

How SASEC Works

SASEC countries have implemented projects to strengthen transport links, create the conditions needed to provide reliable energy, boost intraregional trade, and develop economic corridors. As of 28 February 2023, the Asian Development Bank (ADB) financed \$10.86 billion in investments, while governments provided \$5.55 billion and other development partners contributed \$2.00 billion.



ADB helps SASEC countries strengthen regional infrastructure, and promotes cooperation that will contribute to future prosperity. ADB provides financial and technical support to

- improve regional multimodal transport, and energy infrastructure connectivity
- build linkages between economic corridors in South Asia, integrating urbanization and industrialization to boost productivity
- strengthen trade facilitation procedures and regulatory reform to ensure optimal returns from enhanced physical infrastructure
- boost institutional and human capacity

SASEC countries coordinate and implement projects at a national level, as well as across borders. National road and rail networks, for example, are planned to link up across national borders with transport networks in neighboring countries. Connecting transport networks efficiently accelerates access to ports and markets, and eases the movement of goods, people, and business within South Asia.

Regular exchange of information and knowledge helps SASEC countries develop institutional and human capacity, and sharing international best practices strengthens the planning of effective development initiatives. ADB has financed more than \$204.73 million worth of technical assistance projects that support SASEC knowledge-sharing initiatives.

From 2001 to 2022, around \$18.41 billion have been invested in SASEC transport, trade facilitation, energy, economic corridor development, and health projects.

About the South Asia Subregional Economic Cooperation Program

The South Asia Subregional Economic Cooperation (SASEC) Program brings together Bangladesh, Bhutan, India, Maldives, Myanmar, Nepal, and Sri Lanka in a project-based partnership to promote regional prosperity by improving cross-border connectivity, facilitating faster and less costly trade among countries, and strengthening regional economic cooperation.

Since 2001, the Asian Development Bank has been providing loans, grants, and technical assistance to improve physical infrastructure, support reform processes and build capacity in the key SASEC focus areas of transport, trade facilitation, energy, economic corridor development, and health sector. SASEC also creates knowledge platforms that promote a regular exchange of information and experience-sharing in the subregion and ensure that international best practices underpin and strengthen the planning of effective regional development initiatives.

SASEC Secretariat

4 San Martin Marg, Chanakyapuri
New Delhi 110021, India



www.sasec.asia



secretariat@sasec.asia



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SASEC on the Move



Notes:

- In this publication, "\$" refers to US dollars.
- ADB has placed a hold on sovereign project disbursements and new contracts in Myanmar effective 1 February 2021.



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The South Asia Subregional Economic Cooperation Program

The South Asia Subregional Economic Cooperation (SASEC) Program aims to improve people’s opportunities and quality of life.

There is tremendous potential to increase mutually beneficial trade among the seven SASEC countries, which remain some of the least economically integrated in the world. More distant Asian and global markets can be opened up by creating transformational connections to Southeast Asia, the People’s Republic of China, and the world beyond. SASEC helps transform this potential into reality by

- improving multimodal cross-border transport connectivity and networks
- facilitating faster and less costly trade through seamless cross-border movement
- strengthening reliable national energy supplies and boosting vital cross-border energy trade
- promoting synergies and linkages between economic corridors across SASEC countries to optimize development gains and boost productivity

SASEC countries have gathered regularly for over a decade to discuss and address shared interests, creating support and ownership for the program. This successful cooperation has built confidence and mutual trust that help SASEC countries decide on coordinated actions for the benefit of all.

SASEC countries envisage powering Asia in the 21st century by harnessing their advantages to accelerate inclusive and sustainable growth—leveraging natural resources, industrial potential, and connectivity. In 2017, the SASEC Vision was formulated to provide direction to the countries’ pursuit of collective growth and development.

SASEC Focus Areas



Multimodal Transport

From 2001 to 2022, SASEC invested more than \$13.17 billion in support of 46 road, rail, and air and sea port projects to build the critical multimodal transport networks that enhance investment, trade, and boost economic growth in the subregion. Road transport projects dominate in South Asia and have absorbed more than \$9.11 billion of SASEC financing. Expanded and upgraded rail networks account for \$3.11 billion. Together, air and sea ports have seen investments of approximately \$433 million that are helping open up trade opportunities for Bangladesh, Bhutan, Nepal, and Sri Lanka.



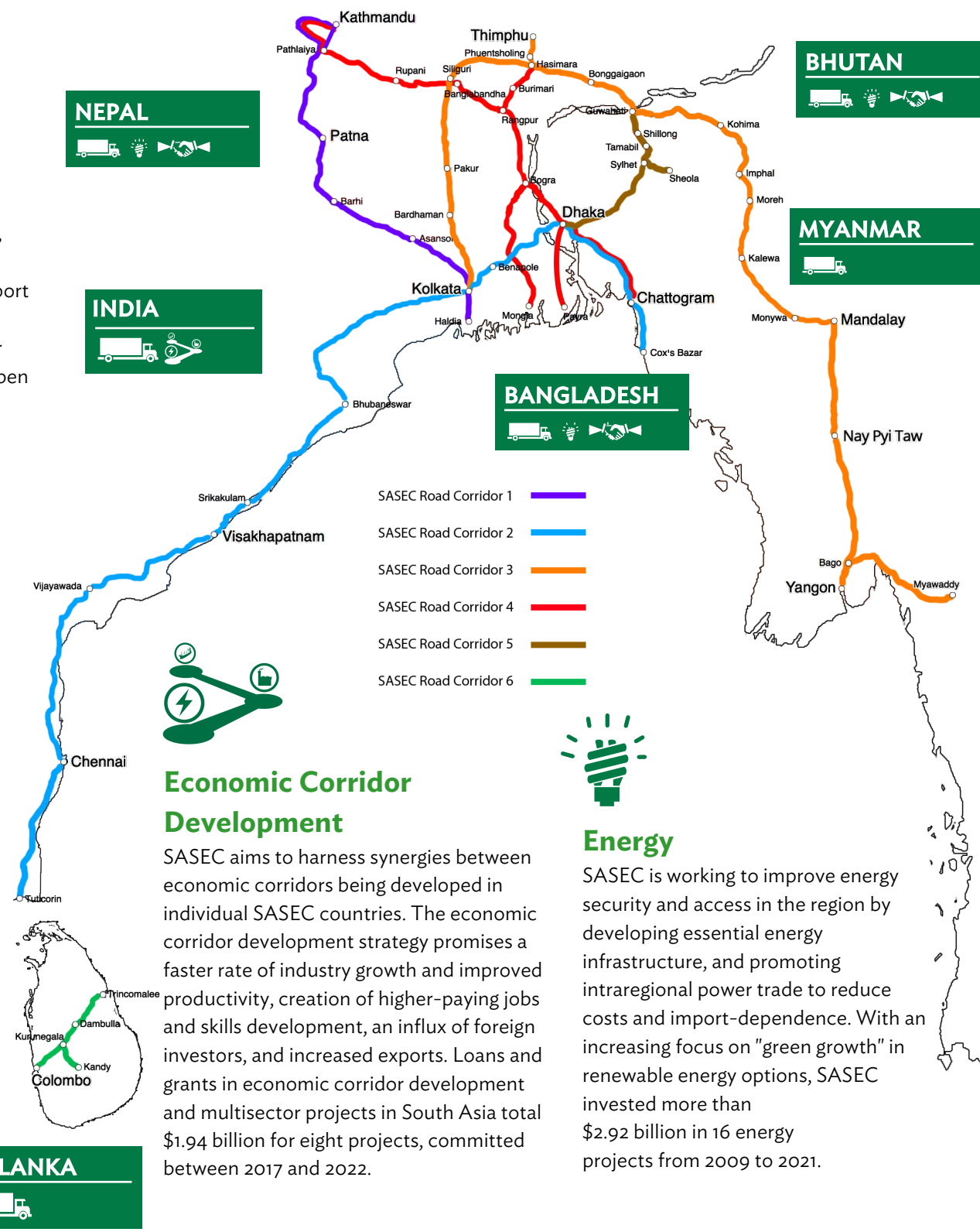
Trade Facilitation

The SASEC Trade Facilitation Program is working to enhance cross-border trade in the region through the development of modern and effective customs administrations, streamlined and transparent regulations and procedures, and improved services and information for traders and investors. As of 2022, SASEC countries invested around \$328.15 million to implement the SASEC Trade Facilitation Program in Bangladesh, Bhutan, and Nepal, and the SASEC Customs Reform and Modernization for Trade Facilitation Program in Nepal, as well as the SASEC National Single Window Project in Maldives and the SASEC Integrated Trade Facilitation Sector Development Program in Bangladesh.



Health

One Health initiative enhances health security and trade resilience to future pandemic through regional cooperation among countries and cross-sectoral approach to address zoonotic diseases and other commonly seen health threats in the region. It facilitates coordination mechanisms for disease control measures, including robust protocols and coordinated measures at borders as well as framework for timely information sharing. In 2022, SASEC invested around \$25.92 million to strengthen COVID-19 recovery through regional cooperation.



Economic Corridor Development

SASEC aims to harness synergies between economic corridors being developed in individual SASEC countries. The economic corridor development strategy promises a faster rate of industry growth and improved productivity, creation of higher-paying jobs and skills development, an influx of foreign investors, and increased exports. Loans and grants in economic corridor development and multisector projects in South Asia total \$1.94 billion for eight projects, committed between 2017 and 2022.



Energy

SASEC is working to improve energy security and access in the region by developing essential energy infrastructure, and promoting intraregional power trade to reduce costs and import-dependence. With an increasing focus on "green growth" in renewable energy options, SASEC invested more than \$2.92 billion in 16 energy projects from 2009 to 2021.