



# SAARCFINANCE e-Newsletter

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*A half-yearly publication of the regional network of SAARC Central Bank  
Governor's and Finance Secretaries (SAARCFINANCE)*



## **Message from the Chairperson of SAARCFINANCE Group**

**It gives me great pleasure to publish the 12<sup>th</sup> issue of the SAARCFINANCE e-Newsletter, which covers the activities undertaken by the SAARCFINANCE during the first half of 2012.**

**As this issue coincides with the 14<sup>th</sup> Anniversary of SAARCFINANCE, I take pleasure in marking this occasion, and congratulating the SAARCFINANCE founding governors, for their visionary thinking, reflected in the establishment of this network on 9 September 1998. I also congratulate other governors of SAARCFINANCE, past and present, for their commitment to SAARCFINANCE during their tenure of office as governors of the network, as well as the SAARCFINANCE Coordinators for their commitment to the network.**

**I take this opportunity to thank the ex-Coordinators: Mr. Atheequllah Noshier from Afghanistan, Dr. Rajeev Ranjan from India, Mr. Ayub-ul Hassan from Pakistan and Mr. Sunanda Obeysekara from Sri Lanka for their excellent contribution to SAARCFINANCE.**

**On this note, I also welcome the new Coordinators/representative: Dr. Mohua Roy from India, Mr. Manzoor Hussain Malik from Pakistan, and Mr. C. A. Abeysinghe from Sri Lanka, who joined SAARCFINANCE recently.**

**This issue of the newsletter consists of two sections: Section A, covering the broad developments of SAARCFINANCE and Section B, which consists of country-wise activities undertaken from January to June 2012.**

**I express my deep appreciation and gratitude to the SAARCFINANCE Coordinators for their continued support and contribution to the 12<sup>th</sup> issue of the SAARCFINANCE e-Newsletter.**

**I look forward to any comments and suggestions for this issue.**

**Fazeel Najeeb (PhD)  
Governor and Chairman, Maldives Monetary Authority  
Chairperson, SAARCFINANCE Group**



## **Brief History of SAARCFINANCE**

As agreed during the 10<sup>th</sup> SAARC Summit held in Colombo on 29 July 1998, SAARCFINANCE was established on 9 September 1998 as a regional network of the SAARC Central Bank Governors and Finance Secretaries. It is a permanent body, which received formal recognition during the 11<sup>th</sup> SAARC Summit held in Kathmandu, Nepal, in January, 2002. The Chair of the SAARCFINANCE rotates with the Chair of the SAARC. Subsequently on 25 September 2011, the Chair for SAARCFINANCE was transferred to Maldives and the Maldives Monetary Authority.

## **Objectives of SAARCFINANCE**

- The basic objective of establishing the SAARCFINANCE Network is to share experiences on macroeconomic policy issues between member countries of the region. However, the broad objectives of the SAARCFINANCE Network are as follows:
- To promote cooperation among central banks and finance ministries in SAARC member countries through staff visits and regular exchange of information.
- To consider and propose harmonization of banking legislations and practices within the region.
- To work towards a more efficient payment system mechanism within the SAARC region and strive for higher monetary and exchange cooperation.
- To forge closer cooperation on macroeconomic policies of SAARC member states and to share experiences and ideas.
- To study global financial developments and their impact on the region - including discussions relating to emerging issues in the financial architecture, IMF and World Bank and other international lending agencies.
- To monitor reforms of the international financial and monetary system and to evolve a consensus among SAARC countries in light of the reforms.
- To evolve joint strategies whenever feasible, plan and identify common approaches in international fora for mutual benefit, particularly in the context of liberalizing financial services.
- To undertake training of staff at the ministries of finance, central banks and other financial institutions of the SAARC member countries, in subjects relating to economics and finance.
- To explore networking of the training institutions within the SAARC region that specialize in various aspects of monetary policy, exchange rate reforms, bank supervision and capital market issues.
- To promote research on economic and financial issues for the mutual benefit of SAARC member countries.
- To consider any other matter on the direction/request of the SAARCFINANCE, Council of Ministers or other SAARC bodies.

## **Section A: Broad Developments**

### **SAARCFINANCE Governor's Meetings**

The SAARCFINANCE Governors meet twice a year concurrently with the IMF/WB Annual Meeting and during the SAARCFINANCE Governors' Symposium in SAARC region. The 24<sup>th</sup> SAARCFINANCE Group Meeting was held in Pokhara, Nepal, on 16 May 2012.

### **SAARCFINANCE Coordinator's Meetings**

As decided during the 13<sup>th</sup> SAARCFINANCE Group meeting, the SAARCFINANCE Coordinators meet periodically to discuss developments in SAARCFINANCE activities, and to prepare the agenda for the SAARCFINANCE Governors' Meetings, to be held on the sidelines of the Annual IMF/World Bank Meetings and during SAARCFINANCE Governors' Symposium in SAARC region. To date, 15 SAARCFINANCE Coordinators' meetings have been hosted by member central banks, including the Central Bank of Sri Lanka, Nepal Rastra Bank, State Bank of Pakistan, Bangladesh Bank, Reserve Bank of India and Royal Monetary Authority of Bhutan, and Maldives Monetary Authority. The 15<sup>th</sup> SAARCFINANCE Coordinators Meeting was held at Maldives Monetary Authority, Male', Maldives, from 12 - 13 March 2012.

### **SAARCFINANCE Staff Exchange Program**

Since the inception of the SAARCFINANCE, numerous officers have visited various central banks of member countries under the Staff Exchange Program (Table 1). The details of these visits are as follows:

- Three delegates from Nepal Rastra Bank, viz., Executive Director Dr. Min Bahadur Shrestha, Director Mr. Pitambar Bhandari and Deputy Director Dr. Ram Sharan Kharel, visited RBI, to get an insight on interest rate corridor policy and learning from the practical experiences from the implementation of these policies. This visit was from 6- 8 June 2012.
- Three senior NRB officials visited Central Bank of Sri Lanka from 11 – 14 May 2012 to learn about the 'Interest rate Corridor Policy'.

- Twelve officials from various departments of Nepal Rastra Bank (NRB) visited Karachi, Pakistan from 11-16 January 2012. State Bank of Pakistan organized the familiarization program for the NRB officials. The areas covered in the familiarization programme included the relations of central bank with financial institutions, fundamentals of human resource management, financial management internal auditing, currency management and foreign exchange management, among others.

### **SAARC Payment Council (SPC) meeting**

In order to enhance national Payment and Settlement Systems (PSS) of the member countries, a SAARC Payment Council (SPC) was formed. The SPC consists of senior officials at the level of deputy governor/ executive director at member central banks/monetary authorities, who are in charge of payment system development. The inaugural meeting of SPC was hosted by the Central Bank of Sri Lanka (CBSL) on 28 November 2008 in Colombo.

10 meetings of the SPC have been held so far, in India, Sri Lanka, Pakistan, Nepal, Bhutan, Bangladesh and Maldives respectively.

The 11th meeting of the SAARC Payments Council (SPC) was held on 23rd April 2012 in Islamabad, Pakistan. Mr. Azhar I. Kureshi Executive Director State Bank of Pakistan chaired the meeting. The key areas that were discussed during the 11th SPC meeting include:

- Ratification & Approval of Minutes of 10<sup>th</sup> SPC Meeting held in Colombo, Sri Lanka and discussion on drafting a roadmap to implement the revised SPC objectives.
- Country presentations.
- Decision on hosting the 12th SPC Meeting.

## SWAP Arrangements

The Memorandum on the SWAP arrangement was unanimously approved by the SAARCFINANCE Group Meeting held in Washington DC, on 25 September 2011. It was later submitted to the 17<sup>th</sup> SAARC Summit held in Addu Maldives, on 10 November last year for final approval. The Council of Ministers took note of the issue during the summit and due to its technical nature; it was submitted to the 5<sup>th</sup> SAARC Finance Ministers' Meeting held in Dhaka, Bangladesh on 30 January 2012.

The 5<sup>th</sup> SAARC Finance Ministers Meeting held in Dhaka, Bangladesh, on 30 January 2012, considered and endorsed the 23<sup>rd</sup> SAARCFINANCE Group Meeting Report and particularly the Memorandum on the Framework of SWAP Arrangement.

As Chairman of SAARCFINANCE Dr. Fazeel Najeeb requested the Indian delegation at the 5th SAARC Finance Ministers' Meeting held in Dhaka, to finalise the two issues that remained to be solved regarding the SWAP Arrangement. One on the Indian Rupee interest rate and the other on default resolution mechanism. The Indian delegation assured that those two issues would be solved shortly. Reserve Bank of India informed that the two issues would be discussed in the Indian Cabinet Committee and the details would be announced in the 24<sup>th</sup> SAARCFINANCE Group Meeting to be held in Pokhara, Nepal on 16 May 2012.

With a view to strengthening regional financial and economic cooperation, Dr. D. Subbarao, Governor, Reserve Bank of India, announced in the 24th SAARCFINANCE Governors' Meeting, in Pokhara, Nepal, that the Reserve Bank of India offered Swap Arrangement of US \$ 2 billion both in foreign currency and Indian rupee. The facility will be available to all SAARC member countries, viz. Afghanistan, Bangladesh, Bhutan, Maldives, Nepal, Pakistan and Sri Lanka.

Under the swap facility, the requesting member countries can make drawal of US Dollar, Euro or Indian Rupee in multiple tranches. Each drawal is of three months tenor and can be rolled over twice. The first rollover will be at the normal rate of interest, while the second one attracts 50 bps interest more than the normal interest rate. For this purpose, the normal interest rate agreed upon is the LIBOR (for three months) PLUS 200 points.

## SAARCFINANCE Staff Exchange Program at a Glance

Table 1: SAARCFINANCE Staff Exchange Program (January- June 2012)

Country of Origin of the Staff	Host Institutions/Central Banks						Total
	RBI and Other Institutions	CBSL	SBP	NRB	BB	RMA	
Afghanistan	-	-	-	-	-	-	-
Bangladesh	-	-	-	-	-	-	-
Bhutan	-	-	-	-	-	-	-
India	-	-	-	-	-	-	-
Maldives	-	-	-	-	-	-	-
Nepal	3	3	12	-	-	-	18
Pakistan	-	-	-	-	-	-	-
Sri Lanka	-	-	-	-	-	-	-
Total	3	3	12	0	0	0	18

RBI: Reserve Bank of India

SBP: State Bank of Pakistan

CBSL: Central Bank of Sri Lanka

NRB: Nepal Rastra Bank

BB: Bangladesh Bank

RMA: Royal Monetary Authority of Bhutan

## SAARCFINANCE Staff Exchange Program to date

Table 2: SAARCFINANCE Staff Exchange Program to date

Country of Origin of the Staff	Host Institutions/Central Banks						Total
	RBI and Other Institutions	CBSL	SBP	NRB	BB	RMA	
Afghanistan	30	-	-	-	-	-	30
Bangladesh	26	10	4	-	-	-	40
Bhutan	94	16	-	11	4	-	125
India	-	4	2	-	6	4	16
Maldives	3	9	-	-	-	-	12
Nepal	27	73	19	-	17	-	136
Pakistan	2	2		-	-	-	4
Sri Lanka	20	-	26	2	4	-	52
Total	202	114	51	13	31	4	415

RBI: Reserve Bank of India

CBSL: Central Bank of Sri Lanka

BB: Bangladesh Bank

SBP: State Bank of Pakistan

NRB: Nepal Rastra Bank

RMA: Royal Monetary of Bhutan



### Table 3: SAARCFINANCE Seminars/Meetings/Workshops/Governors' Symposiums/Studies

Table 3: SAARCFINANCE Seminars/Meetings/Workshops/Governors' Symposiums/Studies

Program	Duration	Held in
SAARCFINANCE Governor's Symposium and Group meeting	16 May 2012	Pokhara, Nepal
SAARC-ADB Workshop on studies on Trade, Economics and Finance	21-22 June 2012	Kathmandu, Nepal
1 <sup>st</sup> Meeting of the SAARC Public Debt Manager's Forum	19-20 July 2012	Colombo, Sri Lanka
15 <sup>th</sup> SAARCFINANCE Coordinators meeting	12-13 March 2012	Male', Maldives,
International Programme on Central Banking ( Trainers Training Programme)	26-28 March 2012	Chennai, India
International Conference on Economics and Finance	20-22 April 2012	Kathmandu, Nepal
TOT Programme on Restructuring & Strengthening of Rural Financial Institutions in collaboration with Centre for International Cooperation & Training in Agricultural Banking	4-8 June 2012	Pune, India
11 <sup>th</sup> SAARC Payments Council meeting	23 April 2012	Islamabad, Pakistan
Seminar on Monetary Policy Framework in the SAARC Region	14-16 June 2012	Islamabad, Pakistan
24 <sup>th</sup> SAARCFINANCE Network Meeting	16 May 2012	Pokhara, Nepal

## Section B: Member Country News

### Afghanistan





## **Bangladesh**

### **1. IGEG on Financial Issues Related Activities**

As per decision of the Fifth Meeting of the Inter-Governmental Expert Group (IGEG) on Financial Issues held at the SAARC Secretariat during 28-29 December 2011, Bangladesh Bank provided following papers/inputs/comments to Ministry of Finance, Bangladesh for onward transmission to the SAARC Secretariat, Nepal :

- “Microcredit and Poverty Alleviation: The Best Practice in Bangladesh”
- “Financial Inclusion- Access to Financial Services and Credit to Financially Excluded Section of the Society”- Inputs on Bangladesh Scenario.
- Comments on “Combating Money Laundering and Terrorist Financing”
- Comments on “Harmonization of Trade and Fiscal Indicators in SAARC Countries”

### **2. 15<sup>th</sup> SAARCFINANCE Coordinators' Meeting**

The 15<sup>th</sup> SAARCFINANCE Coordinators Meeting held in Male’, Maldives during 12-13 March 2012 was attended by Mr. Md. Julhas Uddin, SAARCFINANCE Coordinator & Deputy General Manager, Research Department, Bangladesh Bank.

### **3. 24<sup>th</sup> SAARCFINANCE Group Meeting**

The 24<sup>th</sup> SAARCFINANCE Group Meeting, along with SAARCFINANCE Governors’ Symposium held in Pokhara, Nepal on 16 May 2012, which was attended by Dr. Atiur Rahman, Governor, Bangladesh Bank and Mr. Md. Emdadul Hoque, Additional Secretary, Ministry of Finance, Bangladesh.

### **4. Bangladesh presented two Draft Concept Papers in 24<sup>th</sup> SAARCFINANCE Group Meeting on:**

- SAARCFINANCE Scholarships for Higher Studies in Economics and
- Improving the Existing Contents of SAARCFINANCE e-Newsletter.

## **5. Participation of Bangladesh Bank Officials in Seminars/Symposiums organised by Other SAARC Member Countries**

Four officials from the Bangladesh Bank attended an International Conference on Economics and Finance organised by the Nepal Rastra Bank during 19-20 April 2012 at Kathmandu, Nepal and presented their research papers.

Three officials from the Bangladesh Bank attended the "SAARCFINANCE Seminar on Monetary Policy Framework in the SAARC Region" organised by the State Bank of Pakistan during 14-16 June 2012 at Islamabad, Pakistan.

## **6. SAARCFINANCE Seminar/Workshop to be Held in Dhaka**

As per decision of the 24<sup>th</sup> SAARCFINANCE Group Meeting, Bangladesh Bank will organise a SAARCFINANCE Workshop on Improvement of SAARCFINANCE e-Newsletter and development of SAARCFINANCE Scholarship Scheme in Dhaka in December 2012.



## **Bhutan**

1. The Governor of the RMA, Mr. Daw Tenzin, the Finance Secretary, Mr. Lam Dorji and the SAARCFINANCE Coordinator/Sr. Research Officer, Mr. Gopal Giri, attended the 24<sup>th</sup> SAARCFINANCE Group Meeting held at Pokhara, Nepal on 16 May 2012.
2. The Governor of the RMA, Mr. Daw Tenzin, Chief Executive Officer of the Royal Securities Exchange of Bhutan, Mr. Dorji Phuntsho, and Mr. Tshewang Dorji T., the Trade Officer of Department of Trade, Ministry of Economic Affairs attended the SAARC-ADB Workshop on Studies on Trade, Economics and Finance held at the SAARC Secretariat, Kathmandu on 21-22 June 2012.
3. The Deputy Governor of RMA, Mr. Pushpalal Chhetri attended the First Meeting of SAARC Public Debt Managers' Forum held at Colombo, Sri Lanka on 19 – 20 July 2012.





## **India**

1. Dr. Rajiv Ranjan Coordinator, SAARCFINANCE, India attended the 15th SAARCFINANCE Coordinators' Meeting in Male during 12 – 13 March 2012.
2. Total 11 participants from SAARC central banks including India, participated in the International Programme on Central banking (Trainers' Training programme) RBSC, Chennai during 26 – 28 March 2012. There was one participant each from Afghanistan and Bangladesh, two each from Nepal and Sri Lanka, apart from 5 participants from India.
3. Mr. Brij Raj, DGM and Mr. Ajay Prakash, Director, had presented papers in the International Conference on Economics and Finance organised by Nepal Rastra Bank during 20 – 22 April 2012 in Kathmandu, Nepal.
4. Dr. D. Subbarao, Governor, along with Mr. H.R. Khan, Deputy Governor, Mr. Deepak Mohanty, Executive Director, Mrs. Madhumita Sarkar-Deb, Chief General Manager – in – Charge, Mr. Pankaja Kumar Nayak, Deputy General Manager and Mr. P.S.S.Vidyasagar, Assistant Adviser have attended the 24th SAARCFINANCE Governors' Meeting and SAARCFINANCE Governors' Symposium at Pokhara, Nepal on 16 May 2012.
5. With a view to strengthening regional financial and economic cooperation, Dr. D. Subbarao, Governor, Reserve Bank of India, announced in the 24th SAARCFINANCE Governors' Meeting, in Pokhara, Nepal, that the Reserve Bank of India will offer Swap Arrangement of US \$ 2 billion both in foreign currency and Indian rupee. The facility will be available to all SAARC member countries, viz., Afghanistan, Bangladesh, Bhutan, Maldives, Nepal, Pakistan and Sri Lanka.

India will contribute the entire fund. The swap amount available to various member central banks has been arrived at broadly based on two months import cover subject to a floor of US\$ 100 million and a maximum of US\$ 400 million per country. It is expected that this swap facility will further economic cooperation within the SAARC region, pave the way for increased intra-regional trade, and contribute to enhancing our collective welfare. The swap eligibility limits for different countries are given below:

Country	Swap Amount Available in Million US \$
Afghanistan	\$100
Bangladesh	\$400
Bhutan	\$100
Maldives	\$200
Nepal	\$400
Pakistan	\$400
Sri Lanka	\$400
<b>Total</b>	<b>\$2,000</b>

6. Total 12 international participants participated in the TOT programme on Restructuring & Strengthening of Rural Financial Institutions (in collaboration with Centre for International Cooperation & Training in Agricultural Banking (CICTAB) held at CAB, Pune during 4 – 8 June 2012. The international participants included ten from Nepal and two from Sri Lanka.

Three delegates from Nepal Rastra Bank, viz., Dr. Min Bahadur Shrestha, Executive Director, Mr. Pitambar Bhandari, Director and Dr. Ram Sharan Kharel, Deputy Director visited RBI under SAARCFINANCE Staff Exchange Programme during 6 – 8 June 2012.

7. Royal Monetary Authority of Bhutan requested the Reserve Bank of India for organising week-long training programmes for their staff. The Reserve Bank had made relevant arrangements for holding the training programme in two batches, one during 25 – 28 June 2012 and another during 16 – 19 July 2012. However, the Bhutanese delegates could not participate in both the

training programmes on account of office exigencies. The details of the international participants in training programmes organised by the Reserve Bank of India are presented in the table below:

<b>Training Establishment</b>	<b>Name of the programme</b>	<b>Duration</b>	<b>No. of participants from SAARCFINANCE countries</b>	<b>Name of the country</b>
Reserve Bank Staff College, Chennai	International Programme on Central banking (Trainers' Training programme)	26-28 March 2012	11	Afghanistan -1 Bangladesh -1 Nepal-2 Sri Lanka -2 India -5
College of Agricultural Banking, Pune	TOT programme on Restructuring & Strengthening of Rural Financial Institutions (in collaboration with Centre for International Cooperation & Training in Agricultural Banking (CICTAB))	4-8 June 2012	12	Nepal -10 Sri Lanka-2

8. On invitation of Royal Monetary Authority of Bhutan (RMA), Shri. Deepak Mohanty, Executive Director, Dr. Janak Raj, Adviser-in Charge, Monetary Policy Department and Shri. Muneesh Kapur, Director, Monetary Policy Department visited (RMA) of Bhutan to render assistance for monetary policy operating procedure and Base Rate System for Bhutan” during 29 November – 2 December 2011. The team had a series of discussions with the Governor, Deputy Governors and other senior staff of the RMA as well as with heads of major financial institutions in Bhutan to understand the Bhutanese economic and financial systems. Based on the country-specific characteristics, the team suggested certain changes in the operating procedure of monetary policy and the lending rate system of Bhutan. During his visit, Mr. Mohanty also made a presentation on “Changing Contours of Monetary Policy in India” at RMA at a session chaired by Governor, RMA with participation from the RMA staff, domestic financial institutions and local academia.”
9. Dr. Rajiv Ranjan Co-ordinator, SAARCFINANCE, India attended the 5<sup>th</sup> Meeting of Inter- Governmental Expert Group (IGEG) on Financial Issues at SAARC Secretariat Kathmandu during 28-29 December 2011.



## **Maldives**

1. Governor and the current chairman of the SAARCFINANCE Dr. Fazeel Najeeb attended the 5<sup>th</sup> SAARCFINANCE Ministers Meeting held in Bangladesh on 30 January 2012. Governor was accompanied by the SAARCFINANCE Coordinator to the Maldives and the Executive Director of Governor's Office Mr. Abdul Hameed Mohamed.
2. The 2<sup>nd</sup> International Research Conference was also attended by Dr. Fazeel Najeeb and Mr. Abdul Hameed Mohamed held from 1-2 February 2012 in India, Mumbai.
3. Assistant Manager of Maldives Monetary Authority Ms. Mariyam Shairau participated in the Certificate Programme on Treasury & Foreign Exchange Operations conducted by the Centre for Banking Studies of Central Bank of Sri Lanka. This programme was held during 19-23 March 2012.
4. Executive Director of Financial Controls Division and the Senior Manager of Banking Payments Division attended the 11<sup>th</sup> SAARC Payments Council meeting held in Islamabad, Pakistan on 23 April 2012.
5. Governor Dr. Fazeel Najeeb, SAARCFINANCE Coordinator to the Maldives and Executive Director of Governor's Office Mr .Abdul Hameed Mohamed and Deputy Manager of Statistics Division Mr. Ahmed Imad attended the SAARCFINANCE Governor's Symposium on the theme "Food price inflation in SAARC Region" together with the SAARCFINANCE Group meeting held during 15–16 May in Pokhara, Nepal.
6. The study tour on liquidity management conducted by the Central Bank of Sri Lanka was attended by Manager of Monetary Policy Section Mr. Ahmed Munawar, Deputy Manager of Monetary Policy Section Ms. Mariyam Azmath, Deputy Manager of Statistics Division Mr. Ahmed Imad and Assistant Manager of Public Debt Unit Ms. Aishath Sajny . This study tour was held during 30 May - 1 June 2012.
7. Manager of Monetary Policy Section Mr. Ahmed Munawar attended the SAARCFINANCE Seminar on Monetary Policy Framework in the SAARC Region held during 14-17 June 2012 in Islamabad, Pakistan.
8. Senior Manager Ms. Aishath Nadhiya and Senior Officer of Public Debt Unit Ms. Aminath Ivan attended the 1<sup>st</sup> SAARC Public Debt Manager's Forum held during 19-20 July 2012 in Sri Lanka.



## **Nepal**

### **1. SAARCFINANCE Group Meeting 2012**

Nepal Rastra Bank hosted the 24<sup>th</sup> SAARCFINANCE Group Meeting on 16 May 2012 in Pokhara, Nepal. The "Breakfast Group Meeting" was conducted under the Chairmanship of Dr. Fazeel Najeeb, Governor of Maldives Monetary Authority. Governors from the central banks/monetary authorities and Finance Secretaries of SAARC region participated in the meeting.

### **2. SAARCFINANCE Governors' Symposium 2012**

Nepal Rastra Bank organized the SAARCFINANCE Governors' Symposium on "Food Inflation on SAARC Region" on 16 May 2012 in Pokhara, Nepal. Dr. Fazeel Najeeb, Chairperson of the SAARCFINANCE and Governor of Maldives Monetary Authority inaugurated the Symposium. The guest speakers of the Symposium included Dr. Kalpana Kochhar, Chief Economist from the World Bank and Dr. Sultan Hafeez Rahman, former Director General of Asian Development Bank. Dr. Yuba Raj Khatriwada, Governor of Nepal Rastra Bank made a thematic presentation on "Food Inflation in SAARC Region." Likewise, country papers on the Symposium's theme were also presented. There was also a separate round table discussion on the topic "Macroprudential and Monetary Policies in SAARC Region."

### **3. 15<sup>th</sup> SAARCFINANCE Coordinators' Meeting**

Dr. Bhubanesh Pant, Director of Research Department and SAARCFINANCE Coordinator for Nepal took part in the 15<sup>th</sup> SAARCFINANCE Coordinators' Meeting organised by the Maldives Monetary Authority in Male, from 12 - 13 March 2012.



#### **4. 11<sup>th</sup> SAARC Payment Council Meeting**

Mr. Rajan Bikram Shah, Director from Banking Office participated in the 11<sup>th</sup> Meeting of the SAARC Payments Council (SPC) which was held on 23 April 2012 in Islamabad, Pakistan. The Meeting was organized by State Bank of Pakistan.

#### **5. SAARCFINANCE Staff Exchange Program**

A team led by Dr. Min Bahadur Shrestha, Executive Director of Research Department visited Reserve Bank of India, Mumbai during 5 - 9 June 2012 and Central Bank of Sri Lanka, Colombo during 9 - 14 June 2012 to get an insight on interest rate corridor policy as well as to learn from the practical experiences from the implementation of these policies. Dr. Shrestha was accompanied by Mr. Pitambar Bhandari, Director and Dr. Ram Sharan Kharel, Deputy Director, both from the Research Department.

Twelve officials from various departments of Nepal Rastra Bank visited Karachi, Pakistan from 11 - 16 January 2012 under the "SAARCFINANCE Staff Exchange Program." The program was organized by the State Bank of Pakistan.

#### **SAARCFINANCE Seminars/Workshops**

Mr. Govinda Prasad Nagila, Deputy Director from Research Department and Mr. Puran Singha Kunwar, Assistant Director from Nepalgunj Office took part in the SAARCFINANCE Seminar on "Monetary Policy Framework in the SAARC Region" from 14 - 16 June 2012. The seminar was organized by State Bank of Pakistan in Islamabad, Pakistan.



## **Pakistan**

### **1. SAARCFINANCE Coordinators' Meeting**

Mr. Ayub-ul-Hasan, SAARCFINANCE Coordinator, State Bank of Pakistan attended the 15<sup>th</sup> SAARCFINANCE Coordinators' Meeting held at Male', Maldives during 12-13 March 2012.

### **2. SAARCFINANCE Network Meeting**

Dr. Mushtaq A. Khan, Chief Economic Advisor, State Bank of Pakistan attended the 24<sup>th</sup> SAARCFINANCE Network Meeting held on 16 May, 2012, in Pokhara, Nepal. Dr. Khan also participated in the Governors' Symposium on "Food Inflation" which was also held in Pokhara, Nepal on 16 May, 2012.

### **3. The SAARC Payments Council (SPC) Meeting**

State Bank of Pakistan organised the 11<sup>th</sup> Meeting of SAARC Payments Council at Islamabad on 23 April 2012. Besides Pakistan, the Delegates from all SAARC countries participated in the aforesaid Meeting.

### **4. SAARCFINANCE Seminar**

State Bank of Pakistan organized the Seminar on "Monetary Policy Framework in the SAARC Region", at NIBAF, Islamabad during 14-16 June 2012. Foreign participation in the Seminar consisted of the Delegates from all the SAARC member countries (except Afghanistan, Bhutan and India). The participating teams presented Country Papers, thereby

sharing their respective experiences on the theme of Seminar. Pakistan's Country Paper was presented by Mr. Fida Hussain, Senior Joint Director, Monetary Policy Department, State Bank of Pakistan.

#### **5. Staff Exchange Program**

State Bank of Pakistan arranged a familiarization program for twelve officials of Nepal Rastra Bank under the SAARCFINANCE Staff exchange program during 10–14 January 2012.



## SRILANKA

### **1. SAARCFINANCE workshop on Public Debt Management**

As per decision of fourth Meeting of IGEG, a workshop on 'Public Debt Management' was held at Kathmandu, Nepal on 26 December 2011. The Sri Lankan delegation attended the event comprised of Mr.C.J.P.Siriwardhana, Assistant Governor Central Bank of Sri Lanka, Mr.D.Kumaratunga, Additional Director, Economic Research Department and Mr.S.Obeysekera, SAARCFINANCE coordinator.

### **2. SAARCFINANCE Expert Group on Development of Capital market in South Asia**

As per recommendations of Second Meeting of SAARC Finance Secretaries, an Expert Group on Development of Capital Markets in South Asia was established and its first meeting was held on 27 December 2011 at Kathmandu, Nepal. The Sri Lankan delegation attended the event comprised of Mr.C.J.P.Siriwardhana, Assistant Governor Central Bank of Sri Lanka, Mr.D.Kumaratunga, Additional Director, Economic Research Department and Mr.S.Obeysekera, SAARCFINANCE coordinator.

### **3. Fifth IGEG meeting**

Fifth IGEG meeting was held in Kathmandu, Nepal from 28- 29 December 2011. The Sri Lankan delegation attended the event comprised of Mr.C.J.P.Siriwardhana, Assistant Governor Central Bank of Sri Lanka, Mr.D.Kumaratunga, Additional Director, Economic Research Department and Mr.S.Obeysekera, SAARCFINANCE coordinator.