

'Establish SAARC Development Bank to finance infra projects'

REPUBLICA

KATHMANDU, Nov 26: New Delhi-based think tank Research and Information System for Developing Countries (RIS) has suggested to the South Asian Association of Regional Cooperation (SAARC) member nations to set up SAARC Development Bank to finance regional infrastructure projects.

Releasing a report in cooperation with South Asia Watch on Trade, Economics and Environment (SAWTEE) in Kathmandu on the eve of the 18th SAARC Summit on Tuesday, RIS said it supports the idea of creating SAARC Development Bank as financing is the most important bottleneck in big infrastructural projects due to low rates of return.

The RIS's analysis shows that the SAARC economic integration is neither low nor slow when compared to other regional groupings.

The report also recommended to SAARC member nations to set up 'SAARC Investment Area'. "Given the supply constraints in the region, a SAARC Investment Area needs to be created, even to the extent that SAARC members take advantage of the credit ratings of other SAARC members," one of the recommendations of the report read.