

SASEC

Trade Facilitation Strategic Framework

Aileen Pangilinan
Programs Officer
Regional Cooperation and Operations Coordination Division
South Asia Department
Asian Development Bank

Disclaimer: In preparing any country program or strategy, financing any project, or by making any designation of, or reference to, a particular territory or geographic area in this document, the Asian Development Bank does not intend to make any judgments as to the legal or other status of any territory or area.

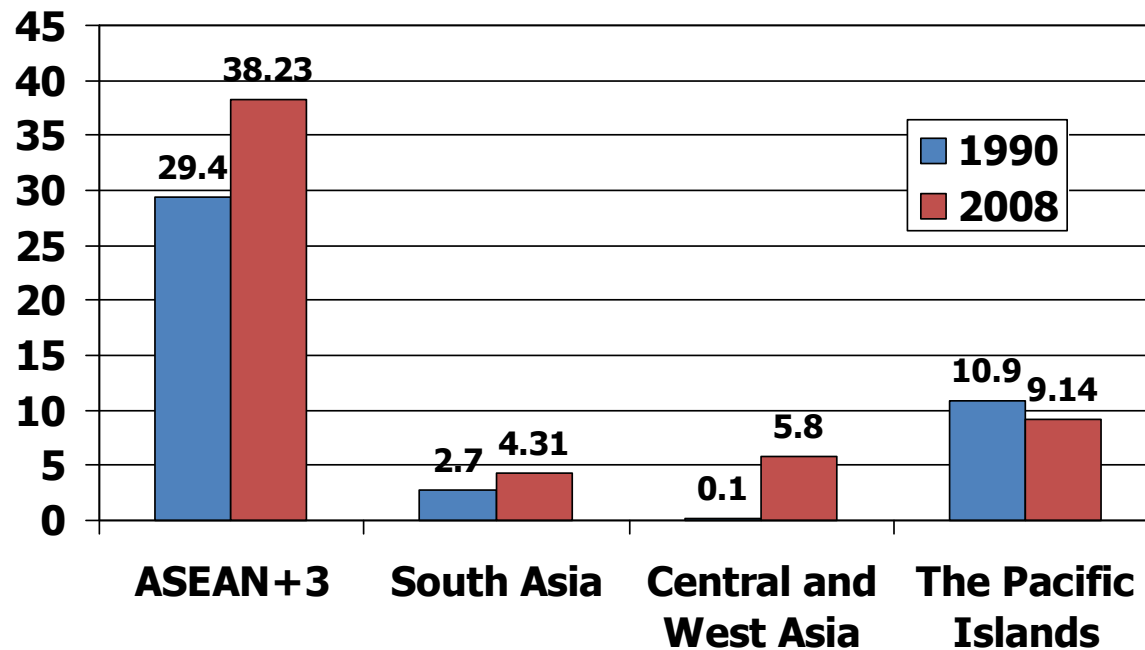


Key Messages

- **Why?**
 - An integrated and prosperous South Asia
- **How?**
 - Regional cooperation through SASEC
 - Implement the SASEC TF Framework
 - Strengthen Customs cooperation

21st Century South Asia is the Least Integrated Region in the World

Intra-regional Trade Share (%)

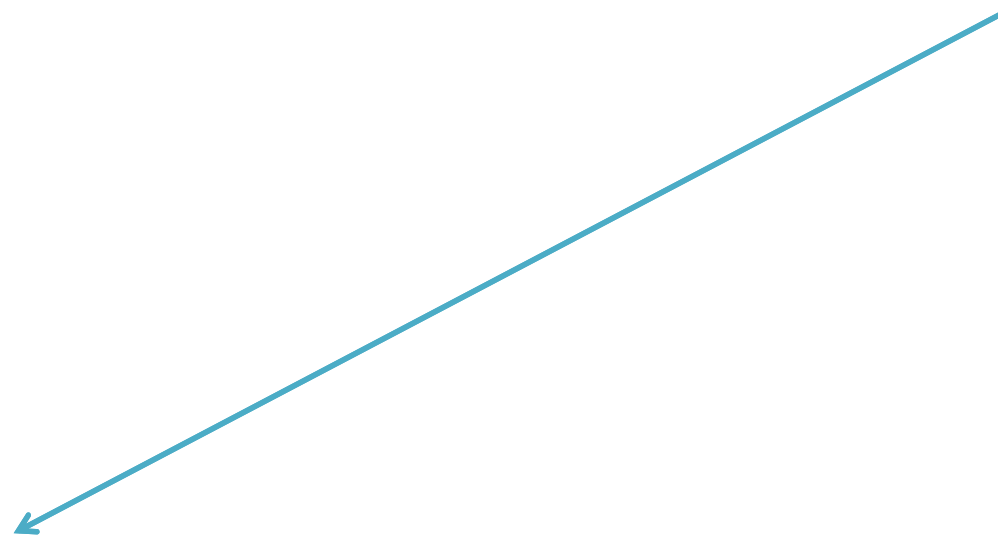


100 hours for trucks to cross between Petrapole & Benapole

200 signatures in Nepal to trade goods with India

Source: ADB ARIC Trade and Integration database (www.aric.adb.org); raw data from IMF DOTS.

Trade Facilitation Indicators

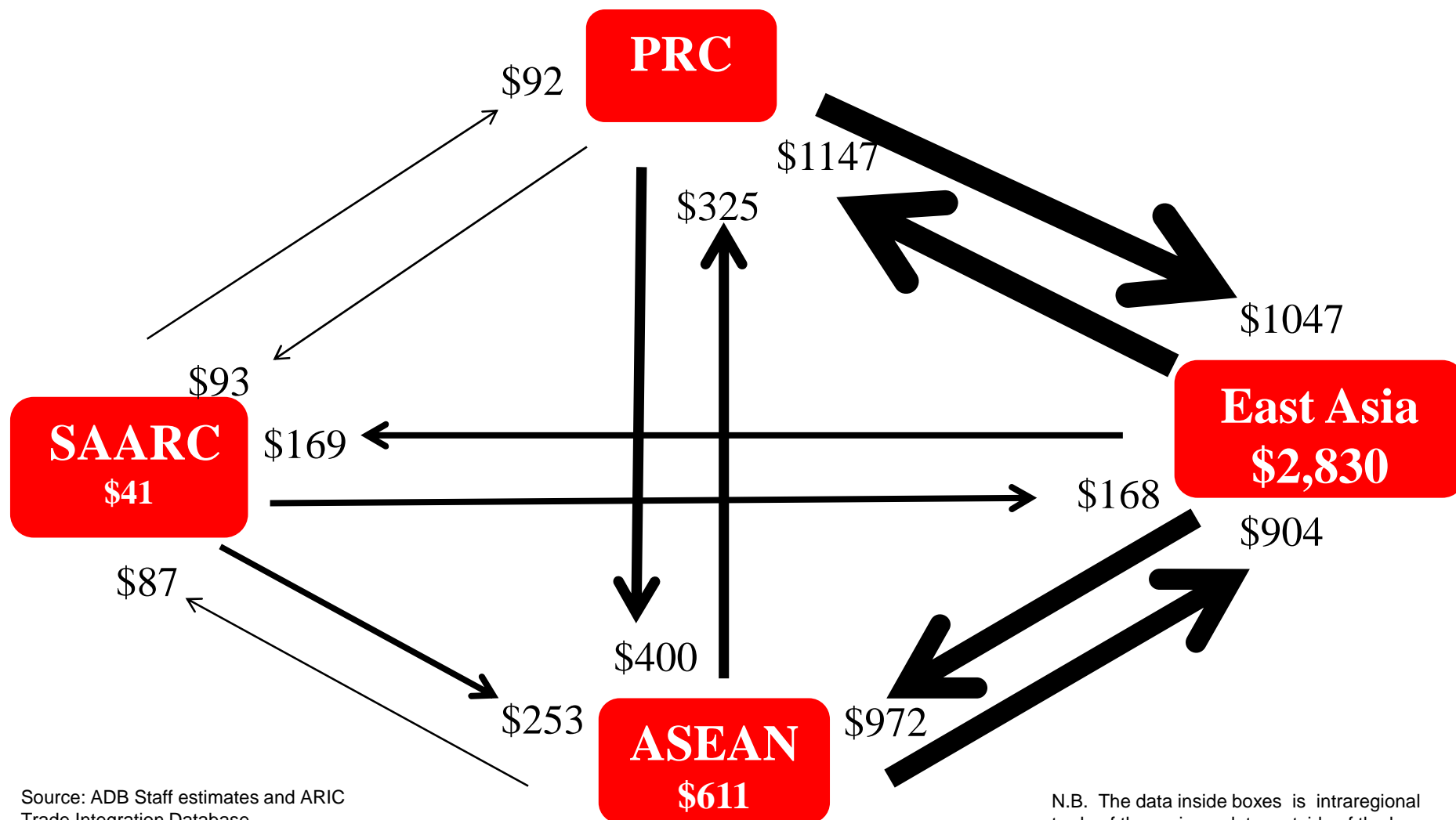


Source: World Bank, 2010.



2012 Intra and InterRegional Trade in Asia

(billion)

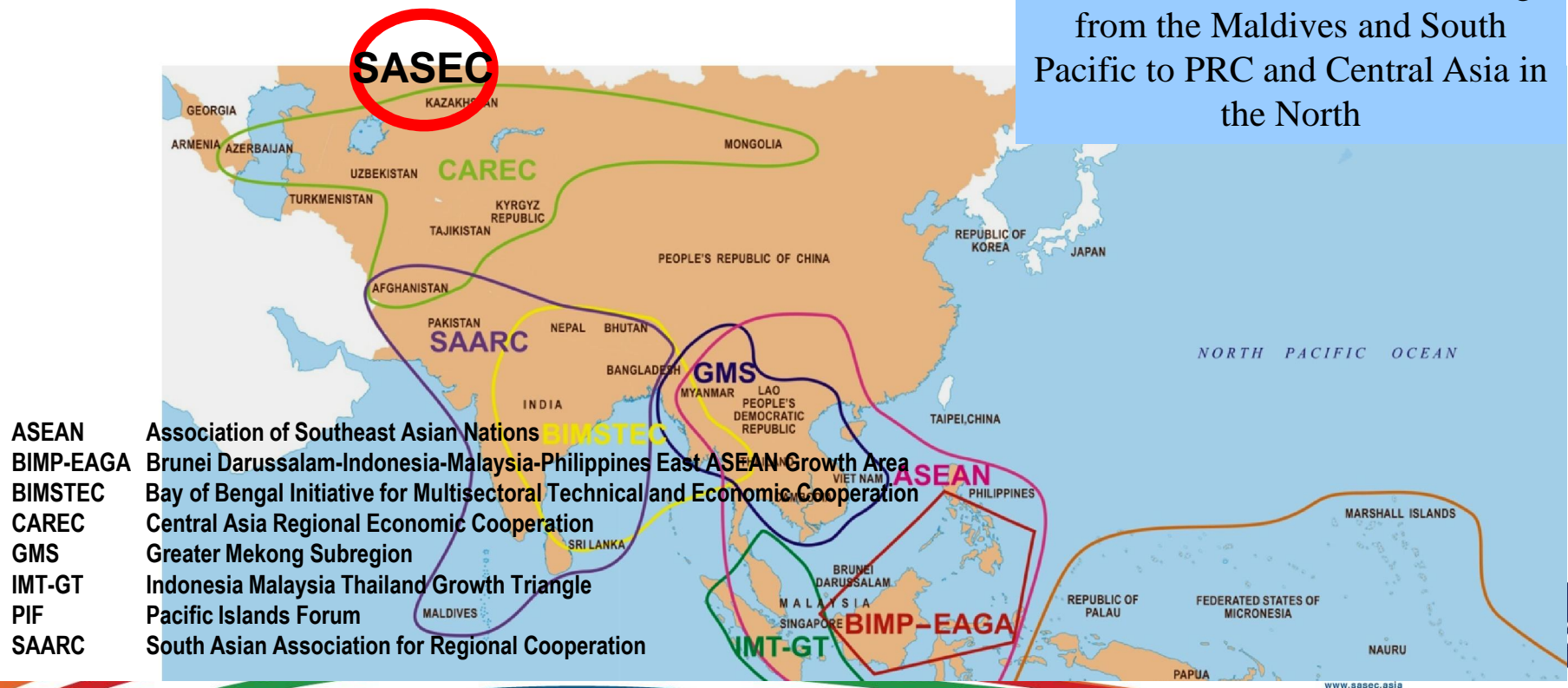


Source: ADB Staff estimates and ARIC Trade Integration Database

N.B. The data inside boxes is intraregional trade of the region; data outside of the boxes refer to inter regional trade.

Centrality of SASEC in The Garland of an Integrated Asia

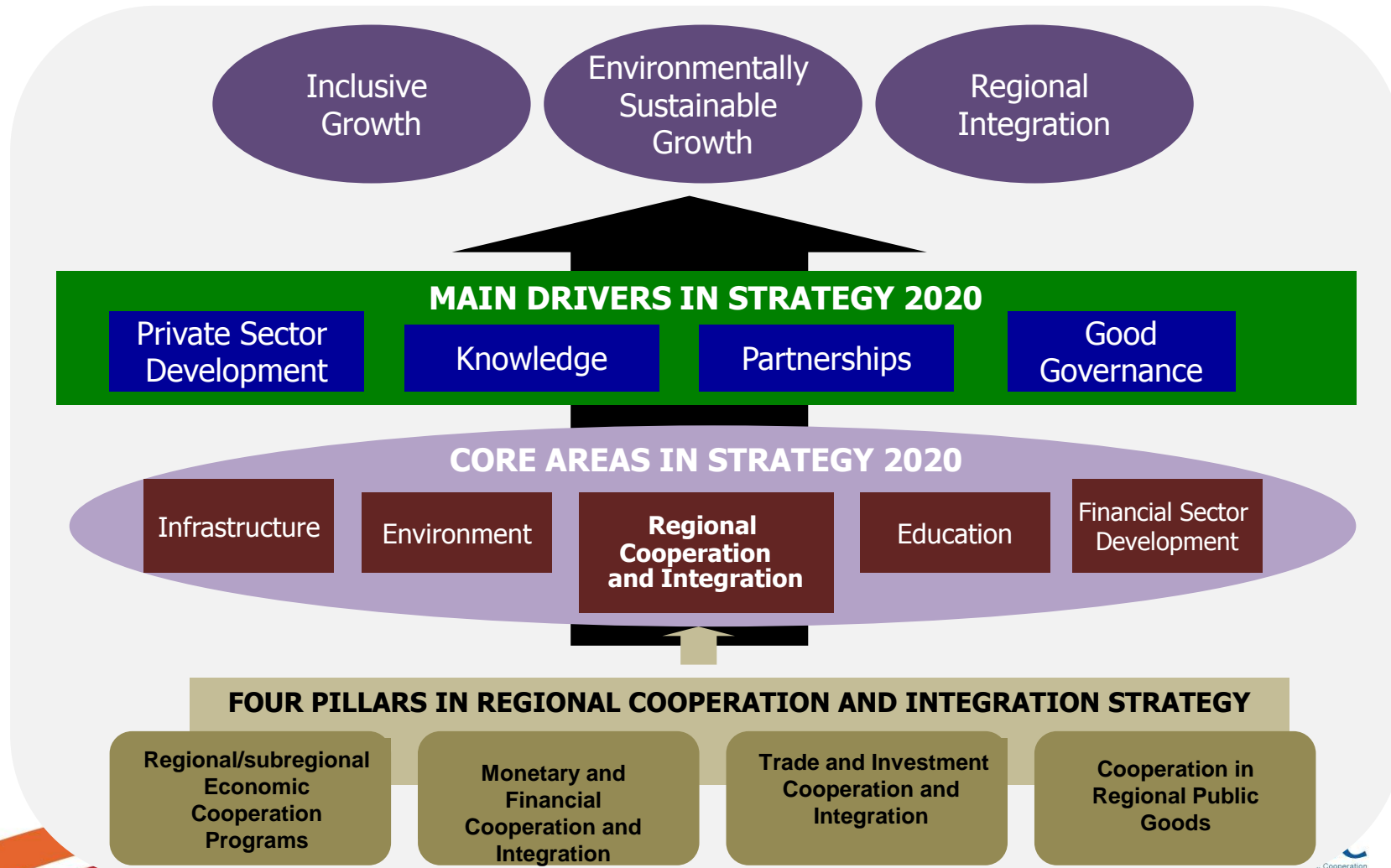
Asia is increasingly integrated economically stretching from the shores of the Black Sea in the West to the Western shores of the Pacific in the East and stretching from the Maldives and South Pacific to PRC and Central Asia in the North



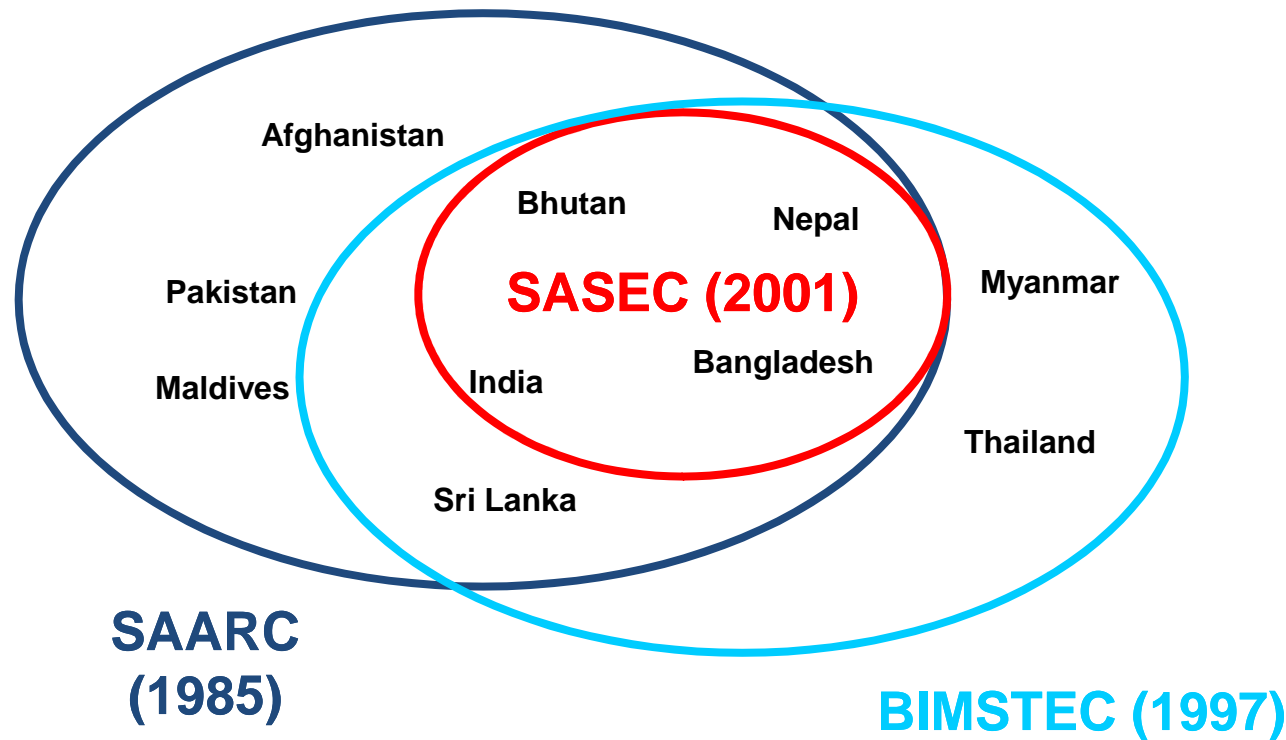
Disclaimer: In preparing any country program or strategy, financing any project, or by making any designation of, or reference to, a particular territory or geographic area in this document, the Asian Development Bank does not intend to make any judgments as to the legal or other status of any territory or area.

ADB's Strategy 2020 & RCI

By 2020, at least 30% of operations are in regional cooperation and integration



Regional Cooperation in Practice in South Asia



South Asia Subregional Economic Cooperation (SASEC)

- Members: BAN, BHU, IND, NEP; MLD, SRI - new
- Institution-light; projects-heavy
- Almost US\$5 billion invested since 2001
- Focus on transport, trade facilitation, energy
- Supports SAARC and BIMSTEC

Key SASEC Transport and Trade Facilitation Projects



Key SASEC Transport Projects

- India Road Connectivity Sector Project, \$500m
- Bhutan Road Connectivity Project, \$57m
- Bangladesh Road Connectivity Project
- Nepal Road Connectivity Project

Key SASEC Trade Facilitation Projects/ Activities

- SASEC Trade Facilitation Program Loans/ Grants
- Capacity Building and Discussion Platform
- SASEC Trade Facilitation Strategic Framework

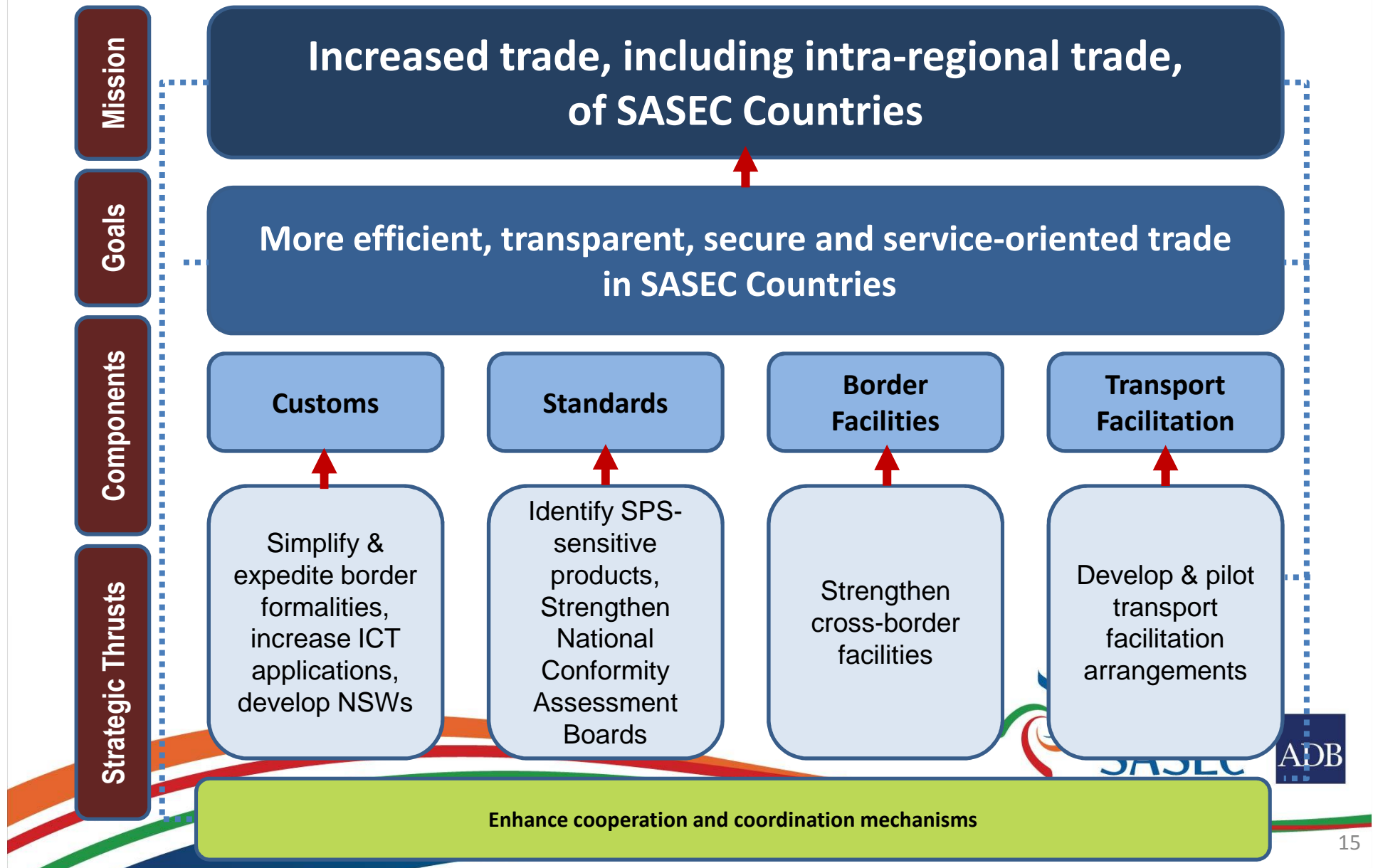
SASEC TF Program Loans/Grants

- BAN (\$21M); BHU (\$11.67M); NEP (\$15M)
- Tranche release is triggered by specific policy actions
- First tranche fully disbursed:
 - Bangladesh: \$10.7M loan in Q2/2013
 - Bhutan: \$6.3M loan and grant in Q1/2013
 - Nepal: \$8M grant in Q2/2013
- Milestones achieved:
 - Important steps taken toward accession to the Revised Kyoto Convention
 - Planning finalized for automation of trade facilitation business procedures
 - National Trade Facilitation Working Committees being established

Capacity Building and Discussion Platform

- Training to support customs reforms
- Knowledge sharing on key TF issues
- SASEC Customs Subgroup established
 - agreed on work plan
 - serves as platform for knowledge sharing and training
 - advocacy for customs reform and modernization

SASEC Trade Facilitation Framework



Implementing the TFSF

- Guiding principles
 - Country owned
 - Pragmatic and results oriented
 - Flexible and responsive
 - Open cooperation with neighbors
 - Involves private sector and development partners
- Two-track process
- South-South cooperation

SASEC Customs Subgroup WP

- Strategic thrusts
 - Simplifying and expediting border formalities
 - Increasing the application of ICT
 - Developing national single windows
- Composition
 - 7 subregional projects
 - 20 national projects in all 3 strategic thrusts
 - 6 subregional training areas

Subregional Projects in the WP (1)

- Sharing of experience on risk management and SAFE application
- Exchange of documents at major BCPs (taking inspiration from the SAARC Agreement on Mutual Administrative Assistance on Customs Matters)
- Assessment of the readiness of regulatory framework and infrastructure facilities in SASEC countries for containerized movement of cargo through land borders

Subregional Projects in the WP (2)

- Institutionalize regular border meetings between/among the Customs authorities at major border crossing points
- Conduct of the SASEC Trade and Transport Facilitation Monitoring Mechanism
- Use of ICT in processing of the transit cargo for enhanced efficiency
- Conduct of feasibility study on electronic exchange of trade-related information

For more information:
Visit www.sasec.asia or
email sasec@adb.org