

**Remarks by Ambassador M Shahidul Islam, Secretary General of BIMSTEC at the Special Meeting of the BIMSTEC Joint Working Group on the Establishment of the BIMSTEC Permanent Secretariat**

05 April 2018, Hotel Pan Pacific Sonargaon, Dhaka, Bangladesh

His Excellency Ambassador Mahbub Uz Zaman, Secretary-Bilateral (Asia & Pacific), Ministry of Foreign Affairs of Bangladesh,

Mr. Md. Shamsul Haque, Director General, SAARC and BIMSTEC Wing, Ministry of Foreign Affairs, Bangladesh

Distinguished Heads of Delegations from BIMSTEC Member States and their delegation members

Good morning!

01. At the very beginning, I would like welcome you all in the Dhaka City, where the BIMSTEC Secretariat is located.

02. This Special Meeting of the BIMSTEC Joint Working Group (JWG) on the Establishment of the BIMSTEC Permanent Secretariat is indeed special. Although more than three months have elapsed since the end of FY 2017, the Secretariat is yet to receive the approved budget for 2018, no Member State has contributed any new money to the budget of 2018, and the Secretariat is meeting up its regular and recurrent expenditure from the savings of the last year's approved budget.

03. According to Article 5 (Function and Powers of the Secretary General), paragraph 4 of the Memorandum of Association on the Establishment of the BIMSTEC Permanent Secretariat (Nay Pyi Taw, 2014), the Secretary General shall "Submit the Annual Budget to the Senior Officials Meeting for consideration and approval by the BIMSTEC Ministerial Meeting". The next SOM and Ministerial Meeting are unlikely to be held until the date of the 4th BIMSTEC Summit has been fixed. In this situation, Thailand came up with a practical solution that both the budget for 2018 FY as well as the question of increasing the number of Directors of the BIMSTEC Secretariat (the latter proposed by Bangladesh) may be examined at the 8<sup>th</sup> Meeting of the Joint Working Group on the Establishment of the BIMSTEC Permanent Secretariat. This proposal was also supported by Myanmar.

04. As it became increasingly clear that the 8<sup>th</sup> meeting of the JWG will not take place soon, In view of the urgency involved to examine and approve the BIMSTEC Secretariat's budget for FY 2018 and other administrative issues, the Secretariat requested the esteemed Member States to hold a special JWG Meeting without prejudice to the 8<sup>th</sup> JWG Meeting to be hosted by Sri Lanka at an opportune time.

05. I am grateful to the Government of Bangladesh for responding to the request and holding this special JWG Meeting, which will examine and approve the budget for FY 2018 and revised budget of FY 2017 as well as other administrative issues including scale of contribution to the budget and strengthening of the BIMSTEC Permanent Secretariat.

### **Legal basis of preparation and submission of budget**

06. Article 5, para 11 of the Memorandum of Association on the Establishment of the BIMSTEC Permanent Secretariat dealing with the Budget and Financing states that the Secretary General shall "exercise the administrative and financial powers vested in him/her under the provisions of this Memorandum of Association and such Rules and Regulations as may hereafter come into effect.

07. Article 10(1) of the Memorandum of Association dealing with the Budget and Financing states that "The Annual Budget of the Secretariat shall contain two main components:

- i. Recurrent expenditure, including all expenses associated with the running of the Secretariat during a Budget Year, including payment of salaries, allowances and perquisites of all Secretariat personnel, utility charges, office requisites and stationary, minor maintenance and any other regular expenses.
- ii. Non-recurrent expenditures on such items as procurement of machineries, equipment and vehicles."

08. This would go to indicate that BIMSTEC Member States are yet to consider a proper program budget to support programs or project activities. However, in the budget of 2017, the Member States did keep a provision of US\$15,000.00 for celebration of the 20<sup>th</sup> Anniversary of the establishment of BIMSTEC, which could be seen as the commencement of program budget. In the same vein, the proposed budget for 2018, proposal has been made for expenditure with regard to preparation of some important reports and studies, for the consideration of the Meeting.

## **Strengthening the Secretariat**

09. The matter of increasing the number of Directors and the question of additional vehicles were already discussed at the 18<sup>th</sup> SOM in Kathmandu on 10 August 2017 and was referred to the 8<sup>th</sup> JWG Meeting to be held in Colombo in the future. Some urgency to deal with the issue emanated from the proposal from Bangladesh to retain a post of Director (Administration) permanently from the Host Country. The tenure of Mr. S M Nazmul Hasan, Director from Bangladesh, will end in Mid-May 2018, and a decision before that date would help in ensuring continuity of the functioning of the Secretariat's administration. The question of additional vehicles is another component of strengthening of the Secretariat. Also, there Meeting will be required to discuss on the scale of contribution to the budget of the BIMSTEC Permanent Secretariat under agenda item 6.

10. The Secretariat has prepared documents on these items for consideration of the Meeting. Proposals have been made in the Secretariat Notes to assist the discussion and not to prejudge the outcome of the Meeting, remaining fully conscious that it is up to the Member States to make decisions. I would like to assure that the Secretariat will remain at the entire disposal of the Chair and the delegations in making the Meeting successful. Thank you all.

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