

**ADDRESS BY THE
SECRETARY-GENERAL**

AMBASSADOR MORTEZA SARMADI

AT THE



**INTERNATIONAL CONFERENCE
ON
INDIAN OCEAN REGIONALISM: RE-
INVIGORATING IOR-ARC**

**NEW DELHI, INDIA
5-6 May 2011**

H.E. Mr. Sudhir Devare, Director General of ICWA

H.E. Mr. Manbeer Singh, Secretary of Ministry of External Affairs of the Republic of India

Distinguished Guests

Ladies and Gentlemen,

1. I would like to first of all thank Indian Council of World Affairs (ICWA) for having invited me to deliver the keynote address for this conference, which is to evaluate mechanisms and procedures by which Indian Ocean Regionalism might be enhanced in the future.

2. May I also congratulate the Indian Council of World Affairs (ICWA) and the Indian Ocean Research Group (IORG) for organising this conference which would promote the role of Academics and contribution of “Think-tanks” in the programme of the IOR-ARC? It is a great pleasure for me to speak to such a distinguished audience. There could not have been more opportune time to hold this conference by ICWA as India takes over the Chair of IOR-ARC in few months from now. There is a lot of expectation from India, by various Member States to unleash a new energy into this regional forum and to give it a new direction.

3. I am glad to know that Senior Diplomats and officials from the Ministry of External Affairs of the Republic of India are also present in the conference today. The well-researched papers and presentations being made by distinguished academicians and diplomats will surely give a more insight into the future course of action which IOR-ARC needs to take in coming years.

Ladies and Gentlemen,

4. IOR-ARC as you know was launched in 1997 in Mauritius and it currently brings together 18 countries bordering on the Indian Ocean. The launch followed discussions

such as the first Inter-Governmental Meeting of the Indian Ocean Rim Initiative held in Mauritius on 31 March 1995 and the International Forum on the Indian Ocean Region, held in Perth in June that same year.

5. IOR-ARC is based on the principles of open regionalism for strengthening economic cooperation and particularly on Trade and Investment. This open regionalism, which is more member-friendly than other neo-liberal regional arrangements, includes components namely, the Trade Liberalisation (b) Trade and Investment Facilitation (c) Economic and Technical Cooperation, etc.

6. The Charter of IOR-ARC spells out the objectives of the Association to "promote the sustained growth and balanced development of the region and of the Member States, and to create common ground for regional economic co-operation". Trade, foreign investment, scientific and technological exchanges, tourism, the movement of persons on a non-discriminatory basis, and the development of infrastructure and human resources inter-alia poverty alleviation, promotion of maritime transport and related matters, cooperation in the fields of fisheries trade, research and management, aquaculture, education and training, energy, IT, health, protection of the environment, agriculture, disaster management, are among its objectives.

Ladies and Gentlemen,

7. As you may know, IOR-ARC activities include several on-going topical projects and work programmes under these aforementioned areas and conducted by IOR-ARC Member States of shared interests, all of which under the umbrella of three separate Working Groups, namely the Working Group on Trade and Investment (WGTI), the Indian Ocean Rim Business Forum (IORBF), and the Indian Ocean Rim Academic Group (IORAG). It was emphasised that the work programme of IOR-ARC should not duplicate what is already being done in other regional fora.

8. The Academic Group as well as the Business Forum have jointly contributed to the IOR-ARC work programme through their studies and with their participation at 16 meetings for each group for the last thirteen years. The studies that have been done through the IOR Academic Group and the Business Forum had been presented by eminent academics in universities and research institutes in the region. They have identified from an academic plane the potential that exists for Trade and Investment development with facts and figures collected from all the IOR-ARC Member States directly or through secondary sources such as published reports and also from databases of prestigious institutions. These academic exercises do contain important food for thought.

9. Over the years, the Association has been striving hard to implement a series of work programmes on Trade and Investment related areas. The IOR-ARC has achieved few flagship projects in the Fisheries and Maritime related industries, as well as the promotion and transfer of Science & Technology in the region – all of which are considered effective tools for the upliftment of our Member States.

10. IOR-ARC countries have also regularly organised trade fairs, trade exhibitions to bring the awareness of the opportunities for trade and investment within the region with a representation of all the member countries.

11. It has simultaneously also been dealing with internal issues and has brought in various procedural changes and structural readjustment to address the need of the hour to ensure the efficiency in the working of IOR-ARC. To quote a few:

- (a) the frequency of Council meetings were increased from once in two years to a yearly meeting; the CSO were recently made Bi-Annually, to ensure better supervision. A mechanism is further being worked out to hold Extra Council meetings on the sidelines of UNGA meeting.
- (b) The Charter was reviewed to make it move forward and action-oriented, Rules of Procedures was changed, etc.

- (c) Recommendations were made about the modalities for strengthening coordination between the three groups namely WGTI, IORAG, and IORBF.
- (d) Efforts are on to re-strengthen the Academic Group to ensure a direct connection between the Academic studies and the Business Forum desires toward action by authorities concerned to assist in the implementation. It was suggested that IORAG to develop a greater Indian Ocean research environment; foster a culture of “Indian Oceanness”; focus on matters of common concern; research aimed at enabling better regional policy outcomes; develop a stronger regional policy foundation, and enhance collective regional awareness. In this regard, recently, a consensus was reached in drafting the Terms of Reference for Academic Group, which after the Council’s approval will become clear guidelines relating to, inter-alia, attendance at meetings of the Group, to increase the efficacy of the IORAG.
- (e) The clustering approach was also adopted, realising the diversity of the Member States in terms of their level of economic development, different geographical locations and their belonging to different regional groupings. It enables the IOR-ARC to take the projects even when it has support of one lead Country and four other Member States.
- (f) The IOR-ARC Special Fund was established as a financial mechanism for supporting and complementing the funding of projects and programmes adopted by the Association, in line with the principles and objectives enshrined in the Charter

... the list goes on.

12. Also, at the Secretariat, the Directors and I have devoted sufficient time and effort to brainstorm ourselves as how to move forward the agenda adopted by the IOR-ARC and to achieve better status on project implementation.

Ladies and Gentlemen,

13. Having said this, the challenges that face the IOR-ARC are not very difficult to understand. If I can say, it is probably, the only organisation spread over such a vast geographical locations with such a diverse group of Member States. There is a large degree of variation in the levels of economic development among the Member States. There are various sub-regions within the Indian Ocean Rim. And, needless to say, that the expectations of these sub-regions vary from one to another.

14. In this background, while the main focus of the IOR-ARC is on economic co-operation, which it indeed is, but till such time a common/ mutual agreeable programme in this regard is achieved - it is necessary to continue to work on the other areas of cooperation as envisioned in the reviewed IOR-ARC Charter such as Tourism, Energy, Disaster Management and Protection of Environment.

Ladies and Gentlemen,

15. I am fully conscious of the fact that a lot needs to be done to fully realize the potential of IOR-ARC. It is timely to explore how IOR-ARC Member States can build momentum for an agenda that will deliver practical, useful outcomes that reinforce regional cooperation. IOR-ARC, last month, had its first Meeting of the IOR-ARC Bi-Annual Committee of Senior Officials in Australia where the Member States discussed on projects and possible adjustments to IOR-ARC priorities and working methods. IOR-ARC Member States decided to send a list of the key priorities areas which the Member State would be willing to work in and that they thought the Association should be working on. That procedure, it was believed would give the Association a shorter, sharper list of priorities which will enable it to demonstrate progress. Projects and programmes would be attached to these priorities which were most highly ranked.

Ladies and Gentlemen,

16. The IOR-ARC remains relevant as ever. Just to give a glimpse of the potential of the Indian Ocean Region, at the risk of repetition for those of you who already know, the

Indian Ocean is the world's third largest Ocean. It carries half of the world's container ships, one third of the bulk cargo traffic, two-thirds of the world's oil shipments. It is a lifeline of international trade and economy. The region is woven together by trade routes and commands control of the major sea-lanes. The Indian Ocean Rim constitutes between a quarter and a third of the world's population (close to two billion) which makes it a massive market. It is rich in strategic and precious minerals and metals and other natural resources, valuable marine resources ranging from food fisheries to raw material and energy for industries. It has abundant agricultural wealth in terms of the variety and mass of arable land and has significant human resources and technological capabilities. Many countries of the Rim are becoming globally competitive and are developing new capacities, which can be jointly harnessed through regional co-operation efforts.

17. In light of the above, it is important and imperative, not only for the political reasons that the IOR-ARC should succeed but also for humanitarian reasons, as the region contains one third of the world human population. If IOR-ARC succeeds and grows, it will be good for the region and the world. I know that it is a long process as it took Europe more than four decades to have an effective framework for economic integration. I therefore sincerely believe that this can be done with the support of our Member States.

Ladies and Gentlemen,

18. Regional cooperation will always remain essentially the affairs of the actors in the region. There is the need for few actors i.e. Member States to take a more leading role. These leading actors can be each from different sub-regions within the Indian Ocean Region or it could be more developed Member States with bigger economies. I urge the more developed Member States to take a leading role in setting up a proactive agenda before the Organisation and to pursue it tirelessly. It should be clubbed with the mechanisms to equip the less competitive Member States and market sectors to cope better with the more competitive nature of free trade that always applies in the market

integration, as we move on to a higher level. I look forward to these Member States to act as a locomotive to pull along the entire organisation and its goals.

Ladies and Gentlemen,

19. I look forward to listening to the talks of different scholars/speakers present here today. I am sure the talks will throw lights on the common areas of cooperation amidst Member States, the road map to pursue them, enhanced roles that Member States could play in the region etc. I am sure the talks will discuss both the problems that plague the success of the organisation as well as the possible pragmatic solution to overcome obstacles. I also request the organisers to quickly compile the deliberations of the conference and to send a copy of the same to the IOR-ARC Secretariat for the benefit of those who would lead the Secretariat from time to time.

20. I once again thank ICWA for inviting me for the talk, for the courtesies extended to me and making my stay comfortable.

I wish this conference successful deliberations.

Thank you.