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Q1: Respondent details

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Q2: Country or Customs territory

- MULTILATERAL OR REGIONAL DEVELOPMENT BANK

Q3: Organization

Other (please specify) Regional Bank

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Q4: Title of case story

South Asia Subregional Economic Cooperation (SASEC) Trade Facilitation Program

Q5: Case story focus

Trade Facilitation.

Q6: Case story abstract

The program supports ADB's South Asia Regional Cooperation Strategy, 2011–2015 and the goals of SASEC. Its intended impact is to increase trade, including intraregional trade, of SASEC countries by reducing or removing non-tariff barriers (NTBs), specifically institutional, administrative, and technical barriers to trade in Bangladesh, Bhutan, and Nepal. While India is not participating in the program because it is self-financing its trade facilitation reforms, it is part of the implementation through the SASEC Trade Facilitation and Transport Working Group (TFTWG).⁴ The program's intended outcome is to support a more efficient, transparent, secure, and service-oriented processing of trade in the subregion. To achieve this, it will support activities under three thematic areas: (i) modern and effective customs administration and/or management; (ii) streamlined and transparent trade processes and procedures; and (iii) improved services and information for private sector traders and investors, including women entrepreneurs.

Q7: Who provided funding?

Other (please specify) Asian Development Bank

Q8: Project/Programme type

Regional

Q9: Your text case story

A high-level forum in Manila in 2010 set three SASEC priorities: trade facilitation, transport, and energy. Subsequently, SASEC TFTWG meetings were held in Bangkok in October 2011 and Kolkata in March 2012 to discuss priority initiatives, as follows: (i) subregional trade facilitation, (ii) cross-border road corridor and border infrastructure development, and (iii) technical assistance (TA) to support capacity building and institutional strengthening for transport and trade facilitation. The inclusion of trade facilitation reflects both ADB's South Asia Regional Cooperation Strategy and SASEC's recognition of both the problems and opportunities in this area.

Due to its limited resources, the program will be highly selective and strategic. A program modality is proposed in view of the policy reforms required to dismantle NTBs. Working closely with the World Customs Organization (WCO), the program is supporting the aspirations of SASEC to meet global standards and performance benchmarks. Moreover, given the complexity of issues and, in the case of Nepal, multiplicity of donor initiatives, the program will be processed in coordination with other ADB divisions and other development partners. Notably, the program is being coordinated with the Transport and Communications Division (SATC), which is processing transport projects, and with the Regional Cooperation and Coordination Division (SARC), which is implementing TA projects for regional cooperation and trade facilitation. The Public Management, Financial Sector and Trade Division, SARC, and SATC conducted a joint trade facilitation and transport mission in March 2012. In September 2012, the WCO joined ADB in fact-finding missions to Bangladesh and Bhutan.

The impact of the program will be increased trade, including intraregional trade, of SASEC countries. The outcome will be more efficient, transparent, secure and service-oriented processing of cross-border trade of SASEC countries. The outputs will be (i) modern and effective customs administration and/or management; (ii) streamlined and transparent trade processes and procedures; and (iii) improved services and information for private sector traders and investors, including women entrepreneurs.

The executing agencies of the program will be the National Board of Revenue (NBR) in Bangladesh, the Ministry of Finance (MOF) in Bhutan, and the Department of Customs (DOC) in Nepal. In Bangladesh, the implementing agencies will be the NBR, the Ministry of Commerce, and the Ministry of Shipping. In Bhutan, the implementing agency will be the Department of Revenue and Customs. In Nepal, the implementing agencies will be DOC and the Ministry of Commerce and Supplies. To manage the implementation of the program in each country, a program steering committee (PSC) and a program management unit (PMU) will be established. Biennial meetings of the SASEC TFTWG will ensure inter-country coordination.

Q10: Lessons learnt

ADB assessments in 2014 note that Bangladesh, Bhutan, and Nepal complied with most if not all of the identified policy actions under the second tranche of the STFP, more than 1 year before the program completion date of 31 December 2015. This is a strong indication of the countries' commitment to pursuing key trade facilitation reforms for expanded trade and improved competitiveness. The policy actions have laid the legal, institutional, and technical ground for comprehensive trade facilitation reforms. Implementation of these reform measures depends critically on continued government commitment, and strategic assistance from development partners in building the related institutional and human capacity.
