Article IX: Financial Arrangements

1. The contribution of each Member State towards financing of the activities of the Association shall be voluntary.
2. Each Technical Committee shall make recommendations for the apportionment of costs of implementing the programmes proposed by it.
3. In case sufficient financial resources cannot be mobilised within the region for funding activities of the Association, external financing from appropriate sources may be mobilised with the approval of or by the Standing Committee.

Article X: General Provisions

1. Decisions at all levels shall be taken on the basis of unanimity.
2. Bilateral and contentious issues shall be excluded from the deliberations.

In faith Whereof we Have Set Our Hands And Seals Hereunto.

Done In Dhaka, Bangladesh, on this the eighth day of December of the year one thousand nine hundred eighty five.

MEMORANDUM OF UNDERSTANDING (AMONG THE GOVERNMENTS OF THE SAARC MEMBER STATES) ON THE ESTABLISHMENT OF THE SECRETARIAT

Bangalore, 17 November 1986

I Establishment of the Secretariat

In pursuance of Article VIII of the SAARC Charter the Governments of Bangladesh, Bhutan, India, the Maldives, Nepal, Pakistan and Sri Lanka have agreed on the following arrangements with regard to the establishment of the SAARC Secretariat.

II Location

The Secretariat shall be located in Kathmandu, Nepal.

III Role of the Secretariat

The role of the Secretariat shall be to coordinate and monitor the implementation of SAARC activities and to service the meetings of the Association.
IV Structure

The Secretariat shall comprise a Secretary-General, and Professional and General Services Staff, and contain an appropriate number of functional units to be called Divisions.

V Appointment of Secretary-General

1. The Secretary-General shall be appointed by the Council of Ministers upon nomination by a Member State on the basis of the principle of rotation in alphabetical order. The appointment of the Secretary-General shall be for a non-renewable tenure of two years. He shall hold the rank and status of Ambassador.

2. In the event of the Secretary-General being unable to serve his full term, the unexpired portion of his term shall be filled in by the nominee of the Government of the country from which the Secretary-General comes upon the approval of the Council of Ministers. Until this arrangement is made the Director from the country next in alphabetical order shall be the Officer-in-Charge.

VI Appointment of Professional Staff

1. The Professional Staff of the Secretariat shall be appointed by the Secretary-General upon nomination by Member States.

2. Each Member State shall nominate one officer at the level of Director who, on appointment shall take charge of a Division/Divisions to be assigned by the Secretary-General.

3. The appointment of a Director shall be for three years. In special circumstances the Secretary-General may, in consultation with the Member State concerned, extend the tenure for a period not exceeding another full term.

4. A Director shall be of the rank of Counsellor.

VII Appointment of General Services Staff

1. The Secretary-General shall employ such General Services Staff as are necessary for the normal functioning of the Secretariat.

2. The General Services Staff shall be nationals of the Member States recruited through open competition after advertisement, and shall be appointed by the Secretary-General.

3. The General Services Staff on satisfactory completion of one year’s probation shall be confirmed in their appointments.

* As amended by the Fourth Session of the Council of Ministers, para 2 now reads as follows: “Director of the highest rank will act as the officer-in-charge of the SAARC Secretariat, in the absence of the Secretary-General, by rotation in alphabetical order of the member countries”.

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As amended by the Fourth Session of the Council of Ministers, para 2 now reads as follows: “Director of the highest rank will act as the officer-in-charge of the SAARC Secretariat, in the absence of the Secretary-General, by rotation in alphabetical order of the member countries”.

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4. The appointment of the General Services Staff shall be subject to the proviso that no objection is raised by their respective Governments.

VIII Function and Powers of the Secretary-General

The Secretary-General, as head of the SAARC Secretariat, shall:

(1) Be responsible for conducting the work of the Secretariat including coordination and monitoring of SAARC activities;

(2) Submit Staff Rules and Financial Regulations to the Standing Committee for approval of the Council of Ministers;

(3) Act as the channel of communication and linkage, when so empowered by the Standing Committee, between SAARC and other international organizations on matters of mutual interest. In doing so, the Secretary-General shall be guided by the decision of the Council of Ministers that initiatives for collaboration with external agencies should stem from SAARC itself based on its own determination of priorities and keeping in mind the relevant provisions of the SAARC Charter;

(4) Assist in organization and preparation of SAARC meetings at the levels of Standing Committee, Council of Ministers and the Summit and such other meetings as directed by the Standing Committee. The Secretary-General shall attend those meetings or nominate a member of his Professional Staff to do so;

(5) Submit the Annual Budget of the Secretariat to the Standing Committee for approval of the Council of Ministers;

(6) Act as the custodian of all SAARC documents and publications;

(7) Report periodically to the Standing Committee;

(8) Perform such other functions as the Standing Committee and Council of Ministers may assign.

IX Functions of the Directors

The Directors shall perform such functions as may be assigned to them by the Secretary-General.

X Language

English shall be the working language of the Secretariat.

XI Funding and budget

1. Nepal as the Host Country shall provide the following facilities for the Secretariat:

   (i) Accommodation with initial decoration and furnishing and provision of basic utilities and services including power, water, gas, air-conditioning, telephone, telex and major maintenance of the same; and

   (ii) Machines, equipment and vehicles for the initial stage.
2. The Annual Budget of the Secretariat shall contain two main components:
   (i) Capital expenditure, including all capital costs on such items as procurement of machines, equipment and vehicles; and
   (ii) Recurrent expenditure, including all expenses associated with the running of the Secretariat during the 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.

3. The Annual Budget of the Secretariat shall be shared by member States on the basis of a formula agreed upon by the Council of Ministers.

XII Salaries and allowances

The salaries and allowances of the Secretary-General and Professional and General Services Staff of the Secretariat shall be determined by the Council of Ministers.

XIII Privileges and immunities

1. The Secretariat, the Secretary-General and members of the Professional Staff of the Secretariat shall enjoy such privileges and immunities as are admissible to diplomatic missions/envoys and as detailed in the Headquarters Agreement to be reached between the Secretariat and the Host Country.

2. Other SAARC States will take steps to accord immunities and privileges to the Secretary-General and other members of the Professional Staff when visiting their territories on official duties, consistent with local laws and practices.

XIV Audit and Accounts

The accounts of the Secretariat shall be audited annually by a Panel of Auditors comprising three qualified members nominated by three Member States by rotation and appointed every year for a contract period of three weeks by the Standing Committee. The Report of the Panel of Auditors along with the annual accounts shall be submitted to the Standing Committee for approval of the Council of Ministers.

XV Amendment

An amendment to this Memorandum will require approval of the Council of Ministers.

XVI General

1. The Secretariat shall commence functioning from a date to be determined by the Council of Ministers.
2. Signed this Seventeenth Day of November of the year One Thousand Nine Hundred and Eighty-Six at Bangalore, India.

ASEAN DECLARATION ON THE SOUTH CHINA SEA*

Manila, 22 July 1992

We, the Foreign Ministers of the member countries of the Association of South East Asian Nations,

Recalling the historic, cultural and social ties that bind our peoples as States adjacent to the South China Sea,

Wishing to promote the spirit of kinship, friendship and harmony among our peoples who share similar Asian traditions and heritage,

Desirous of further promoting conditions essential to greater economic cooperation and growth,

Recognizing that we are bound by similar ideals of mutual respect, freedom, sovereignty and mutuality of interests,

Recognizing that South China Sea issues involve sensitive questions of sovereignty and jurisdiction of the parties directly concerned,

Conscious that any adverse developments in the South China Sea directly affect peace and stability in the region,

Hereby

1. Emphasize the necessity to resolve all sovereignty and jurisdictional issues pertaining to the South China Sea by peaceful means, without resort to force;

2. Urge all parties concerned to exercise restraint with the view to creating a positive climate for the eventual resolution of all disputes;

3. Resolve, without prejudicing the sovereignty and jurisdiction of countries having direct interests in the area, to explore the possibility of cooperation in the South China Sea relating to the safety of maritime navigation and communication, protection against pollution of the marine environment, coordination of search and rescue operations, efforts towards combating piracy and armed robbery as well as collaboration in the campaign against illicit trafficking in drugs;

4. Commend all parties concerned to apply the principles contained in the Treaty of Amity and Cooperation in South East Asia as the basis for establishing a code of international conduct over the South China Sea;

5. Invite all parties concerned to subscribe to this Declaration of Principles.

Signed in Manila, Philippines, this 22nd day of July, nineteen hundred and ninety-two.

* Courtesy of Dr. KRIANGSAK KITTICHAIASREE, Bangkok