

## **Minutes of 6th SAARCFINANCE Coordinators' Meeting**

(Held on 5 July 2006 in Dhaka, Bangladesh)

The 6<sup>th</sup> Meeting of SAARCFINANCE Coordinators was held on 5 July 2006 in Dhaka, Bangladesh under the Chairmanship of Mr. Habibullah Bahar, Economic Adviser, Bangladesh Bank and SAARCFINANCE Coordinator, Bangladesh. SAARCFINANCE Coordinators/their representatives from all SAARC central banks and observers from Bangladesh Bank and Ministry of Finance, Government of the People's Republic of Bangladesh attended the meeting. List of agenda items and the list of participants are given in *Attachment I* and *Attachment II* respectively.

2. The Chairman welcomed all participants and expressed his gratitude especially for participation in the meeting from all the SAARC countries. He recalled Dr. Ramalinga Kannan, new SAARCFINANCE Coordinator of Reserve Bank of India (RBI) and thanked him for sending his representative Dr. Janak Raj to attend the meeting. He also recalled Dr. Aftab Nadeem, Director, Economic Policy Department and SAARCFINANCE Coordinator, State Bank of Pakistan (SBP) who presided over the last meeting and thanked him for sending his representative Mr. Ayub-ul-Hasan to attend the meeting. He remembered the 13<sup>th</sup> SAARCFINANCE Meeting in which SAARCFINANCE Chair had been moved to Bangladesh Bank and the decision that Coordinators meeting would be held twice a year before World Bank/IMF Annual and Spring Meetings. Accordingly, Bangladesh Bank hosted this 6<sup>th</sup> SAARCFINANCE Coordinators' Meeting. The Chairman also indicated that the next SAARCFINANCE Coordinators' Meeting would probably be held in Dhaka in early 2007. He then put up the agenda of the meeting, which was unanimously accepted.

3. The Chairman first presented progress report on the activities of SAARCFINANCE updated to 5 July 2006 and invited the participants for their comments on various issues. He recalled the decisions of the 5<sup>th</sup> Meeting of Coordinators' and drew attention of the participants for evaluating the status of their progress. The Chairman remarked that as per decision taken earlier major publications are being regularly exchanged among SAARC central banks. The Chairman then drew attention of the participants to the decision of the 4<sup>th</sup> Meeting of Coordinators' for creating a separate

folder in each SAARC central bank's website to place SAARC-related data and other useful materials primarily for the benefit of SAARC countries. He informed the meeting that most of the SAARC countries including Bangladesh have created such folder for SAARCFINANCE at their respective central banks' websites while few countries have not yet completed it. He urged to take necessary steps for creating the said folder by the countries that have not yet completed the same. The Chairman pointed out that the Staff Exchange Program has received good response from the SAARC central banks and he added that 178 officials have visited so far under staff exchange program since its inception. He mentioned that meanwhile SAARCFINANCE members have conducted 10 seminars, 3 studies, one workshop and 3 Governors' symposiums.

4. A live discussion took place after presenting the progress report. The SAARCFINANCE Coordinator of Nepal Rastra Bank (NRB) Ms. Shiba Devi Kafle first took the floor and opined that for highlighting the recent progress in SAARCFINANCE activities, a separate table by incorporating the events of last two years can be added beside the consolidated table that has incorporated information since inception. The SAARCFINANCE Coordinator of the Central Bank of Sri Lanka Dr. Puwakdandawe Nandalal Weerasinghe mentioned that rather than consolidated data a year-to-year data table can be presented on the progress report so that progress of a particular year can be evaluated. For this purpose, relevant data can be collected from the member-countries in a prescribed format.

5. Regarding the progress of staff exchange program, the representative from the SBP Mr. Ayub-ul-Hasan mentioned that whenever any central bank would make a request for arranging a training program it must clearly indicate whether the request is under staff exchange program or under other programs. He also added that in case of any direct request from the Human Resources Department or any other departments, a copy of request letter should also be forwarded to SAARCFINANCE Coordinators' for information. The SAARCFINANCE Coordinator of NRB Ms. Shiba Devi Kafle mentioned that norms of staff exchange program need to be specified clearly. The SBP representative Mr. Ayub-ul-Hasan then indicated that the difference between the staff exchange program and other programs is mainly in the mode of financing. At present, in

most cases expenditures are being borne by the visiting country. He mentioned that local expenditure under staff exchange program should be borne by the host country. The Chairman then informed the meeting that RBI raised the issue of cost sharing in previous SAARCFINANCE meetings and it has already been decided that it will depend on the country concerned. However, it was decided in the meeting that a specific nature of program would be considered as staff exchange program if such request is made to any SAARCFINANCE Coordinator for arranging the program. Moreover, the delegates in the meeting had made the following suggestions for enhancing staff exchange program, which may be forwarded for the forthcoming 14<sup>th</sup> SAARCFINANCE Group meeting to be held in Singapore in September 2006:

- The host country needs some feedback to know how the visiting participants have been benefited out of the staff exchange program. An evaluation report made by the participating country can be sent to the host country.
- A country can invite others in such areas in which it has got expertise.
- A host country can inform others about the on-going staff exchange program so that they can also join in that program. But the number of participants should not be very large. Otherwise it will create managerial problems. If the number of participants is large then a workshop can be arranged.
- All Coordinators must send updated SAARCFINANCE activities particularly on staff exchange program to the Central SAARCFINANCE Coordinator before the forthcoming SAARCFINANCE Meeting to be held in Singapore.

6. During the Chairman's presentation on the ongoing and planned activities of SAARCFINANCE, the coordinators felt that the idea of a South Asian Development Bank (SADB) is premature and agreed that it may not be pursued further. Regarding the broadening of SAARCFINANCE mandate, it was decided in the meeting that capital market regulator would be an observer not a member of SAARCFINANCE. Mr. Mohammad Muslim Chowdhury from Ministry of Finance, Government of the Peoples

Republic of Bangladesh suggested that SAARCFINANCE should focus on central banks and Ministries of Finance, not on Securities and Exchange Commissions. There might be another SAARC body on the activities of Securities and Exchange Commissions in the SAARC region, he added. Finally, the coordinators agreed not to broaden the mandate of SAARCFINANCE.

7. The SAARCFINANCE Coordinator of NRB Ms. Shiba Devi Kafle informed that the postponed seminar on “Human Resource Management in SAARC Central Banks” would be held by September 2006. The SBP representative Mr. Ayub-ul-Hasan informed that seminar on “SME Finance” would be held early in November 2006.

8. Regarding the next year’s planned activities of SAARCFINANCE seminars/governor’s symposiums, workshops, studies etc. it was decided in the meeting that these would be decided by the proper authorities in the forthcoming SAARCFINANCE Group meeting to be held in Singapore on 20 September 2006. Besides, if authorities of SAARC central banks decide to organize any such programs they would inform to the SAARCFINANCE Chairman.

9. Regarding Nepalese proposal included in agenda on uploading time series data at the web pages of SAARCFINANCE by each SAARC Central bank, Pakistan’s delegate mentioned that data related to banking and finance and the frequency should be identified. Pakistan’s and Sri Lankan delegates informed that they have already created links of data at the web pages of SAARCFINANCE. Nepalese delegate emphasized for a uniform format to get similar information from the website of each SAARC central bank. She also emphasized on 25 years data and specification of data on monetary, financial, real and fiscal sectors. Indian delegate informed that the Reserve Bank of India (RBI) has been bringing out a 'Handbook of Statistics' every year that includes macroeconomic, monetary and financial data. Some of these data relate to the back series beginning 1950 or so. This publication is uploaded on the RBI's website. However, he also feels that some basic data need to be specified for uploading in the web folder of SAARCFINANCE.

10. The issue of allowing SAARCFINANCE coordinator/his representative to participate in different SAARC related meetings organized by Ministries of Finance/Foreign Affairs/other related Ministries of SAARC countries, the participants agreed that for coordination purpose it should allow but this issue could be left to the individual country concerned.

11. The Chairman raised an issue to invite a representative from SAARC Secretariat to attend SAARCFINANCE Coordinators' meeting for coordination purpose. Most of the participants supported his idea and suggested that this issue could be included as an agenda item for the forthcoming SAARCFINANCE Group Meeting. The Indian delegate, however, feels that it should be left to the country concerned.

12. Regarding the idea of publishing a SAARCFINANCE e-News Letter by the central bank of the SAARCFINANCE Chair country the delegates in the meeting made following suggestions:

- The frequency of the e-News Letter would be half-year at the initial stage. The first issue date could be December 2006
- The reporting time would be at best two months after the issue date
- The said e-News Letter would focus on the activities of SAARCFINANCE and major economic developments in the SAARC region
- This would primarily be uploaded in the website of the central bank of the SAARC Chair country.

13. There was a debate on finalizing the logo of SAARCFINANCE prepared by the Reserve Bank of India (RBI). RBI has developed four samples with arranging flags of SAARC member countries in different location in the SAARC logo. In the sample logos there were eight flags including Afghanistan. The Chairman commented if the member of SAARC countries would increase, the flag of that country would need to be accommodated in the said logo. Pakistan delegate chose sample no. 2. The chairman proposed that on that sample the writing of SAARCFINANCE could be placed on the

both sides of logo instead of writing it in two lines at the bottom. At this stage, the Indian delegate proposed to postpone the finalization of logo until the formal inclusion of Afghanistan as SAARC member. All participants supported him.

14. Nepalese delegate raised an idea of standardization of web pages of SAARCFINANCE in SAARC central banks' websites. Pakistan delegate said that web pages of SAARCFINANCE could be developed with general information and activities of SAARCFINANCE as well as linking data and research works. The delegates agreed that the contents of the web page of SAARCFINANCE may vary from country to country.

15. Finally the Chairman invited participants to make suggestions to decide agenda items for the forthcoming SAARCFINANCE Group Meeting to be held in Singapore on 20 September 2006. The delegates of the meeting made a recommendation to prepare an Annotated Agenda i.e., to put some required background information under each agenda item. The list of tentative agenda items for the forthcoming SAARCFINANCE Meeting Group is enclosed as *Attachment III*.

16. In the end, the Chairman thanked all the delegates for their lively discussion and active participation. Delegates also appreciated Bangladesh Bank for its hospitality and excellent logistic support.

17. The meeting ended with a vote of thanks from the Chair.

(Habibullah Bahar)

Economic Advisor, Bangladesh Bank &  
SAARCFINANCE Coordinator, Bangladesh

**6<sup>th</sup> SAARCFINANCE Coordinators' Meeting**

(5-6 July 2006 Dhaka, Bangladesh)

List of Agenda Items

1. Adoption of Agenda
2. Review of SAARCFINANCE Progress Report
3. Preparation of a tentative program of SAARCFINANCE seminars / governors' symposiums, workshops, studies / research activities etc. for the next one year
4. Uploading time series data on major economic indicators at the web pages of SAARCFINANCE by each SAARC central bank
5. Enhancing Staff Exchange Programs by all SAARC countries
6. Allowing SAARCFINANCE Coordinator/his representative to participate in different meetings particularly, on monetary and fiscal issues organized by the Ministries of Finance/Foreign Affairs/other related Ministries of SAARC countries.
7. Publishing a quarterly SAARCFINANCE e-News Letter by the central bank of the SAARC chair country
8. Finalizing the logo of SAARCFINANCE prepared by RBI
9. Finalizing the agenda of the 14<sup>th</sup> SAARCFINANCE Group Meeting to be held in Singapore in September 2006
10. Any other issue(s)

## 6<sup>th</sup> SAARCFINANCE Coordinators' Meeting

(5-6 July 2006 Dhaka, Bangladesh)

### List of Participants

#### **Members/Representatives**

1. Mr. Habibullah Bahar  
Economic Adviser, Bangladesh Bank & SAARCFINANCE Coordinator, Bangladesh
2. Ms. Rinzin Lhamu  
Division Head, Research and Statistics Division, Royal Monetary Authority of Bhutan & SAARCFINANCE Coordinator, Bhutan
3. Dr. Janak Raj  
Adviser  
Department of Economic Analysis & Policy  
Reserve Bank of India
4. Mr. Abdul Ghafoor Abdul Latheef  
Deputy Managing Director, Maldives Monetary Authority & SAARCFINANCE Coordinator, Maldives
5. Ms. Shiba Devi Kafle  
Director, Research Department, Nepal Rastra Bank & SAARCFINANCE Coordinator, Nepal
6. Mr. Ayub-ul-Hasan  
Senior Economist, Economic Policy Department  
State Bank of Pakistan
7. Dr. Puwakdandawe Nandalal Weerasinghe  
Deputy Director  
Economic Research Department, Central Bank of Sri Lanka & SAARCFINANCE Coordinator, Sri Lanka

#### **Observers**

1. Mr. Mohammad Muslim Chowdhury  
Deputy Secretary, Finance Division  
Ministry of Finance  
Govt. of the People's Republic of Bangladesh
2. Mr. Kabir Ahmed Chowdhury  
General Manager, SAARCFINANCE Cell  
Research Department, Bangladesh Bank
3. Mr. Md. Akhtaruzzaman  
Deputy General Manager, SAARCFINANCE Cell  
Research Department, Bangladesh Bank
4. Mr. Md. Julhas Uddin  
Joint Director, SAARCFINANCE Cell  
Research Department, Bangladesh Bank
5. Mr. Mohammad Masduzzaman  
Deputy Director, SAARCFINANCE Cell  
Research Department, Bangladesh Bank

**The 14<sup>th</sup> SAARCFINANCE Group Meeting**

(20 September 2006, Singapore)

List of Potential Agenda Items

1. Adoption of Agenda
2. Review of SAARCFINANCE Progress Report (Activities of SAARCFINANCE)
3. Preparation of a tentative schedule of seminars / governors' symposiums / workshops / studies / research activities etc. for the next one year to be arranged by SAARC countries under the banner of SAARCFINANCE  
(Regarding the next year's schedules of SAARCFINANCE seminars/governor's symposiums, workshops, studies etc. it was decided in the 6<sup>th</sup> SAARCFINANCE coordinators' meeting held in Dhaka on 5 July 2006 that these would be finalized in SAARCFINANCE Group meeting. Therefore, the delegates in the SAARCFINANCE Group meeting may kindly prepare a tentative schedule of seminars / governors' symposiums / workshops / studies / research activities etc. for the next one year to be arranged by SAARC countries under the banner of SAARCFINANCE. Besides, if authorities of SAARC central banks decide to organize any such program(s) which would not be included in the said schedule, they may do so at any time)
4. Enhancing staff exchange program by SAARC member countries  
(The delegates in the 6<sup>th</sup> SAARCFINANCE Coordinators' Meeting discussed various issues regarding the enhancement of staff exchange program. After discussion, the delegates made following suggestions:
  - The host country needs some feedback to know how the visiting participants have been benefited out of the staff exchange program. An evaluation report made by the participating country can be sent to the host country.

- A country can invite others in such areas in which it has got expertise.
- A host country can inform others about the on-going staff exchange program so that they can also join in that program. But the number of participants should not be very large. If the numbers of participants become large then a workshop can be arranged.

5. Publishing a SAARCFINANCE e-News Letter from the SAARCFINANCE Cell of the central bank of the SAARCFINANCE Chair country

(Regarding the idea of publishing a SAARCFINANCE e-News Letter, the delegates in the 6<sup>th</sup> SAARCFINANCE Coordinators Meeting made following suggestions:

- The frequency of the e-News Letter would be half-year at the initial stage. The first issue date could be December 2006.
- The reporting time would be at best two months after the issue date.
- The said e-News Letter would focus on the activities of SAARCFINANCE and major economic developments in the SAARC region.
- This would primarily be uploaded in the website of the central bank of the SAARC Chair country.)

6. Inviting a representative from SAARC Secretariat to attend SAARCFINANCE Coordinators' meetings

(In order to enhance cooperation between SAARCFINANCE and SAARC Secretariat, the Chairman of the 6<sup>th</sup> meeting of SAARCFINANCE Coordinators' raised an issue to invite a representative from the SAARC Secretariat to attend SAARCFINANCE Coordinators' meeting from now. Most of the coordinators supported this idea and suggested that this issue could be included as an agenda item for the 14<sup>th</sup> SAARCFINANCE Group Meeting for consideration. The Indian delegate, however, feels that it should be left to the country concerned. )

7. Any other issue(s)