constitution or charter, but members commit themselves to the statements of beliefs set out by Heads of Government. The basis of these is the Declaration of Commonwealth Principles, agreed at Singapore in 1971, and reaffirmed in the Harare Declaration of 1991. The fundamental political values underpinning the Commonwealth include democracy and good governance, respect for human rights and gender equality, the rule of law, and sustainable economic and social development.

A. Inter Governmental Agencies

The main inter-governmental agency is the Commonwealth Secretariat: (i) Executive Arm based at Marlborough House in London.). It promotes consultation and co-operation in various fields and carries out a lot of its developmental programmes through the Commonwealth Fund for Technical Cooperation. Other inter-governmental organizations are the (ii) Commonwealth Foundation, The Foundation, in London, links the non-governmental bodies and organizations, collectively known as 'the unofficial Commonwealth', and (iii) the Commonwealth of Learning (COL). in Vancouver, Canada, oversees distance learning.

The majority of the Commonwealth's members are developing countries, which comprise 49 of its 53 members. Thirty-two of the Commonwealth's members are small states. Among Commonwealth member countries, 32 are Republics, 16 are Monarchies with Queen Elizabeth II as their sovereign, and five others have National Monarchies.

Historical Association

Since the London Declaration of 1949, which established the modern Commonwealth, India has held a pivotal position in this Organization. It was India's decision in 1948, as a newly independent Republic, to remain in the Commonwealth which influenced other Asian and African countries to join the organization and which opened the era of the modern Commonwealth. Since then, it was firmly established that to join the Commonwealth no longer necessarily involved continued allegiance to the British Crown. With its commitment to racial equality and national sovereignty, joining the Commonwealth became a natural choice for many new nations that were emerging out of the decolonization process of the 1950s and 1960s. Since then, the Commonwealth has grown in size, expanding its reach and range of priorities.

In 1965, the leaders of the Commonwealth established the Commonwealth Secretariat in London, which became the association's independent civil service, headed by a Secretary-General. India was instrumental, as a part of group of half a dozen nations, led by Ghana, in the creation of the Secretariat arguing strongly for a neutral and impartial body to replace the mechanism hitherto provided by the British government. A year later, the Commonwealth Foundation was launched to assist the growing number of Commonwealth professional associations and, subsequently, NGOs.

B. India and the Commonwealth Today

India is the largest member state of the Commonwealth, with nearly 60% of the total population of the association. India is the 4th largest contributor to the Commonwealth Secretariat's budget after the UK, Canada and Australia. After the UK, it provides the largest number of technical experts engaged by the Commonwealth Fund for Technical

Cooperation extending assistance to developing Commonwealth countries. It is a member of key Commonwealth bodies, including the Commonwealth Ministerial Action Group and the Committee on Terrorism, as well as the Executive Committee of the Commonwealth Secretariat's Board of Governors.

India will host the 2010 Commonwealth Games in New Delhi. India hosted CHOGM in 1983 in New Delhi. The Commonwealth Parliamentary Association has proposed India to hold the annual CPA Conference in 2007. India has previously hosted this event in 1957, 1975 and 1991.

C. Role of the Commonwealth

Good governance, conflict prevention and resolution, and human rights have assumed great importance in the Commonwealth's work over the years. Election observation has also become an important aspect of the Commonwealth activities. Flowing from the Coolum mandate, the Commonwealth Secretary General has envoys offering good offices in several Commonwealth countries.

The Commonwealth Ministerial Action Group (CMAG)

The present CMAG has 9 members, including Nigeria, the Commonwealth Chairperson in Office. The other members are the Foreign Ministers of the Bahamas (Vice Chair), India, Canada, Malta, Samoa, Sri Lanka, Tanzania and Lesotho.

The Role of Civil Society

A recent area of the Commonwealth's focus is the relationship between the official and the unofficial Commonwealth. The organization that aims to promote the work of civil society within the Commonwealth is the Commonwealth Foundation. Given the proliferation of Commonwealth NGOs, a need has arisen for their distinct functional categorization to set criteria for their accreditation to CHOGM Summits. This is being addressed through the process of re-accreditation of the NGOs to the Commonwealth. India currently holds the chair of the Accreditation Committee of the Commonwealth.

The Commonwealth's Role in Counter-terrorism

In response to September 11, the Commonwealth Heads of Government made a statement on October 28, 2001 declaring their intent to support action against terrorism. Concurrently, the Commonwealth Secretariat began working closely with the United Nations Counter Terrorism Committee to support the implementation of UNSC resolution 1373. As a part of these efforts, the Commonwealth Secretary General constituted the Commonwealth Committee on Terrorism (CCT), which now has become a Standing Committee that will meet as and when necessary.

CHOGM and its Future Format

From 1971 the term Commonwealth Heads of Government Meeting (CHOGM) was adopted to encompass both Presidents and Prime Ministers. CHOGM summits have been held every two years since then in different countries by rotation, during which Commonwealth Heads of Government meet for a few days to discuss world and Commonwealth issues, and to agree on collective policies and initiatives. These summits provide a unique forum for consultation at the highest level of government and is the highest decision making body of the Commonwealth. Decisions in CHOGM are normally reached by consensus. Each meeting includes a 'Retreat' when Commonwealth leaders, unaccompanied by other ministers or officials, have complete privacy. Many important initiatives have emerged from these Retreats.

The last CHOGM Summit meeting was held in Abuja, Nigeria from 5- 8 December, 2003. The next meeting is scheduled to take place in Valletta, Malta from 25 -27 November 2005. This will be followed by Summit in 2007 in Uganda.

D. The Commonwealth Fund for Technical Cooperation

The Commonwealth Fund for Technical Co-operation (CFTC) is the principal means by which the Commonwealth delivers development assistance to member countries. The CFTC operates on the principle of mutual assistance, with member governments contributing

financing on a voluntary basis and obtaining technical assistance as needed.

India is the 4th largest contributor to the CFTC after the UK, Canada and Australia and provides a large number of long-term experts to various CFTC programmes.

The Commonwealth Youth Programme (CYP)

The CYP, through its London headquarters and regional centers in Australia, Guyana, India and Zambia, strengthens National Youth Ministries, provides training to youth development workers, and helps young people to receive education and training; start and run their own businesses; look after their health; and participate in making decisions.

Commonwealth Advisory Body on Sports (CABOS)

CABOS has been established following the endorsement of its mandates by the Commonwealth Sports Minister during their meeting in Athens in August 2004. The group, in its annual report to Commonwealth Sports Minister, is expected to provide input and advice on specific policy issues in order to promote sport as a tool for economic and social development.

Commonwealth Small States Office in New York

India has been one of the principal donors for the Commonwealth Small States Office in New York.

Chapter VI

The IMF and the World Bank

Known collectively as the Bretton Woods Institutions after the remote village in New Hampshire, U.S.A., where they were founded by the delegates of 44 nations in July 1944, the Bank and the IMF are twin intergovernmental pillars supporting the structure of the world's economic and financial order. That there are two pillars rather than one is no accident. The international community was consciously trying to establish a division of labor in setting up the two agencies. Those who deal professionally with the IMF and Bank find them categorically distinct. To the rest of the world, the niceties of the division of labor are even more mysterious than are the activities of the two institutions.

A. Purposes

At Bretton Woods the international community assigned to the World Bank the aims implied in its formal name, the International Bank for Reconstruction and Development (IBRD), giving it primary responsibility for financing economic development. The Bank's first loans were extended during the late 1940s to finance the reconstruction of the war-ravaged economies of Western Europe. When these nations recovered some measure of economic self-sufficiency, the Bank turned its attention to assisting the world's poorer nations, known as developing countries. The World Bank has one central purpose: to promote economic and social progress in developing countries by helping to raise productivity so that their people may live a better and fuller life.

The World Bank's activities are focused on developing countries, in fields such as human development (e.g. education, health), agriculture and rural development (e.g. irrigation, rural services), environmental protection (e.g. pollution reduction, establishing and enforcing regulations), infrastructure (e.g. roads, urban regeneration, electricity), and governance (e.g. anti-corruption, legal institutions development). It provides loans at preferential rates to member countries, as well as grants to the poorest countries. Loans or grants for specific projects are often linked to wider policy changes in the sector or the economy.

For example, a loan to improve coastal environmental management may be linked to development of new environmental institutions at national and local levels and to implementation of new regulations to limit pollution.

The international community assigned to the IMF a different purpose. In establishing the IMF, the world community was reacting to the unresolved financial problems instrumental in initiating and protracting the Great Depression of the 1930s: sudden, unpredictable variations in the exchange values of national currencies and a widespread disinclination among governments to allow their national currency to be exchanged for foreign currency.

Set up as a voluntary and cooperative institution, the IMF attracts to its membership nations that are prepared, in a spirit of enlightened self-interest, to relinquish some measure of national sovereignty by abjuring practices injurious to the economic well-being of their fellow member nations. The rules of the institution, contained in the IMF's Articles of Agreement signed by all members, constitute a code of conduct. The code is simple: it requires members to allow their currency to be exchanged for foreign currencies freely and without restriction, to keep the IMF informed of changes they contemplate in financial and monetary policies that will affect fellow members' economies, and, to the extent possible, to modify these policies on the advice of the IMF to accommodate the needs of the entire membership. To help nations abide by the code of conduct, the IMF administers a pool of money from which members can borrow when they are in trouble.

The IMF is not, however, primarily a lending institution as is the Bank. It is first and foremost an overseer of its members' monetary and exchange rate policies and a guardian of the code of conduct. Philosophically committed to the orderly and stable growth of the world economy, the IMF is an enemy of surprise. It receives frequent reports on members' economic policies and prospects, which it debates, comments on, and communicates to the entire membership so that other members may respond in full knowledge of the facts and a clear understanding of how their own domestic policies may affect other countries. The IMF is convinced that a fundamental condition for international prosperity is an orderly monetary system that will

encourage trade, create jobs, expand economic activity, and raise living standards throughout the world. By its constitution the IMF is required to oversee and maintain this system, no more and no less.

The IMF describes itself as "an organization of 184 countries, working to foster global monetary cooperation, secure financial stability, facilitate international trade, promote high employment and sustainable economic growth, and reduce poverty". With the exception of North Korea, Cuba, Liechtenstein, Andorra, Monaco, Tuvalu and Nauru, all UN member states either participate directly in the IMF or are represented by other member states.

B. Size and Structure

The IMF is small and, unlike the World Bank, has no affiliates or subsidiaries. Most of its staff members work at headquarters in Washington, D.C., although three small offices are maintained in Paris, Geneva, and at the United Nations in New York. Its professional staff members are for the most part economists and financial experts.

The structure of the Bank is somewhat more complex. The World Bank itself comprises two major organizations: the International Bank for Reconstruction and Development and the International Development Association (IDA). Moreover, associated with, but legally and financially separate from the World Bank are the International Finance Corporation, which mobilizes funding for private enterprises in developing countries, the International Center for Settlement of Investment Disputes, and the Multilateral Guarantee Agency. The World Bank Group is about three times as large as the IMF, and maintains about 40 offices throughout the world, although 95 percent of its staff works at its Washington, D.C., headquarters. The Bank employs a staff with an astonishing range of expertise: economists, engineers, urban planners, agronomists, statisticians, lawyers, portfolio managers, loan officers, project appraisers, as well as experts in telecommunications, water supply and sewerage, transportation, education, energy, rural development, population and health care, and other disciplines.

C. Recipients of Funding

Neither wealthy countries nor private individuals borrow from the World Bank, which lends only to creditworthy governments of developing nations. The poorer the country, the more favorable the conditions under which it can borrow from the Bank. Developing countries whose per capita gross national product (GNP) exceeds \$1,305 may borrow from the IBRD. (Per capita GNP, a less formidable term than it sounds, is a measure of wealth, obtained by dividing the value of goods and services produced in a country during one year by the number of people in that country.) These loans carry an interest rate slightly above the market rate at which the Bank itself borrows and must generally be repaid within 12-15 years. The IDA, on the other hand, lends only to governments of very poor developing nations whose per capita GNP is below \$1,305, and in practice IDA loans go to countries with annual per capita incomes below \$865. IDA loans are interest free and have a maturity of 35 or 40 years.

In contrast, all member nations, both wealthy and poor, have the right to financial assistance from the IMF. Maintaining an orderly and stable international monetary system requires all participants in that system to fulfill their financial obligations to other participants. Membership in the IMF gives to each country that experiences a shortage of foreign exchange--preventing it from fulfilling these obligations--temporary access to the IMF's pool of currencies to resolve this difficulty, usually referred to as a balance of payments problem. These problems are no respecter of economic size or level of per capita GNP, with the result that over the years almost all members of the IMF, from the smallest developing country to the largest industrial country, have at one time or other had recourse to the IMF and received from it financial assistance to tide them over difficult periods. Money received from the IMF must normally be repaid within three to five years and in no case later than ten years. Interest rates are slightly below market rates, but are not as concessional as those assigned to the World Bank's IDA loans. Through the use of IMF resources, countries have been able to buy time to rectify economic policies and to restore growth without having to resort to actions damaging to other members' economies.

D. World Bank Operations

The World Bank exists to encourage poor countries to develop by providing them with technical assistance and funding for projects and policies that will realize the countries' economic potential. The Bank views development as a long-term, integrated endeavor.

During the first two decades of its existence, two thirds of the assistance provided by the Bank went to electric power and transportation projects. Although these so-called infrastructure projects remain important, the Bank has diversified its activities in recent years as it has gained experience with and acquired new insights into the development process.

The Bank gives particular attention to projects that can directly benefit the poorest people in developing countries. The direct involvement of the poorest in economic activity is being promoted through lending for agriculture and rural development, small-scale enterprises, and urban development. The Bank is helping the poor to be more productive and to gain access to such necessities as safe water and waste-disposal facilities, health care, family-planning assistance, nutrition, education, and housing. Within infrastructure projects there have also been changes. In transportation projects, greater attention is given to constructing farm-to-market roads. Rather than concentrating exclusively on cities, power projects increasingly provide lighting and power for villages and small farms. Industrial projects place greater emphasis on creating jobs in small enterprises. Labor-intensive construction is used where practical. In addition to electric power, the Bank is supporting development of oil, gas, coal, fuel wood, and biomass as alternative sources of energy.

Graduation from the IBRD and IDA has occurred for many years. Of the 34 very poor countries that borrowed money from IDA during the earliest years, more than two dozen have made enough progress for them no longer to need IDA money, leaving that money available to other countries that joined the Bank more recently. Similarly, about 20 countries that formerly borrowed money from the IBRD no longer have to do so. An outstanding example is Japan. For a period of 14 years, it borrowed from the IBRD. Now, the IBRD borrows large sums in Japan.

E. IMF Operations

The IMF has gone through two distinct phases in its 50-year history. During the first phase, ending in 1973, the IMF oversaw the adoption of general convertibility among the major currencies, supervised a system of fixed exchange rates tied to the value of gold, and provided short-term financing to countries in need of a quick infusion of foreign exchange to keep their currencies at par value or to adjust to changing economic circumstances. Difficulties encountered in maintaining a system of fixed exchange rates gave rise to unstable monetary and financial conditions throughout the world and led the international community to reconsider how the IMF could most effectively function in a regime of flexible exchange rates. After five years of analysis and negotiation (1973-78), the IMF's second phase began with the amendment of its constitution in 1978, broadening its functions to enable it to grapple with the challenges that have arisen since the collapse of the par value system. These functions are three.

First, the IMF continues to urge its members to allow their national currencies to be exchanged without restriction for the currencies of other member countries. As of May 1996, 115 members had agreed to full convertibility of their national currencies. Second, in place of monitoring members' compliance with their obligations in a fixed exchange system, the IMF supervises economic policies that influence their balance of payments in the presently legalized flexible exchange rate environment. This supervision provides opportunities for an early warning of any exchange rate or balance of payments problem. In this, the IMF's role is principally advisory. It confers at regular intervals (usually once a year) with its members, analyzing their economic positions and apprising them of actual or potential problems arising from their policies, and keeps the entire membership informed of these developments. Third, the IMF continues to provide short- and medium-term financial assistance to member nations that run into temporary balance of payments difficulties. The financial assistance usually involves the provision by the IMF of convertible currencies to augment the afflicted member's dwindling foreign exchange reserves, but only in return for the government's promise to reform the economic policies that caused the balance of payments problem in the first place. The IMF sees its financial role in these cases not as

subsidizing further deficits but as easing a country's painful transition to living within its means.

Over the past few years, in response to an emerging interest by the world community to return to a more stable system of exchange rates that would reduce the present fluctuations in the values of currencies, the IMF has been strengthening its supervision of members' economic policies. Provisions exist in its Articles of Agreement that would allow the IMF to adopt a more active role, should the world community decide on stricter management of flexible exchange rates or even on a return to some system of stable exchange rates.

Measuring the success of the IMF's operations over the years is not easy, for much of the IMF's work consists in averting financial crises or in preventing their becoming worse. Most observers feel that merely to have contained the debt crisis of the 1980s, which posed the risk of collapse in the world's financial system, must be counted a success for the IMF. The Fund has also gained some recognition for assisting in setting up market-based economies in the countries of the former Soviet Union and for responding swiftly to the Mexican peso crisis in 1994, but its main contribution lies in its unobtrusive, day-to-day encouragement of confidence in the international system. Nowhere will you find a bridge or a hospital built by the IMF, but the next time you buy a Japanese camera or drive a foreign car, or without difficulty exchange dollars or pounds for another currency while on holiday, you will be benefiting from the vast increase in foreign trade over the past 50 years and the widespread currency convertibility that would have been unimaginable without the world monetary system that the IMF was created to maintain.

F. Cooperation between Bank and IMF

Although the Bank and IMF are distinct entities, they work together in close cooperation. This cooperation, present since their founding, has become more pronounced since the 1970s. Since then the Bank's activities have increasingly reflected the realization that the pace of economic and social development accelerates only when sound underlying financial and economic policies are in place. The IMF has also recognized that unsound financial and economic policies are often deeply rooted in long-term inefficient use of resources that

resists eradication through short-term adaptations of financial policies. It does little good for the Bank to develop a long-term irrigation project to assist, say, the export of cotton, if the country's balance of payments position is so chaotic that no foreign buyers will deal with the country. On the other hand, it does little good for the IMF to help establish a sound exchange rate for a country's currency, unless the production of cotton for export will suffice to sustain that exchange rate over the medium to long term. The key to solving these problems is seen in restructuring economic sectors so that the economic potential of projects might be realized throughout the economy and the stability of the economy might enhance the effectiveness of the individual project.

Around 75 percent of the Bank's lending is applied to specific projects dealing with roads, dams, power stations, agriculture, and industry. As the global economy became mired in recession in the early 1980s, the Bank expanded the scope of its lending operations to include structural- and sector-adjustment loans. These help developing countries adjust their economic policies and structures in the face of serious balance of payments problems that threaten continued development. The main objective of structural-adjustment lending is to restructure a developing country's economy as the best basis for sustained economic growth. Loans support programs that are intended to anticipate and avert economic crises through economic reforms and changes in investment priorities. By using so-called policy-based lending, the Bank stimulates economic growth in heavily indebted countries--particularly in Latin America and in sub-Saharan Africa--that are undertaking, often at much social pain, far-reaching programs of economic adjustment.

In addition to its traditional function as provider of short-term balance of payments assistance, the advent of the oil crisis in the mid-1970s and the debt crisis in the early 1980s induced the IMF, too, to rethink its policy of restricting its financial assistance to short-term lending. As balance of payments shortfalls grew larger and longer-term structural reforms in members' economies were called for to eliminate these shortfalls, the IMF enlarged the amount of financial assistance it provides and lengthened the period within which its financial assistance would be available. In doing so, the IMF implicitly recognizes that balance of payments problems arise not only from a

temporary lack of liquidity and inadequate financial and budgetary policies but also from long-standing contradictions in the structure of members' economies, requiring reforms stretching over a number of years and suggesting closer collaboration with the World Bank, which commands both the expertise and experience to deal with protracted structural impediments to growth.

Focusing on structural reform in recent years has resulted in considerable convergence in the efforts of the Bank and IMF and has led them to greater reliance on each other's special expertise. This convergence has been hastened by the debt crisis, brought on by the inability of developing countries to repay the enormous loans they contracted during the late 1970s and early 1980s. The debt crisis has emphasized that economic growth can be sustained only when resources are being used efficiently and that resources can be used efficiently only in a stable monetary and financial environment.

The bedrock of cooperation between the Bank and IMF is the regular and frequent interaction of economists and loan officers who work on the same country. The Bank staff brings to this interchange a longer-term view of the slow process of development and a profound knowledge of the structural requirements and economic potential of a country. The IMF staff contributes its own perspective on the day-to-day capability of a country to sustain its flow of payments to creditors and to attract from them investment finance, as well as on how the country is integrated within the world economy. This interchange of information is backed up by a coordination of financial assistance to members. For instance, the Bank has been approving structural- or sector-adjustment loans for most of the countries that are taking advantage of financial assistance from the IMF. In addition, both institutions encourage other lenders, both private and official, to join with them in co-financing projects and in mobilizing credits to countries that are in need. Cooperation between the Bretton Woods Institutions has two results: the identification of programs that will encourage growth in a stable economic environment and the coordination of financing that will ensure the success of these programs. Other lenders, particularly commercial banks, frequently make credits available only after seeing satisfactory performance by the borrowing country of its program of structural adjustment.

Cooperation between the Bank and the IMF has over the past decade been formalized with the establishment in the IMF of procedures to provide financing at below market rates to its poorest member countries. These procedures enable the IMF to make available up to \$12 billion to those 70 or so poor member countries that adjust the structure of their economies to improve their balance of payment position and to foster growth. The Bank joins with the IMF in providing additional money for these countries from IDA. But what IDA can provide in financial resources is only a fraction of the world's minimum needs for concessional external finance. Happily, various governments and international agencies have responded positively to the Bank's special action program for low-income, debt-distressed countries of the region by pledging an extra \$7 billion for co-financing programs arranged by the Bank.

The Bank and the IMF have distinct mandates that allow them to contribute, each in its own way, to the stability of the international monetary and financial system and to the fostering of balanced economic growth throughout the entire membership. Since their founding 50 years ago, both institutions have been challenged by changing economic circumstances to develop new ways of assisting their membership. The Bank has expanded its assistance from an orientation toward projects to the broader aspects of economic reform. Simultaneously the IMF has gone beyond concern with simple balance of payment adjustment to interest itself in the structural reform of its members' economies. Some overlapping by both institutions has inevitably occurred, making cooperation between the Bank and the IMF crucial. Devising programs that will integrate members' economies more fully into the international monetary and financial system and at the same time encourage economic expansion continues to challenge the expertise of both Bretton Woods Institutions.

The International Monetary Fund and the World Bank at a Glance

International Monetary Fund

- oversees the international monetary system
- promotes exchange stability and orderly exchange relations among its member countries
- assists all members--both industrial and developing countries--that find themselves in temporary balance of payments difficulties by providing short- to medium-term credits
- supplements the currency reserves of its members through the allocation of SDRs (special drawing rights); to date SDR 21.4 billion has been issued to member countries in proportion to their quotas
- draws its financial resources principally from the quota subscriptions of its member countries
- has at its disposal fully paid-in quotas now totaling SDR 145 billion (about \$215 billion)
- has a staff of 2,300 drawn from 182 member countries

World Bank

- seeks to promote the economic development of the world's poorer countries
- assists developing countries through long-term financing of development projects and programs
- provides to the poorest developing countries whose per capita GNP is less than \$865 a year special financial assistance through the International Development Association (IDA)
- encourages private enterprises in developing countries through its affiliate, the International Finance Corporation (IFC)
- acquires most of its financial resources by borrowing on the international bond market
- has an authorized capital of \$184 billion, of which members pay in about 10 percent
- has a staff of 7,000 drawn from 180 member countries

Chapter VII

Asian Development Bank (ADB)

ADB is a multilateral development financial institution owned by 66 members, 47 from the region and 19 from other parts of the globe.

ADB's headquarters is in Manila. ADB has 26 other offices around the world:

- 19 resident missions in Asia
- 3 sub regional offices in the Pacific
- representative offices in Frankfurt for Europe, Tokyo for Japan, and Washington, DC for North America
- a special liaison office in Timor-Leste

ADB's vision is a region free of poverty. Its mission is to help its developing member countries reduce poverty and improve the quality of life of their citizens.

The work of the Asian Development Bank (ADB) is aimed at improving the welfare of the people in Asia and the Pacific, particularly the 1.9 billion who live on less than \$2 a day. Despite many success stories, Asia and the Pacific remains home to two thirds of the world's poor.

ADB's main instruments for providing help to its developing member countries are

- policy dialogue
- loans
- technical assistance
- grants
- guarantees
- equity investments.

A. Shareholders and Management

Just like any other bank, ADB has shareholders. Of the 66 members, 47 of which are from the Asia and Pacific region, Japan and the United States are coequally the largest shareholders, each with 15.8 percent of total subscribed capital.

ADB's highest policy-making body is its Board of Governors, which meets annually and comprises one representative from each member. The Governors elect the 12 members of the Board of Directors.

The ADB President, assisted by four Vice-Presidents and a Managing Director General, manages the business of ADB.

B. Functions

The Asian Development Bank

- extends loans and equity investments to its developing member countries (DMCs) for their economic and social development
- provides technical assistance for the planning and execution of development projects and programs and for advisory services
- promotes and facilitates investment of public and private capital for development, and
- responds to requests for assistance in coordinating development policies and plans of its developing member countries.

C. ADB Operations

ADB's projects and programs, whether poverty interventions or otherwise, emphasize one or more of the following priorities:

- economic growth
- human development
- gender and development
- good governance
- environmental protection
- private sector development
- regional cooperation

Each priority is related directly to the **three pillars** of the poverty reduction strategy:

- pro-poor, sustainable economic growth
- inclusive social development
- good governance

Other crosscutting priorities are law and policy reform and social dimensions of development.

Sectors

ADB's operations are diverse, covering

- agriculture and natural resources
- education
- energy
- finance
- health, nutrition, and social protection
- industry and trade
- law, economic management, and public policy
- transport and communications
- water supply, sanitation, and waste management
- activities involving multiple sectors

Chapter VIII

South Asian Association for Regional Cooperation (SAARC)

Membership	8 member states 5 observers
Secretariat Headquarters	Kathmandu
Established	December 8, 1985

A. **Members**

The South Asian Association for Regional Cooperation, or SAARC, proposed by Ziaur Rahman, the then-president of Bangladesh, was established on December 8, 1985. SAARC is an association of seven countries of South Asia: Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan and Sri Lanka. Afghanistan has been accepted as a new member, but the membership procedures have not yet been completed. The Headquarters of SAARC Secretariat is at Kathmandu, Nepal.

Observer nations: Japan, China (PRC), South Korea, United States, European Union

B. **Areas of Cooperation**

- Agriculture and Rural Development
- Health, Population Activities & Poverty
- Women, Youth and Children
- Environment and Forestry
- Science and Technology and Meteorology
- Human Resources Development

- Transport
- Disaster management
- Removal of terrorism

SAARC encourages cooperation in above mentioned areas. SAARC has intentionally stressed these "core issues" and avoided more divisive political issues, above all the Kashmir dispute which bitterly divides the two largest member states, India and Pakistan. However, political dialogue is often conducted on the margins of SAARC meetings.

In 1993, SAARC countries signed an agreement to gradually lower tariffs within the region. Nine years later, at the 12th SAARC summit at Islamabad, SAARC countries devised the South Asia Free Trade Agreement which created a framework for the establishment of a free trade zone covering 1.4 billion people. This agreement went into force on January 1, 2006.

C. List of SAARC Summits

1. December 7-8, 1985 at Dhaka
2. November 16-17, 1986 at Bangalore
3. November 2-4, 1987 at Kathmandu
4. December 29-31, 1988 at Islamabad
5. November 21-23, 1990 at Malé
6. December 21, 1991 at Colombo
7. April 10-11, 1993 at Dhaka
8. May 2-4, 1995 at New Delhi
9. May 12-14, 1997 at Malé
10. July 29-31, 1998 at Colombo
11. January 4-6, 2002 at Kathmandu
12. January 2-6, 2004 at Islamabad
13. November 12-13, 2005 at Dhaka

Results of Dhaka 2005 Summit

On November 13, 2005, the Dhaka Summit issued a declaration to admit the Islamic Republic of Afghanistan as a member and to accord observer status to China and Japan. The nations also agreed to organize development funds under a single financial institution with a

permanent secretariat that would cover all SAARC programs ranging from social, to infrastructure

D. SAARC in retrospect

Since its birth in 1985, twenty years from now, SAARC has remained in papers, not in action SAARC has witnessed 13 summits of Heads of States and Governments. The Summits have heard rhetoric of the leaders, a flurry of long statements resulting in very little tangible programme or project, no reduction in dismal poverty, no efforts to contain corruption, no vision to improve the political climate in the region inhabited by 1500 million people one-fifth of the humanity and half of the world's poor.

The SAARC charter visualized goals in general terms. The objective was to promote stability, security and peace in the region, to promote growth and development for raising the quality of life through collaboration and cooperation. But the dream did not come true. Hopes were belied. Mission has remained unfulfilled. Unfortunately, the concept of cooperation, the very spirit of SAARC, did not take off.

Many have described SAARC as a frustrated take-off. There was no political vision to build on the concept of regional cooperation, no action plan to capitalize the potentials the region had, no strategic policy framework to identify the complementarities. The leaders and administrative bosses remained busy in accusing each other of not creating an environment of understanding and congenial atmosphere of good neighborly relations.

India and Pakistan have a history of rivalry; long, protracted ill feelings for each other manifested in three wars fought out between the two nuclear neighbors. The political and military hostilities were reflected in economic and cultural animosity resulting in buildup of an arms race depriving hundreds of millions of a better deal, bringing no good for any one.

SAARC has failed to address the outstanding issues of common concerns, whether bilateral or regional. Poverty, the root cause of so many social and economic ills, has not been addressed. Terrorism has flourished causing deep concern in all the countries. It has assumed such proportions that this has become a threat to peace, progress and

democracy. Cross-border insurgency and terrorism have been the cause of great concern for security and peace in the SAARC region. Issues of bilateral interest could not be discussed in the forum since it was not permissible under the SAARC charter.

The basic problem in the framework of SAARC has been lack of political will. The single biggest hindrance has been lack of trust. Suspicion always haunted the mindset. There cannot be any cooperation and integration based on mistrust and suspicion. Regional integration can not come on its own but through wisdom of thoughtful cooperation, concerted efforts, political will and commitment to achieve shared goals. There have been some quarters in Bangladesh and India which has been fanning a relationship of animosity to the detriment of each other's interests and the spirit of SAARC. The basic, fundamental failure of SAARC, has been its failure to remove the environment of mistrust and suspicion, animosity and ill feelings between the nations in the region. We have not learnt to live in harmony, to grow and develop collectively. SAARC as a forum has failed to instill any degree of confidence into the mindset of the member nations. Unfortunately Bangladesh has not been able to develop fruitful, meaningful, mutually beneficial relations with India, the country which has tremendously supported us in so many ways in our liberation war.

SAARC basically failed as a forum for regional cooperation mainly because of India - Pakistan hostile relations. Mistrust and suspicion between India and Pakistan prevented SAARC of any meaningful cooperation. The two leading partners of SAARC lived in isolation from each other seriously affecting the process of cooperation and integration in the region.

The smaller partners were helpless in the situation. Culture of negative politics between India and Pakistan adversely affected the economics of the region. This is hard to believe, still harder to accept.

Unfortunately there has been no people to people contact. Visiting ASEAN countries or Europe is probably easier than India, Pakistan due to visa problems. A regional information society could be an important step forward.

SAARC could not behave as an entity despite sharing so much commonalities in history, culture and heritage having shared goals. We did not have the comprehension that national interest and regional interest did not necessarily collide but could in fact complement each other. India and Pakistan thought that probably they did not have much to gain from the regional forum which led them to look outward instead of inward. It was our collective misfortune.

India probably thought that the regional union of smaller partners would perhaps work against her interests as the biggest partner while Pakistan might have had the apprehension that the regional block would work under the leadership of India to the detriment of Pakistani interests. But the positive aspect is that there has been a change of outlook resulting in a willingness to cooperate for common goals.

Chapter IX

Association of Southeast Asian Nations (ASEAN)

Establishment

The Association of Southeast Asian Nations or ASEAN was established on 8 August 1967 in Bangkok by the five original Member Countries, namely, Indonesia, Malaysia, Philippines, Singapore, and Thailand. Brunei Darussalam joined on 8 January 1984, Vietnam on 28 July 1995, Lao PDR and Myanmar on 23 July 1997, and Cambodia on 30 April 1999.

A. Objectives

The ASEAN Declaration states that the aims and purposes of the Association are:

- to accelerate economic growth, social progress and cultural development in the region and
- to promote regional peace and stability through abiding respect for justice and the rule of law in the relationship among countries in the region and adherence to the principles of the United Nations Charter.

The ASEAN Vision 2020, adopted by the ASEAN Leaders on the 30th Anniversary of ASEAN, agreed on a shared vision of ASEAN as a concert of Southeast Asian nations, outward looking, living in peace, stability and prosperity, bonded together in partnership in dynamic development and in a community of caring societies.

In 2003, the ASEAN Leaders resolved that an ASEAN Community shall be established comprising three pillars, namely, ASEAN Security Community, ASEAN Economic Community and ASEAN Socio-Cultural Community.

B. Fundamental Principles

ASEAN Member Countries have adopted the following fundamental principles in their relations with one another, as contained in the Treaty of Amity and Cooperation in Southeast Asia (TAC):

- mutual respect for the independence, sovereignty, equality, territorial integrity, and national identity of all nations;
- the right of every State to lead its national existence free from external interference, subversion or coercion;
- non-interference in the internal affairs of one another;
- settlement of differences or disputes by peaceful manner;
- renunciation of the threat or use of force; and
- effective cooperation among themselves.

C. ASEAN Security Community

Through political dialogue and confidence building, no tension has escalated into armed confrontation among ASEAN Member Countries since its establishment more than three decades ago.

To build on what has been constructed over the years in the field of political and security cooperation, the ASEAN Leaders have agreed to establish the ASEAN Security Community (ASC). The ASC shall aim to ensure that countries in the region live at peace with one another and with the world in a just, democratic and harmonious environment.

The members of the Community pledge to rely exclusively on peaceful processes in the settlement of intra-regional differences and regard their security as fundamentally linked to one another and bound by geographic location, common vision and objectives.

In recognition of security interdependence in the Asia-Pacific region, ASEAN established the ASEAN Regional Forum (ARF) in 1994. The ARF's agenda aims to evolve in three broad stages, namely the promotion of confidence building, development of preventive diplomacy and elaboration of approaches to conflicts.

The present participants in the ARF include: Australia, Brunei Darussalam, Cambodia, Canada, China, European Union, India, Indonesia, Japan, Democratic Republic of Korea, Republic of Korea (ROK), Lao PDR, Malaysia, Mongolia, Myanmar, New Zealand, Pakistan, Papua New Guinea, the Philippines, the Russian Federation, Singapore, Thailand, the United States, and Viet Nam.

The ARF discusses major regional security issues in the region, including the relationship amongst the major powers, non-proliferation, counter-terrorism, transnational crime, South China Sea and the Korean Peninsula, among others.

D. ASEAN Economic Community

The ASEAN Economic Community shall be the end-goal of economic integration measures as outlined in the ASEAN Vision 2020. Its goal is to create a stable, prosperous and highly competitive ASEAN economic region in which there is a free flow of goods, services, investment and a freer flow of capital, equitable economic development and reduced poverty and socio-economic disparities in year 2020.

The ASEAN Economic Community shall establish ASEAN as a single market and production base, turning the diversity that characterizes the region into opportunities for business complementation and making the ASEAN a more dynamic and stronger segment of the global supply chain. ASEAN's strategy shall consist of the integration of ASEAN and enhancing ASEAN's economic competitiveness.

In moving towards the ASEAN Economic Community, ASEAN has agreed on the following:

- institute new mechanisms and measures to strengthen the implementation of its existing economic initiatives including the ASEAN Free Trade Area (AFTA), ASEAN Framework Agreement on Services (AFAS) and ASEAN Investment Area (AIA);
- accelerate regional integration in the following priority sectors by 2010: air travel, agro-based products, automotives, e-commerce,

electronics, fisheries, healthcare, rubber-based products, textiles and apparels, tourism, and wood-based products.

- facilitate movement of business persons, skilled labour and talents; and
- strengthen the institutional mechanisms of ASEAN, including the improvement of the existing ASEAN Dispute Settlement Mechanism to ensure expeditious and legally-binding resolution of any economic disputes.

Launched in 1992, the ASEAN Free Trade Area (AFTA) is now in place. It aims to promote the region's competitive advantage as a single production unit. The elimination of tariff and non-tariff barriers among Member Countries is expected to promote greater economic efficiency, productivity, and competitiveness.

Other major integration-related economic activities of ASEAN include the following:

- Roadmap for Financial and Monetary Integration of ASEAN in four areas, namely, capital market development, capital account liberalization, liberalization of financial services and currency cooperation;
- trans-ASEAN transportation network consisting of major interstate highway and railway networks, including the Singapore to Kunming Rail-Link, principal ports, and sea lanes for maritime traffic, inland waterway transport, and major civil aviation links;
- Roadmap for Integration of Air Travel Sector;
- interoperability and interconnectivity of national telecommunications equipment and services, including the ASEAN Telecommunications Regulators Council Sectoral Mutual Recognition Arrangement (ATRC-MRA) on Conformity Assessment for Telecommunications Equipment;
- trans-ASEAN energy networks, which consist of the ASEAN Power Grid and the Trans-ASEAN Gas Pipeline Projects;
- Initiative for ASEAN Integration (IAI) focusing on infrastructure, human resource development, information and communications technology, and regional economic integration primarily in the CLMV countries;
- Visit ASEAN Campaign and the private sector-led ASEAN Hip-Hop Pass to promote intra-ASEAN tourism; and

- Agreement on the ASEAN Food Security Reserve.

E. ASEAN Socio-Cultural Community

The ASEAN Socio-Cultural Community, in consonance with the goal set by ASEAN Vision 2020, envisages a Southeast Asia bonded together in partnership as a community of caring societies and founded on a common regional identity.

The Community shall foster cooperation in social development aimed at raising the standard of living of disadvantaged groups and the rural population, and shall seek the active involvement of all sectors of society, in particular women, youth, and local communities.

ASEAN shall ensure that its work force shall be prepared for, and benefit from, economic integration by investing more resources for basic and higher education, training, science and technology development, job creation, and social protection.

ASEAN shall further intensify cooperation in the area of public health, including in the prevention and control of infectious and communicable diseases.

The development and enhancement of human resources is a key strategy for employment generation, alleviating poverty and socio-economic disparities, and ensuring economic growth with equity.

F. External Relations

The ASEAN Vision 2020 affirmed an outward-looking ASEAN playing a pivotal role in the international community and advancing ASEAN's common interests.

Building on the Joint Statement on East Asia Cooperation of 1999, cooperation between the Southeast and Northeast Asian countries has accelerated with the holding of an annual summit among the leaders of ASEAN, China, Japan, and the Republic of Korea (ROK) within the ASEAN Plus Three process.

ASEAN Plus Three relations continue to expand and deepen in the areas of security dialogue and cooperation, transnational crime, trade and investment, environment, finance and monetary, agriculture and forestry, energy, tourism, health, labour, culture and the arts, science and technology, information and communication technology, social welfare and development, youth, and rural development and poverty eradication. There are now thirteen ministerial-level meetings under the ASEAN Plus Three process.

Bilateral trading arrangements have been or are being forged between ASEAN Member Countries and China, Japan, and the ROK. These arrangements will serve as the building blocks of an East Asian Free Trade Area as a long term goal.

ASEAN continues to develop cooperative relations with its Dialogue Partners, namely, Australia, Canada, China, the European Union, India, Japan, the ROK, New Zealand, the Russian Federation, the United States of America, and the United Nations Development Programme. ASEAN also promotes cooperation with Pakistan in some areas of mutual interest.

Consistent with its resolve to enhance cooperation with other developing regions, ASEAN maintains contact with other inter-governmental organisations, namely, the Economic Cooperation Organisation, the Gulf Cooperation Council, the Rio Group, the South Asian Association for Regional Cooperation, the South Pacific Forum, and through the recently established Asian-African Sub-Regional Organisation Conference.

Most ASEAN Member Countries also participate actively in the activities of the Asia-Pacific Economic Cooperation (APEC), the Asia-Europe Meeting (ASEM), and the East Asia-Latin America Forum (EALAF).

G. Structures and Mechanisms

The Highest Decision-Making Organ Of ASEAN Is The Meeting of the ASEAN Heads of State and Government. The ASEAN Summit is convened every year. The ASEAN Ministerial Meeting (Foreign Ministers) is held annually.

Ministerial meetings on the following sectors are also held regularly: agriculture and forestry, economics (trade), energy, environment, finance, health, information, investment, labour, law, regional haze, rural development and poverty alleviation, science and technology, social welfare, telecommunications, transnational crime, transportation, tourism, youth. Supporting these ministerial bodies are committees of senior officials, technical working groups and task forces.

To support the conduct of ASEAN's external relations, ASEAN has established committees composed of heads of diplomatic missions in the following capitals: Beijing, Berlin, Brussels, Canberra, Geneva, Islamabad, London, Moscow, New Delhi, New York, Ottawa, Paris, Riyadh, Seoul, Tokyo, Washington D.C. and Wellington.

The Secretary-General of ASEAN is appointed on merit and accorded ministerial status. The Secretary-General of ASEAN, who has a five-year term, is mandated to initiate, advise, coordinate, and implement ASEAN activities. The members of the professional staff of the ASEAN Secretariat are appointed on the principle of open recruitment and region-wide competition.

ASEAN has several specialized bodies and arrangements promoting inter-governmental cooperation in various fields including the following: ASEAN Agricultural Development Planning Centre, ASEAN-EC Management Centre, ASEAN Centre for Energy, ASEAN Earthquake Information Centre, ASEAN Foundation, ASEAN Poultry Research and Training Centre, ASEAN Regional Centre for Biodiversity Conservation, ASEAN Rural Youth Development Centre, ASEAN Specialized Meteorological Centre, ASEAN Timber Technology Centre, ASEAN Tourism Information Centre, and the ASEAN University Network.

In addition, ASEAN promotes dialogue and consultations with professional and business organizations with related aims and purposes, such as the ASEAN-Chambers of Commerce and Industry, ASEAN Business Forum, ASEAN Tourism Association, ASEAN Council on Petroleum, ASEAN Ports Association, Federation of ASEAN Ship owners, ASEAN Confederation of Employers, ASEAN

Fisheries Federation, ASEAN Vegetable Oils Club, ASEAN Intellectual Property Association, and the ASEAN-Institutes for Strategic and International Studies. Furthermore, there are 58 Non-Governmental Organizations (NGOs), which have formal affiliations with ASEAN.

H. ASEAN- India Relations

ASEAN has four Summit level Dialogue Partners, i.e., China, Japan, ROK and India. In addition, it has a number of Dialogue and sectoral Dialogue Partners as well.

India's focus on a strengthened and multi-faceted relationship with ASEAN is an outcome of the significant changes in the world's political and economic scenario since the early 1990s and India's own march towards economic liberalization. India's search for economic space has resulted in its '*Look East*' policy. ASEAN's economic, political and strategic importance in the larger Asia-Pacific Region and its potential to become a major partner of India in trade and investment is a significant factor in India's policy paradigms.

India and ASEAN have convergence in their security perspectives. India has vital stakes in peace and stability in the region, including the security of the sea-lanes of the Indian Ocean for smooth flow of raw materials, merchandise and energy supplies. Since 1996, India has been an active participant in the ASEAN Regional Forum (ARF).

India's policy of entrenching our relations with ASEAN is not a 'stand alone'- India has developed other policy initiatives in the region to support its relations with ASEAN. In order to develop a continuum, India is actively engaged in the Mekong- Ganga-Cooperation (MGC) which brings together India and five ASEAN countries, Cambodia, Lao PDR, Myanmar, Thailand and Vietnam. Another significant pillar of India's "Look East" approach is BIMSTEC which brings together India with Nepal, Bhutan, Bangladesh, Sri Lanka, Myanmar and Thailand. In addition to providing a forum for functional cooperation, a BIMSTEC FTA is also under negotiation.

India became a Sectoral Dialogue Partner of ASEAN in 1992 and Full Dialogue Partner in 1996. The political level mechanisms for ASEAN-India dialogue consist of the annual ASEAN-India Summit and an annual Foreign Ministers Meeting. These political level interactions are further strengthened through the Senior Officials' Meeting as also specialized working groups in the various functional areas: Science & Technology, Health, Trade & Investment, and Transport & Infrastructure.

Trade and Investment.

Our sustained efforts to engage with ASEAN in the last one decade have shown commensurate results. ASEAN-India trade in 2003-4 was about US\$ 15 billion, an increase of approximately 350% over the 1993-94 trade figures. The balance of trade is in favour of ASEAN. There remains significant potential to further expand these ties. India's exports to ASEAN member countries include oil meals, gems and jewellery, meat and meat preparations, cotton yarn, fabrics, machinery, rice, drugs and pharmaceuticals, chemicals, etc and imports mainly consist of artificial resins, plastic material, natural rubber, wood and wood products, electronic goods, organic chemicals, edible oils, fertilizers, etc.

ASEAN countries, particularly, Malaysia, Singapore and Thailand, are also increasingly investing in India in sectors such as telecommunications, fuels, hotel and tourism services, heavy industry, chemicals, fertilizers, textiles, paper and pulp, and food processing.

Functional Co-operation

ASEAN-India cooperation covers a wide field, including Trade & Investment, Science & Technology, (including IT, Biotechnology, Advanced Materials, Space Sciences and their applications, etc), Tourism, Human Resource Development, Transport & Infrastructure, and Health and Pharmaceuticals. In HRD, in the context of the Initiative for ASEAN Integration (IAI), India has imparted training to ASEAN member countries, especially Cambodia, Lao PDR, Myanmar and Vietnam (CLMV).

1st ASEAN-India Summit (Phnom Penh, 5 November 2002)

The 1st ASEAN-India Summit was the culmination of India's sustained efforts to upgrade its dialogue partnership with ASEAN, to bring it at par with those of the PRC, ROK and Japan. At the Summit, India called for an ASEAN-India FTA within a 10-year time frame and also announced its willingness to extend special and differential trade treatment to ASEAN countries based on their level of development, to improve their market access to India.

The then Prime Minister's statement at the Summit identified the following other areas of co-operation: R&D in Agriculture, Biotechnology, and Health and Pharmaceuticals with a view to their commercial exploitation, co-operation in Space Technology, including joint launch and manufacture of communication and remote sensing satellites and strengthening physical connectivity through new rail, road and air linkages. Stressing the need for greater people to people contacts, steps towards easier travel for students, businessmen and tourists were also identified as priority areas.

2nd ASEAN-India Summit (Bali, 8 October 2003)

The 2nd ASEAN-India Summit was a significant landmark in India-ASEAN relations. At the 2nd ASEAN-India Summit in Bali, on 8 October 2003, India and ASEAN concluded the following three documents:

- (i) The Framework Agreement for Comprehensive Economic Cooperation signed by leaders of the ASEAN and India,
- (ii) The accession document to the ASEAN Treaty of Amity and Cooperation, signed by the Minister of External Affairs, and
- (iii) adoption of the Joint Declaration on Cooperation in Combating International Terrorism.

The ***Framework Agreement*** envisages the establishment of an Indo-ASEAN Regional Trade and Investment Area, which includes a Free Trade Area in goods, services and investment.

The Framework Agreement includes an Early Harvest Programme (EHP) on trade in goods towards progressive tariff reduction on 105

agreed items. In addition, India has also given unilateral tariff-concessions to Cambodia, Laos, Myanmar and Vietnam on 111 items.

The Agreement provides the roadmap for negotiating a Free Trade Area Agreement with the ASEAN. An ASEAN-India Trade Negotiating Committee (TNC) has been established to carry out the programme of negotiations.

The *Joint Declaration on Cooperation in Combating International Terrorism* envisages cooperation in i) exchange of information, ii) legal and enforcement matters, iii) institutional capacity augmentation, and iv) training.

India accession to the *Treaty of Amity and Cooperation in Southeast Asia* signifies India's commitment to work with the ASEAN countries in maintaining regional peace and stability.

3rd ASEAN-India Summit (Vientiane, 29-30 November 2004)

Prime Minister of India attended 3rd India-ASEAN Summit in Vientiane on November 29-30, 2004. He held bilateral discussions with his counterparts from Australia, China, Indonesia, Japan, Laos, Singapore and Vietnam.

Outcome of the Summit

PM signed an agreement on “**India-ASEAN Partnership for Peace, Progress and Shared Prosperity**”.. Some key features of this Agreement are:

- i. Cooperate in strengthening the UN system, including support for early reforms of the United Nations and the Bretton Woods institutions
- ii. Cooperate in other multilateral fora, in particular the WTO, for greater equity and greater benefits from globalization for the developing countries;
- iii. Cooperate in combating the menace of international terrorism and other transnational crimes
- iv. Collaborate in areas of general and complete disarmament, and in the nonproliferation of weapons of mass destruction

- v. Give high priority to development of regional infrastructure and road, rail, sea and air transportation links
- vi. Facilitate travel and tourism between ASEAN and India by developing links of tourist centers
- vii. Promote cooperation in science and technology, in particular information technology and biotechnology.
- viii. Work through both conventional and innovative trade and economic arrangements, and full implementation of the ASEAN-India Free Trade Area
- ix. Reiterate full support for the implementation of the Declaration of ASEAN Concord II, leading to the formation of a more integrated ASEAN Community comprising the ASEAN Security Community, the ASEAN Economic Community and the ASEAN Socio-Cultural Community;
- x. Promote cooperation in human resource development

I. India ASEAN Free Trade Area (FTA)

Agreement was reached during the Summit on Interim Rules of Origin (ROO) for the Early Harvest Program (EHP) of the India-ASEAN Free Trade Area (FTA).

J. Asian Economic Community and East Asia Summit

The suggestion of an Asian Economic Community, which would bring together the ASEAN 10, Japan, China and ROK, had been made by India at the second India-ASEAN Summit held at Bali in 2003.

The idea of an Asian Economic Community, in broad terms, is of community constituting an 'arc of advantage', over which there would be a large scale movement of people, capital, ideas, and creativity. Such a community would be roughly the size of the European Union in terms of income, and bigger than NAFTA in terms of trade.

It would account for half the world's population and it would hold foreign exchange reserves exceeding those of the EU and NAFTA put together.