

Evaluation Approach Paper

Evaluation of ADB Support for the South Asia Subregional Economic Cooperation Program, 2011–2022

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A. Introduction

1. **The South Asia Subregional Economic Cooperation (SASEC) Program is a regional cooperation partnership of countries in South Asia and one adjacent country (Myanmar) located in Southeast Asia.** Launched by four member countries in 2001, the Program currently has seven members: Bangladesh, Bhutan, India, Maldives, Myanmar, Nepal, and Sri Lanka.¹ The partnership aims to improve economic opportunities and build a better quality of life for the people of the subregion through promoting cross-country cooperation to address development constraints.

2. **This planned evaluation will assess the performance and results of Asian Development Bank (ADB) support for the SASEC Program during 2011–2022.** It is the third of three evaluations in the Independent Evaluation Department (IED)'s workplan to assess ADB support for regional economic cooperation programs. The first evaluation examined the Greater Mekong Subregion (GMS) Program and was completed in December 2021. The second evaluation covered ADB's support for the Central Asia Regional Economic Cooperation (CAREC) Program and was completed in May 2023. The SASEC Program evaluation is scheduled for delivery in September 2024.² Upon completion of this third evaluation, IED will produce a synthesis note drawing from all three evaluations.

3. **The findings and recommendations of the evaluation will inform future ADB support for the SASEC Program and other regional programs.** This would include ADB's efforts to help strengthen the Program's strategies, implementation, and institutional arrangements. Together with the evaluations of GMS and CAREC programs, the SASEC Program evaluation will also generate lessons to help shape the design and implementation of ADB's regional economic cooperation programs in the context of ADB's Strategy 2030 and ADB's New Operating Model.

B. Background and Context

4. **SASEC member countries are blessed with abundant natural and demographic resources and have achieved impressive social economic development.**³ Regional economic growth has been robust in most countries over the past decade, led by private investment and export growth; capital inflows have been resilient; and human development has achieved considerable progress. The percentage of people living in poverty has seen a steady decline, but the number of poor people is still very large, surpassing each of the other regions in the world.⁴

¹ Maldives and Sri Lanka became full SASEC members in May 2014, and Myanmar joined in February 2017 following several years as an active observer.

² IED. 2022. *Independent Evaluation Department Work Program, 2023–2025*. October, Manila: ADB.

³ South Asia is home of vast agricultural land, great rivers and maintains, and offshore islands and is endowed with minerals, coastlines, and natural energy resources.

⁴ ADB. 2020. *South Asia Subregional Economic Cooperation Operational Plan 2016–2025 Update*. Manila; and IED analysis of relevant macroeconomic data.

5. **The SASEC subregion is one of the least integrated in the world.** Nontariff trade barriers are high in SASEC countries, hindering global and regional trade. Just 5.7% of SASEC's trade is intraregional, based on the average over 2019–2021, compared with 21.5% in Southeast Asia and 35.2% in East Asia.⁵ The shares of SASEC countries in world exports and in global inward foreign direct investment flows are very low, averaging 2.4% over 2020–2022 and 4.7% over 2018–2020 respectively where data were available.⁶ The Asia-Pacific Regional Cooperation and Integration Index shows that the member countries of the SASEC Program are significantly less integrated than other subregional programs in Asia and the Pacific, including the Association of Southeast Asian Nations, GMS, and CAREC. Sensitive geopolitical and security issues are among the factors constraining the integration process.

6. **There is a good potential to achieve gains from improved economic cooperation in the SASEC subregion.** The SASEC Program's predecessor is the South Asian Growth Quadrangle which was established by Bangladesh, Bhutan, India, and Nepal in 1996. The South Asian Growth Quadrangle was transformed to the SASEC Program in 2001, with the same four countries as its initial members, aiming to develop a closer economic cooperation among these countries. There were virtually no substantive economic relationships between Bhutan and Bangladesh, or between Nepal and Bangladesh at the SASEC's inception, although all the three countries had active trade and other economic relationships with India.⁷

7. Among the SASEC's current seven member countries, Bhutan and Nepal have hydropower resources far exceeding their own needs, while Bangladesh and India suffer significant power shortage. Bhutan and Nepal are landlocked countries and can benefit from improved access to seaports in Bangladesh and Sri Lanka, so can the northeastern region of India. Myanmar could serve as a land bridge linking South Asia with Southeast Asia and East Asia, while Maldives could benefit from attracting tourists from other SASEC member countries. There is also potential to develop regional value chains.⁸ Cooperation to address common social and environmental risks and vulnerabilities, such as climate and natural disasters, communicable diseases, and transboundary water management issues, could mitigate potentially disastrous economic harm and social damages.

8. **The SASEC Program has adopted an institution-light approach, focusing on working level activities and projects for efficient implementation.** These activities and projects are carried out under the broad oversight of the Nodal Officials Meeting, which is supported by Technical Working Groups and Technical Sub-Committees. Nodal Officials Meetings are held on at least an annual basis, represented by Director General level officials, usually from the Ministry of Finance, to provide guidance on strategic direction. Technical Working Groups, which are sector based, review strategic priorities and project-level progress; Technical Sub-Committees, subsector based, carry out actions agreed in Technical Working Groups (Appendix 1 provides a more detailed description of the institutional setup). Finance Ministers' Meeting for the SASEC member countries is only held to provide overall direction on an ad hoc basis, although it will be held every two or three years in the future, as endorsed by the Nodal Officials Meeting in mid-2022. While SASEC is a distinct entity, it works in coordination with the South Asian Association for Regional Cooperation (SAARC) and the Bay of Bengal Initiative for

⁵ IED calculations based on data from the Integration Indicators database of Asia Regional Integration Center, Economic. [Integration Indicators](#) (accessed 20 Sep 2023). GMS and CAREC are not very comparable to SASEC because the huge total trade volume of PRC causes distortion of intra-regional trade shares of CAREC and GMS subregions.

⁶ IED calculations based on (i) World Bank. "Exports of goods and services (BoP, current US\$)." The World Bank Group. [World Development Indicators](#) (accessed 20 Sep 2023); and (ii) data from the Integration Indicators database of Asia Regional Integration Center. [Integration Indicators](#) (accessed 20 Sep 2023).

⁷ IED. 2015. *Thematic Evaluation Study: Asian Development Bank Support for Regional Cooperation and Integration*. Summary of Subregional Case Studies (accessible from the list of linked documents in Appendix). Manila: ADB.

⁸ ADB. 2017. *South Asia Subregional Economic Cooperation: Powering Asia in the 21st century*. Manila.

Multi-Sectoral Technical and Economic Cooperation (BIMSTEC). These are two charter-based regional organizations to which ADB has also been providing technical assistance (TA) support and whose member countries are more or less similar to SASEC's, and to a great extent, they share the goals and interests of SASEC.⁹ Unlike the GMS and CAREC programs, however, the SASEC Program has no formal mechanism for coordination with other donor agencies, some of which, such as the World Bank, have significant support for regional cooperation in South Asia.¹⁰

9. The SASEC's institutional set up has received support from ADB TA over the years. Notwithstanding its project-oriented institutional arrangements, SASEC Operational Plan 2016–2025 states that the Program will be flexible in establishing policy-oriented mechanisms as needed to respond to the requirements of implementing the SASEC Operational Plan.

10. **ADB acts as the SASEC Secretariat, providing technical, administrative, and coordinating support for the implementation of the Program.** The Secretariat, recently extended from headquarters to ADB's India Resident Mission in Delhi, facilitates development and endorsement of SASEC's Vision and plans.¹¹ The Secretariat is headed by ADB headquarters and supported by regional cooperation specialists and focal points in ADB's resident missions. ADB has served as the Secretariat for the SASEC Program since its inception and has played five important roles in this regard: financier, honest broker, knowledge provider, capacity builder, and mobilizer of financing.¹² It provides administrative support for the governing structures, by mobilizing technical inputs for the sector-based working groups and sub-sector based sub-committees and by developing SASEC's virtual platform. An important role of the Secretariat is to support for organizing the meetings of national nodal officials, who play a critical role in ensuring ownership of SASEC's operations in their respective governments, and in ensuring effective coordination between the governments and the SASEC Secretariat.

C. SASEC Strategic Frameworks

11. **SASEC had adopted a pragmatic planning approach without developing any strategies or long-term plans of its own until 2015.** ADB support for SASEC operational planning had been guided by two ADB South Asia Regional Cooperation and Integration (RCI) Strategies, one covering the period 2006–2008 and the other for 2012–2015, as well as relevant ADB-wide RCI strategies.¹³ The SASEC Program has conducted studies that have been useful in programming, and also sought to make use of outputs of other existing regional cooperation organizations or platforms. Its trade facilitation efforts, for example, benefitted from SAARC's relevant experience and practices. Many of SASEC's transport and energy projects were drawn from SAARC's Regional Multimodal Transport Study and Regional Energy Trade Study and BIMSTEC's Transport Infrastructure and Logistics Study, driven by the shared visions and objectives between SAARC, BIMSTEC, and SASEC.¹⁴ These projects were adjusted, realigned, and tailored as needed to reflect the needs and priorities of the SASEC Program.

⁹ SAARC was established in 1985, aiming to promote regional integration among South Asia countries, including Afghanistan, Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan, and Sri Lanka. BIMSTEC was founded in 1997 to promote economic cooperation between countries bordering the Bay of Bengal, including Bangladesh, Bhutan, India, Myanmar, Nepal, Sri Lanka, and Thailand.

¹⁰ World Bank. 2020. [World Bank's Approach to South Asia Regional Integration, Cooperation, and Engagement \(SA RICE\) 2020–2023 : Main Report \(English\)](#).

¹¹ The SASEC Unit in the South Asia Regional Cooperation and Operations Coordination Division (SARC), South Asia Department performs the role of the SASEC Secretariat on ADB's behalf, with staff based in ADB headquarters and additional staff placed in ADB's India Resident Mission in Delhi. It is expected that a couple of more Headquarters staff will be relocated to the India Resident Mission in 2024.

¹² ADB. 2022. [Ronald Antonio Butiong on ADB's Role in Regional Cooperation and Integration \(video\)](#).

¹³ Such as ADB RCI Strategy 2006, and ADB Strategy 2020--the Long-Term Strategic Framework of the Asian Development Bank 2008–2020.

¹⁴ All the three studies were supported by ADB TA.

12. Soon after its launch in 2001, the SASEC Program quickly spread its operations to six sectors: transport; energy and power; environment; tourism; information and communication technology (ICT); and trade, investment, and private sector cooperation. The emphasis was on promoting economic cooperation through the enhancement of cross-border connectivity and facilitation of trade between Bangladesh, Bhutan, India, and Nepal.¹⁵ In 2011, SASEC began to narrow its scope to three sectors—transport, trade facilitation, and energy—reflecting the priorities set in ADB South Asia RCI Strategy 2012–2015. It dropped the original ICT sector as a priority, which had a strong focus on ICT infrastructure development and harmonization of ICT regulations and encountered some challenges in project implementation. However, the use of IT systems to promote customs automation and modernization was included as an important part of the trade facilitation pillar.

13. **The SASEC Operational Plan 2016–2025, adopted by SASEC members in 2016, was the Program’s first comprehensive long-term plan.** It built on the Program’s operations since 2001 and refocused its operational priorities, expanding cooperation efforts into maritime transport, maritime trade facilitation, renewable energy and energy efficiency, and economic corridor development. It set four strategic objectives, one each in the areas of transport, trade facilitation, energy, and economic corridor development:

- Enhancing physical connectivity through multimodal transport systems that are aligned closely with the development of markets (along six SASEC road corridors);
- Following a comprehensive approach to transport and trade facilitation and expanding the current focus on land-based trade to include sea-borne trade;
- Enhancing electricity trade to meet energy needs and secure power reliability in the subregion; and
- Promoting synergies between economic corridors being developed in individual SASEC countries and optimizing development impacts of these corridors through improved cross-border links.

14. Each strategic objective has a well-defined set of operational priorities supported by a long list of projects identified by the SASEC countries with ADB’s support. It is expected that the project list will evolve to meet changing needs and circumstances.¹⁶ The operational plan is fleshed out in greater detail on a rolling basis through three-year plans, the latest being the Action Plan for SASEC Initiatives (APSI) 2022–2024.

15. **The first SASEC Finance Ministers’ Meeting adopted the SASEC Vision in New Delhi, India, in April 2017.**¹⁷ The Vision calls for tapping the potential of natural resources-to-industry linkages, leveraging industry-to-industry linkages for the development of regional value chains, and expanding the region’s trade and commerce by providing access to markets through the development of subregional gateways and hubs. The operational priorities and projects under the SASEC Operational Plan were expected to serve as the foundation for achieving the Vision. The Vision was further updated a year later to reflect cooperation opportunities with Myanmar which joined SASEC a few months after the launch of the 2017 Vision.¹⁸

16. **Based on the SASEC Vision, the Operational Plan 2016–2025 was updated in 2020.** The update identified a list of priority SASEC pipeline projects resulting from a comprehensive

¹⁵ ADB. 2015. *Thematic Evaluation Study: Asian Development Bank Support for Regional Cooperation and Integration*. October, Manila.

¹⁶ ADB. 2016. *South Asia Subregional Economic Cooperation operational plan 2016–2025*. Manila.

¹⁷ ADB. 2017. *South Asia Subregional Economic Cooperation: Powering Asia in the 21st century*. Manila.

¹⁸ ADB. 2018. *SASEC Vision - Myanmar*. Manila.

screening process that considered the roles of the projects in filling key gaps to achieve SASEC goals and the SASEC Vision as well as project preparedness. The list comprises 77 projects that were deemed key for the SASEC Program and ready for investment, and it is more streamlined than the one developed under the original SASEC Operational Plan; the reduced list is expected to require about \$46 billion in financing.¹⁹

17. The SASEC Vision, objectives, and operational priorities aligned well with ADB RCI objectives of connectivity and competitiveness throughout the evaluation period 2011–2022. Based on the articulation in ADB RCI Strategy 2006, the Operational Plan for RCI, 2016–2020 and the Strategy 2030 Operational Plan for Priority 7, 2019–2024, ADB’s key RCI objectives can be summarized as the following: (i) greater and higher quality connectivity between economies; (ii) increased competitiveness with global and regional trade and investment opportunities expanded; and (iii) improved provision of regional public goods (RPGs) that address shared social and environmental risks and vulnerabilities (Appendix 2 provides a detailed discussion on how RPGs are framed in SASEC’s and ADB’s strategic frameworks and documents). The SASEC priorities on cross-border infrastructure and trade facilitation aligned closely with the connectivity objective, while the priorities on energy trade, value chain, and economic corridors connected well with the competitiveness objective.

18. The ADB RCI objective of RPGs was operationalized in the ADB South Asia Regional Cooperation Operational Business Plans (RCOBPs) during the evaluation period, although it was not explicitly mentioned in SASEC strategies.²⁰ The RCOBPs are 3-year rolling operational plans for SASEC and other regional cooperation initiatives in South Asia, such as SAARC and BIMSTEC, setting the key operational priorities for each of the initiatives. They not only operationalize objectives set in relevant strategic documents but also reflect evolving priorities and emerging needs based on consensus reached from dialogues and discussions among member countries in various regional forums. Guided by the RCOBPs, ADB has provided knowledge, technical assistance, and investment support to SASEC to help address shared regional social and environmental risks and vulnerabilities, such as climate change, air quality control, health/communicable disease control, and hazardous wastes management. In June 2022, the Nodal Official Meeting endorsed climate, pandemic, and disaster resilience as a new operational priority of the SASEC Program.²¹

D. Overview of the Portfolio of ADB’s support to SASEC Program, 2011–2022²²

19. The SASEC Program has delivered less financing than the GMS and CAREC programs, but the volume of financing has been increasing in the last decade. During 2001–2022, SASEC financed only about a third of what either GMS or CAREC did, including both sovereign loans and TA financing (GMS, CAREC, and SASEC financed about \$36.9 billion, \$35.3 billion, and \$13.1 billion, respectively).²³ This is due to SASEC’s slow growth in the first decade (2001–2010); three quarters of its sovereign loan projects have been approved in the second decade (2011–2022); combined, in these two decades ADB approved \$12.9 billion for 79 sovereign loan projects, inclusive of co-financing (Table 1).

¹⁹ The original SASEC Operational Plan provided a rolling pipeline of over 200 priority projects requiring over \$120 billion in financing.

²⁰ The RPGs objective was not explicitly mentioned as a pillar in any SASEC strategic document partly due to a lack of consensus on and the sensitivity of the RPGs concept among member countries, based on consultations with ADB SASEC Secretariat, as well as findings from existing evaluative documents and reviews as detailed in Section E below.

²¹ SASEC. 2022. Summary of Discussions Virtual Meeting of the South Asia Subregional Economic Cooperation (SASEC) Nodal Officials (NOM). 20 June.

²² For this evaluation approach paper, the portfolio data cover the period from 1 January 2011 up to 31 December 2021. For comparison purpose, data for the period 2001–2010 are discussed where necessary.

²³ Total financing includes development partners’ cofinancing but excludes government counterpart financing.

Table 1: ADB's SASEC sovereign loan and TA projects 2001-2022

	Sovereign Loan Projects			Technical Assistance		
	2001–2010	2011–2022	Total	2001–2010	2011–2022	Total
Number of Projects	19	60	79	57	93	145
ADB Financing (\$ million)	2,038.2	8,819.8	10,858.0	41.9	89.7	131.6
Cofinancing (\$ million)	98.0	1,903.8	2,001.7	12.0	56.1	68.1
Total Financing (\$ million)	2,136.2	10,723.6	12,859.8	53.9	145.8	199.7

ADB = Asian Development Bank, SASEC = South Asian Subregional Economic Cooperation, TA = technical assistance.

Source: IED calculations based on SASEC portfolio database.

20. Transport has been consistently dominant in the sector share of sovereign loan projects. In the first decade of SASEC, transport accounted for 74% of sovereign loan projects, followed by energy at 16% and information and communication technology (ICT) at 11%. ICT was subsequently discontinued. The shares of projects in the second decade show a continued emphasis on transport (53%) and energy (22%), accompanied by the emergence of trade facilitation (10%), economic corridors (8%), health (3%), and tourism (3%) (Appendix 3, Tables A3.1 and A3.2).

21. From 2001–2022, ADB financed 145 TA projects with a value of about \$200 million, co-financing included. Most of the TA (71%) was for capacity development (Appendix 3, Table A3.3). These TA grants were about 1.5% of the total SASEC portfolio. During 2001-2010, transport was dominant, accounting for 49% of TA projects, followed by trade facilitation (28%), energy at 14%, ICT (5%), and tourism (4%). ICT TA was subsequently discontinued, as in the case of sovereign loan projects. During 2011–2022, the shares of TA projects show a continued emphasis on transport (40%), trade facilitation (30%) and energy (24%). However, economic corridors emerged (5%), and tourism barely remained in play (1%). (Appendix 3, Tables A3.4 and A2.5).

22. ADB has provided very different levels of support for SASEC member countries, with the largest share going to India and Bangladesh (Appendix 3, Tables A3.6 and A3.7). The country level distribution of ADB investments and TA reflects in part the size of the economies of SASEC member countries. India was the largest receiver of financing in the first decade of SASEC, followed by Bangladesh. These two countries, with order reversed, continued to dominate borrowing in the second decade. Sri Lanka and Maldives began to receive significant support only in the latter part of the second decade. Myanmar, joined SASEC in 2017, has only participated in regional technical assistance projects that have supported regional cooperation forums, knowledge-sharing initiatives, and capacity building. Due to the recent political development in the country, ADB has temporarily placed on hold its operations in Myanmar since 1 February 2021.²⁴

23. In the ADB SASEC portfolio, 48% of sovereign loan projects and 77% of TA projects are completed. Among the 79 sovereign loan projects with ADB financing over the 2001–2022 period, 41 are ongoing and 38 have been completed, of which 24 have been self-assessed and 24 validated (Appendix 3, Table A3.8). Among the 145 TA projects with ADB financing, 34 are ongoing and 111 have been completed. Of those completed, 58 have been self-assessed and 10 validated. For the portfolio approved during 2011–2022, 40 out of the 60 sovereign loan projects are ongoing and 20 have been completed, of which 8 have been self-assessed and validated (Table 2). Of the 93 TA projects approved during 2011–2022, 34 are ongoing and 59 have been

²⁴ ADB. [Myanmar and ADB](#).

completed, of which 26 have been self-assessed and 10 validated. IED validations of TA completion reports started in 2019.

Table 2: Status of ADB-supported SASEC Projects, 2011–2022

Country	Sovereign Projects	Loan	Technical Assistance	
	Number	%	Number	%
Active	40	67	34	37
Mature (passed at least 50% implementation time)	30	75	28	82
Completed	20	33	59	63
Self-assessed	8	0	26	0
Validated	8	0	10	0
Not evaluated	12	0	33	0
Total	60	100	93	100

ADB = Asian Development Bank, SASEC = South Asia Subregional Economic Cooperation.

Notes:

1. Information on project status as of 18 August 2023.
2. There are cases of multiple completion reports for a single project since (i) some projects were jointly assessed and (ii) the additional financing is counted separately from its original project.
3. The classification of maturity in active projects is a rough estimate whether a project has passed halfway of its expected implementation period based on the approval year and latest revised closing date.

Source: Independent Evaluation Department's estimates.

E. Key Findings of Existing Reviews and Evaluations

24. There have not been many formal comprehensive reviews or evaluations of the SASEC Program. In preparing strategies and plans, ADB has done some reviews of results and lessons learned from past experience. ADB also conducted project-level self-assessments. However, the performance of the portfolio as a whole and the results and outcomes at the SASEC Program level have yet to be assessed in a periodic and comprehensive way, such as in the form of regular progress monitoring and mid-term reviews. IED conducted validations of ADB self-assessment reports for SASEC projects. At the higher level, IED conducted an evaluation of ADB's support for regional cooperation and integration in 2015 and an evaluation of the performance of ADB Regional Cooperation and Integration Fund (RCIF) in 2020.²⁵ Both evaluations only assessed SASEC as part of many ADB's RCI initiatives and provided only a broad overview of the performance of ADB support to SASEC.

25. Nevertheless, some useful observations and insights on SASEC's performance can be drawn from the existing evaluative documents and reviews mentioned above.

26. The performance of ADB SASEC projects was generally satisfactory, but the range of projects could be expanded. The 2015 IED RCI evaluation assessed ADB support for RCI during 2003–2014 and found that the SASEC projects performed comparably to other RCI platforms and better than non-RCI projects in the subregion. Given the political sensitivities in the subregion, however, ADB proceeded cautiously with private sector cooperation, including Public-Private Partnerships, which potentially had a significant role to play in promoting infrastructure development under SASEC. ADB also made little attempt to provide support in such complex areas as transboundary water resources management, environment, or natural disasters. In the meantime, the participation in SASEC by other donor agencies was at a low level.

27. ADB provided some essential support for trade facilitation under SASEC, but the results could be further improved. An IED 2020 project validation report found that a flagship

²⁵ ADB. 2015. *Thematic Evaluation Study: Asian Development Bank Support for Regional Cooperation and Integration*. October, Manila; ADB. 2020. *Performance Evaluation Report: Regional Cooperation and Integration Fund, 2007–2019*. May, Manila.

SASEC trade facilitation program approved in 2012 was less than effective in achieving its intended outcome of implementing more “efficient, transparent, secure, and service-oriented” cross-border trade processes among the SASEC countries of Bangladesh, Nepal, and Bhutan, although progresses in improving trade practices were made across many areas and related policy actions laid a robust foundation for continued progress.²⁶ India was not included in the program because it had already taken significant actions in trade facilitation ahead of other countries. The completion report of ADB South Asia Regional Cooperation Strategy and Program (RCSP) for 2006–2008 also assessed ADB activities in trade as less than effective. It noted that while trade facilitation studies produced forward-looking policy recommendations, there was a lack of implementing actual interventions to facilitate intraregional trade.²⁷

28. Lack of sufficient consensus among member countries likely constrained the ADB TA support. The 2020 IED evaluation of ADB RCIF reviewed the performance of the RCIF during 2007–2019. It found that the RCIF TA projects for SASEC performed well, but a bit below GMS and CAREC.²⁸ The SAARC and SASEC together had received significantly fewer RCIF TA projects than similar RCI programs in other subregions, although their member countries had a larger combined population. This was mainly due to a lack of consensus on some RCI-related issues and the ways to address them among the member countries.

29. ADB support likely contributed to dialogue and cooperation among member countries, but efficiency and sustainability of the SASEC Program could be increased. The 2015 IED RCI evaluation found that SASEC and the two other main RCI programs, GMS and CAREC, taken as a whole contributed to closer coordination and collaboration among countries. ADB self-assessments of TA projects similarly suggested that SASEC mechanisms and discussion platforms had fostered close cooperation among members on projects, reforms, and initiatives.²⁹ The completion report of the RCSP for South Asia, however, assessed the RCSP less than efficient due to complex consultation processes among countries, among some other factors.³⁰ It also assessed the RCSP less likely to be sustainable, due to high risks in trade facilitation, energy, and environment brought about by the sensitivity of cross-country cooperation in these areas.

F. Evaluation Framework

1. Theory of Change

30. The proposed theory of change maps how ADB’s support for the SASEC Program contributes to achieving the three RCI strategic objectives of connectivity, competitiveness, and RPGs in the SASEC subregion (Figure below). It was developed on the basis of reviewing relevant ADB RCI strategies and their results frameworks, which guide ADB’s support for the SASEC Program and other regional programs. The development of the theory of change was also based on consultations with ADB SASEC Secretariat and on assessing SASEC strategies and the RCOBPs over the last decade. Being institution-light, the SASEC Program has not yet developed a formal and complete results framework for its long-term strategic planning.

²⁶ ADB. 2020. *Project Validation Report: Bangladesh, Bhutan, Nepal—South Asia Subregional Economic Cooperation (SASEC): Trade Facilitation Program*. December, Manila. (Loans 2954, 2955; Grants 0321, 0322)

²⁷ ADB. 2010. *Completion Report: South Asia Regional Cooperation Partnership Strategy (2006–2008)*. August, Manila.

²⁸ The success rates of RCIF TA projects supporting major regional economic programs were 75% (SAARC/SASEC), 78% (GMS), 80% (CAREC) and 100% (AEC and BIMP-EAGA).

²⁹ For example, ADB. 2011. *Technical Assistance Completion Report: TA 6297-REG: South Asia Subregional Economic Cooperation III*; ADB. 2019. *Technical Assistance Completion Report: Support for South Asia Regional Economic Integration*. Manila (TA 7491-REG).

³⁰ ADB. 2010. *Completion Report: South Asia Regional Cooperation Strategy and Program (2006–2008)*. August, Manila.

However, the key elements of the SASEC results framework can be inferred from the SASEC Operational Plan 2016–2025, the SASEC Vision, their updates, and the RCOBPs, which detailed SASEC’s planned inputs and activities, intended objectives, and expected impacts.

31. As shown in the figure below, the evaluation will mainly focus on the solidly lined boxes and arrows that describe ADB’s inputs and activities and the main causal chains from ADB interventions to the expected outputs and outcomes. The dashed boxes are generally outside the scope of the evaluation. They show relevant inputs that the government, other regional organizations, other donor agencies, and the private sector provide. They describe a high level of impact that results from the efforts of many other actors, not just ADB alone.³¹ The lower set of boxes (marked in orange) lay out key ADB and SASEC strategies, SASEC instruments and SASEC governance and administrative structures, which constitute the main institutional setup for the delivery of the Program.

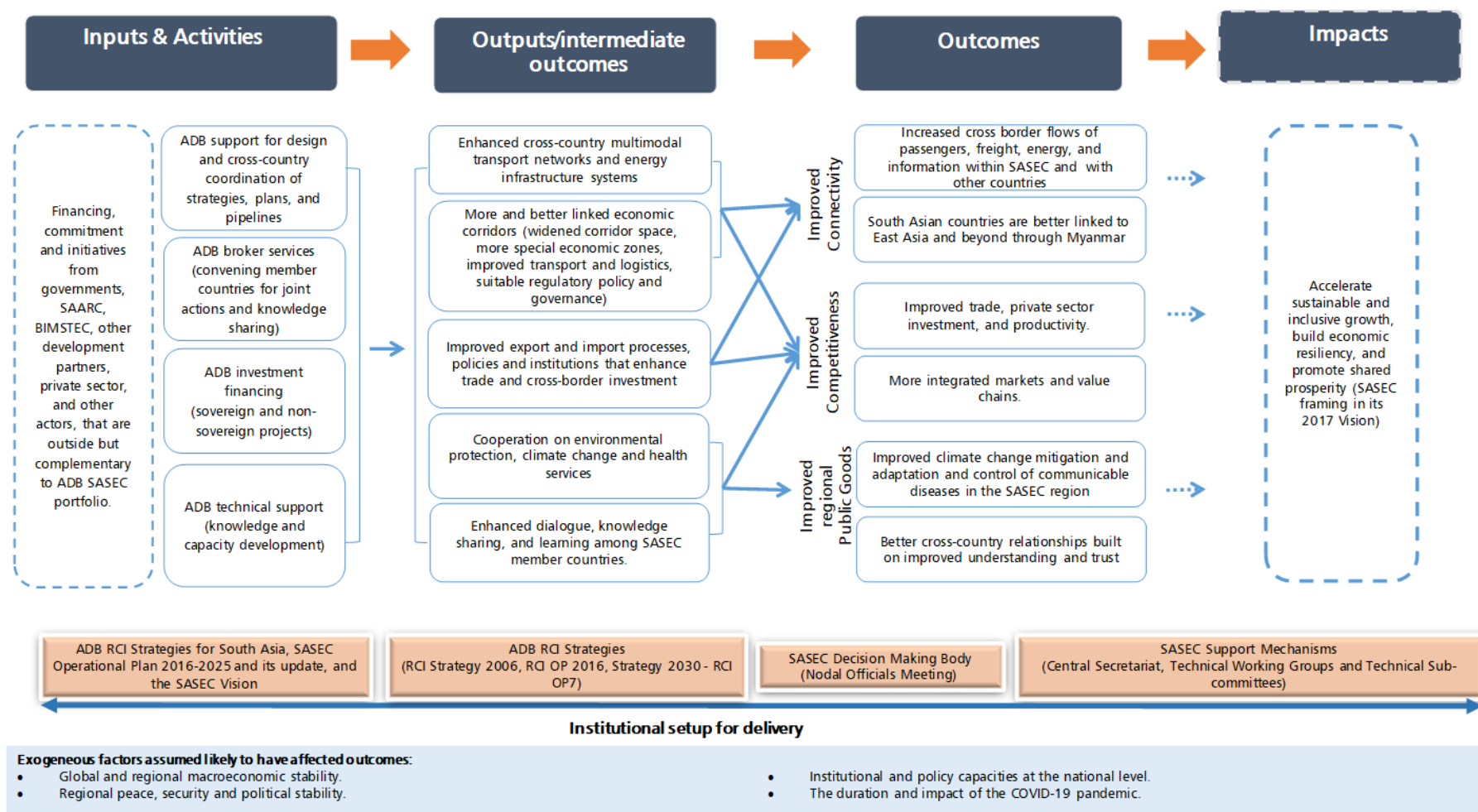
32. **ADB inputs and activities comprise sovereign loans, TA, secretariat support for strategy and plan development, and broker services to facilitate policy dialogue and knowledge sharing.** These contribute to achieving the expected SASEC outputs and intermediate outcomes, including enhanced cross-country physical infrastructure and improved economic corridors, strengthened policies and institutions for trade and investment, and strengthened cooperation on environmental protection, climate change, and health services. Additionally, ADB broker services and TA help to bring about improved dialogue, knowledge sharing, and learning on policies and best practices among SASEC member countries.

33. **The outputs/intermediate outcomes lead to final outcomes that are grouped under the three RCI strategic objectives of connectivity, competitiveness, and RPGs.** As illustrated in the figure below, several pathways can transform outputs and intermediate outcomes to final outcomes. Under connectivity, the envisaged outcomes include improved cross border linkages and increased flows of goods, information, and people. These are mainly achieved through improvement of cross-border multimodal transport networks, development of economic corridor systems, and trade facilitation to promote policies that encourage trade, investment, and financial markets integration. Under competitiveness, the outcomes encompass improved trade, private sector investment, and productivity, and more integrated markets and supply chains. These are achieved through many of the measures that contribute to connectivity as discussed above, as well as enhancing electricity trade to improve energy supply and energy reliability and collaboration on environmental issues, climate change, and health. In RPGs, greater cooperation across SASEC countries is expected to effectively tackle shared environmental and climate risks and health concerns, leading to improved climate change mitigation and adaptation and control of the impact of pandemics. Additionally, dialogue, knowledge sharing, and learning among SASEC member countries could lead to better cross-country relationships built on mutual understanding and trust.

34. **ADB is one of many actors that contribute to the SASEC outcomes.** Government itself has a leading role in devising policies and making investments, building on the policy dialogues and strategy discussions at the platforms of SASEC as well as SAARC and BIMSTEC, and drawing in development partner financial investments and technical support. Moreover, the

³¹ ADB contributes to these impacts, but its distinct contribution to the impacts is less visible than at the outcome level due to attribution difficulties.

Theory of Change for the Evaluation of ADB's Contribution to SASEC



ADB = Asian Development Bank, BIMSTEC=the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation, GOV = government, RCI = regional cooperation and integration, SAARC=the South Asian Association for Regional Cooperation, SASEC = South Asia Subregional Economic Cooperation.

Notes: Arrows emphasize the main causal relationships. Solidly lined boxes are the focus of the evaluation.

Source: Asian Development Bank (Independent Evaluation Department).

roles of the private sector and other actors in civil society are increasingly important in contributing to attaining the broad RCI outcomes.

2. Proposed Evaluation Objectives, Scope, and Key Questions

35. **The evaluation will assess the performance and development results of ADB support for the SASEC Program.** As part of this analysis, it will review the appropriateness, effectiveness, and efficiency of the institutional arrangements for the Program over 2011–2022, including ADB’s role as the Secretariat. This will inform the remaining implementation of SASEC’s Vision and the Operational Plan 2016–2025 and provide the basis for any subsequent revision of strategies and plans to be made by SASEC or ADB. The evaluation will particularly focus on assessing how ADB is organized to deliver RPGs in the SASEC subregion, given the relevant, yet still evolving multilateral development bank agenda currently being discussed internationally. As implementation of SASEC plans have been affected by the coronavirus disease pandemic beginning in early 2020, the evaluation will assess the implications of the pandemic for future SASEC strategies. The evaluation will cover the period 2011–2022. For the purpose of providing context and comparison, the evaluation will also review all completed sovereign loan projects approved during 2001–2010.

36. **The overarching evaluation questions are centered on the achievement of the three RCI strategic objectives of connectivity, competitiveness, and RPGs and the effectiveness of the SASEC Program’s institutional framework.** These include: (i) Connectivity: To what extent has ADB support for the SASEC Program improved connectivity in the SASEC subregion?³² (ii) Competitiveness: To what extent has ADB support for the SASEC Program resulted in increased competitiveness with global and regional trade and investment opportunities expanded within the SASEC subregion? (iii) RPGs: To what extent has ADB support improved the provision of RPGs that address shared environmental, health, and other challenges? and (iv) Institutional framework: How effective has the SASEC Program’s institutional framework been, including ADB’s role as the SASEC Secretariat, in delivering the connectivity; competitiveness; and RPG objectives? Detailed evaluation questions are presented in Appendix 4. The links between data collection methods and evaluation questions are provided in Appendix 5.

3. Evaluation Methods, Resources, and Timeline

37. The evaluation will put an emphasis on assessing the causal pathways of ADB contribution from inputs to outputs, intermediate outcomes, and outcomes, taking into account the potential contributions by other actors, and on testing the validity of contribution claims.

38. **The evaluation will use a mixed-methods approach triangulating qualitative and quantitative evidence from multiple sources.** This will involve (i) a review of relevant documents and literature; (ii) an assessment of the SASEC Program institutional structure and ADB’s role as the SASEC Secretariat; (iii) an assessment of ADB’s SASEC operations portfolio; (iv) an analysis of feedback collected from interviews and surveys; (v) a computer-assisted qualitative data analysis to search project validation reports and other relevant review and evaluative documents for findings and evidence and their patterns on project performance, factors that affected performance, and lessons learned; (vi) an analysis of the geographic information system (GIS) data using the Difference-in-Differences method; (vii) other quantitative analyses where sufficient data are available; (viii) case studies using Contribution Tracing, to conduct an in-depth assessment of

³² The focus is on both country and cross-country connectivity as these go together hand-in-hand; increasing cross-country connectivity has more meaning when within country connectivity is well developed.

ADB's contribution to the SASEC Program;³³ and (iv) benchmarking of ADB's support for SASEC against the RCI support provided by other donor agencies to the subregion.

39. **Review of Documents and Literature.** The evaluation will review SASEC Program documents and relevant scholarly literature to understand the regional context, current development challenges, regional economic and social policies, emerging issues, and progress made toward achieving RCI objectives over the evaluation period. The SASEC documents will include the SASEC Vision, operational plans and sector/thematic strategic frameworks where these exist. Key policy and strategy related announcements made in SASEC gatherings, including by ADB representatives, will be examined. ADB strategy documents relating to the RCI theme and ADB's New Operating Model and academic and other research relevant to RCI in the SASEC subregion will also be reviewed. A special review of the literature in the provision of RPGs will be conducted to provide an overview of the current state of knowledge and best practices in this area, including the conceptual framework of RPGs and its effectiveness in providing guidance for RCI operations in the context of development assistance. The evaluation will also be based on a review of relevant IED sector and thematic evaluations.

40. **Institutional Assessment.** The evaluation will assess the appropriateness, effectiveness, and efficiency of the SASEC Program's organizational structure, operational procedures, and other instruments. One of the foci of the assessment will be the institution-light approach of the Program and its coordination and harmonization with the charter-based SARRC and BIMSTEC and with bilateral initiatives. The assessment will also include a review of ADB's internal institutional arrangements that are crucial to ADB's effective and efficient contributions to SASEC. For instance, the evaluation will assess how well the division of labor and coordination among relevant ADB departments and units have worked, and whether the SASEC Secretariat has appropriate organizational structure, operating policies, and budget and human resources for its effective functioning, especially in comparison with the secretariats of CAREC and GMS. The assessment will be based on document review and structured interviews with stakeholders and ADB staff, as well as benchmarking of ADB's practices against those of other donor agencies who also provide RCI support in South Asia. Surveys of government agencies and other key stakeholders, including key informants, will provide additional input to this assessment.

41. **Operations Portfolio Assessment.** The operations portfolio assessment will include a descriptive portfolio analysis. These will be supplemented by a structured review of completed and mature projects using computer-assisted qualitative data analysis and assessments of feedback collected from interviews with and surveys of stakeholders.

- (i) **Descriptive Portfolio Analysis.** This analysis will assess the SASEC sovereign loan and TA projects by country, sector (and where possible by corridor), theme, SASEC objective/priority, and RCI strategic objective. It will also identify which SASEC projects were regional, and which were country-focused but with regional spillover effects. Thematic efforts (e.g., gender) will also be assessed in terms of their mainstreaming or appropriate consideration in SASEC operations. The trends in development partner involvement (e.g., through co-financing) and engagement with the private sector (e.g., public private partnerships) and other stakeholders will

³³ Contribution Tracing is a qualitative-quantitative approach for assessing the extent to which an intervention contributes to the observed outcomes and impacts, taking into account the potential contributions by other actors. It entails constructing contributing causal pathways through assessing all available confirming and disconfirming evidence, testing the validity of contribution claims by analyzing evidence using Bayesian updating, and estimating the level of confidence in the claims (IED. 2023. *Thematic Evaluation Study: Evaluation of ADB Support for the Central Asia Regional Economic Cooperation Program, 2011–2021*. Manila: ADB).

be examined. The analysis will assess trends in project performance and their underlying factors, in comparison with the GMS and CAREC programs. In particular, a comparison of the performance between different types of economic corridors will be conducted.³⁴

- (ii) **Structured reviews.** The evaluation will review all 50 completed or mature sovereign loan projects and 44 completed or mature TA projects (representing 50% of all SASEC TA projects that are completed or mature), using two separate structured templates.³⁵ Standalone TA projects, especially large knowledge products, will be prioritized for inclusion in the review, with TA attached to sovereign loan projects being rolled into the review of the latter projects. The review will aim to assess the contributions of these projects to outcomes and results, as well as their cost effectiveness, success factors, issues and lessons learned. The review will cover project documents at all project processing and implementation stages, including design/formulation, monitoring and supervision, completion, and evaluation. The evaluation will also review the RRP (Report and Recommendation of the President) of all the 10 sovereign loan projects and the Technical Assistance Reports of all the 16 TA projects that have been less than 50% implemented. The review will assess directional changes in the design, objectives, and focus of these newer projects.

42. **Interviews and Surveys.** The evaluation will undertake interviews and surveys of a variety of stakeholders and key informants, including SASEC member country government counterparts, project executing and implementing agencies, regional organizations such as SAARC and BIMSTEC, other donor agencies, private sector entities, civil society organizations (CSO), relevant experts, and ADB staff at headquarters and in resident missions in SASEC countries.³⁶ It will also collect relevant data on SASEC performance that may be available from key stakeholders, such as government agencies and other donor agencies. A particular focus will be put on tracing the outcomes of large sovereign loan and TA projects and on getting feedback on the design, implementation, and results of the Program. The team will conduct the interviews and surveys through an evaluation mission.³⁷

43. **Case Project/Sector/Corridor Studies.** A selection of large sovereign loan and knowledge projects will be identified as case projects to represent major and emerging sectors and corridors supported by the SASEC Program as well as major project types. They will be examined in-depth from formulation to the implementation and completion stages to assess their contribution to results and their cost effectiveness. Projects will be selected for their flagship role in the transformation of sectors or corridors. At the sector level these may be transport, trade facilitation, or energy projects that connect SASEC member countries, reducing travel and processing times and cost. TA related to sovereign loan projects will be reviewed together with the latter. Projects meant to expand the

³⁴ Definitions of different types of economic corridors are given in ADB economic corridors guidance note ([Economic Corridor Development: From Conceptual Framework to Practical Implementation—Guidance Note | Asian Development Bank \(adb.org\)](#)). There is a contention that among the various types of economic corridors, ADB support has had more success with transport corridors than with trade corridors. ADB. 2023. *Corridor Programs in ADB's Regional Cooperation and Integration Operations*. Manila.

³⁵ By mature the evaluation requires investment and TA projects to be at least 50% into their planned duration. This measure is inferred from discussions found in the IED 2015 CAPE/CPSFR guidelines.

³⁶ Other donor agencies will particularly include regional cooperation focal points of the World Bank, AIIB, and JICA, who attend the SASEC Nodal Officials' Meeting.

³⁷ Given the small share of ADB support for each of Bhutan and Maldives during the evaluation period (Appendix 3, Table A3.7), the mission to these two countries will be virtual, except that a consultant will be sent to each of them for a physical visit.

scope of SASEC interventions to include RPGs (e.g., climate change mitigation and pandemic and communicable disease control) will also be covered. These case studies will provide in-depth project and sector specific evidence on the effectiveness and efficiency of SASEC operational procedures of project selection, approval, design, and implementation, and on ADB contribution to achieving the RCI strategic objectives in the SASEC subregion. The studies will use Contribution Tracing to assess ADB contribution, taking into account the potential roles of other actors, analyzing all available evidence of different types, and estimating the level of confidence in contribution claims.

44. **Country assessment.** The evaluation will assess country factors that may have affected the SASEC Program's performance, including those related to country policies that inhibit or facilitate RCI, quality of governance, government commitment to RCI, country geographic characteristics (size, relative location, etc.), and geopolitical factors. The assessment will be conducted at both the national and the sector levels. The evaluation will also assess SASEC's benefits to countries of different geographic characteristics.

45. **Results Indicators.** The indicators for assessing the SASEC Program results will be selected from what have been set in or can be inferred from the theory of change of the evaluation, the SASEC Vision and the SASEC Operational Plans, ADB RCI results frameworks, and ADB Asia-Pacific Regional Cooperation and Integration Index. These will be supplemented by some external sources, including the World Bank's Logistics Performance Index, the World Competitiveness Index, International Monetary Fund Direction of Trade Statistics, and United Nations Conference on Trade and Development Foreign Direct Investment Statistics, to just name a few. The results indicators will measure results at the regional, national, and local levels to assess the causal chains from outputs to intermediate outcomes, outcomes, and impacts. The evaluation's geospatial analysis will generate some geospatial indicators which can be used to measure results at the local level as well. Appendix 5 provides a detailed list of results indicators that could be used.

46. **Limitations.** ADB is one of the many contributors to RCI in the SASEC subregion. The limited availability of data on support provided by the other actors may affect the execution of quantitative assessments and hinder the ability to determine the precise magnitude of ADB's contribution. Given limited time and resources the evaluation will give greatest attention to the countries, sectors, and areas identified for future support. In the case of Myanmar, it may not be possible to have a full assessment of the role of SASEC or the progress made in realizing the SASEC Myanmar Vision. The evaluation team will not be able to interview officials, other stakeholders, and beneficiaries in the country due to the current situation there, although it will interview ADB staff and other donor agencies and review relevant project documents.

4. Resources Requirements and Indicative Timeline.

47. The evaluation will be carried out by a team of IED staff comprising: (i) Houqi Hong (team leader), (ii) Toshiyuki Yokota (transport sector assessment), (iii) Alvin Morales (project assessment), (iv) Sergio Villena (portfolio assessment and consultant administration), and (v) Michelle Angieline Dantayana (administrative support).

48. The team will be assisted by an international consultant in each of the following five areas: i) transport; ii) energy; iii) trade facilitation and economic corridors; iv) institutional framework and strategic assessment; and v) RPGs. The team will be supported by four headquarters-based national consultants to conduct document review, data analysis, and basic project assessment. In addition, in-field national consultants in SASEC member countries will be hired to assist in arranging mission meetings, facilitating interviews, and following up with data as necessary.

Consultant terms of reference are provided in Supplementary Appendix 1, and overall resources required are placed in Supplementary Appendix 2.

49. The evaluation report is expected to be peer reviewed by Shahrokh Fardoust and Walter Kolkma. In IED, Yurendra Basnett will be the internal commenter.

50. The evaluation is scheduled for completion in September 2024, in line with the indicative timeline provided in Table 3.

Table 3: Indicative Timeline

Milestone	Schedule
Approval of evaluation approach paper	IV October 2023
Missions*	III November 2023–II January 2024
Surveys of stakeholders at local level	III November 2023–II January 2024
Storyline meeting	IV January 2024
One-Stop-Meeting discussion of draft report	I March 2024
Draft report for interdepartmental review	IV March 2024
Heads of Departments meeting	II June 2024
Approval of final report	II July 2024
Development Effectiveness Committee meeting	II September 2024

* The mission to Bhutan and Maldives will be virtual, except that a consultant will be sent to each of the two countries for a physical visit.

Appendixes:

1. South Asia Subregional Economic Cooperation Program's Institutional Framework and Strategy Documents
2. Regional Public Goods in South Asia Subregional Economic Cooperation Program's and Asian Development Bank's Strategic Frameworks and Documents
3. South Asia Subregional Economic Cooperation Portfolio 2001–2022
4. Detailed Questions for Evaluating ADB's Contribution to the South Asia Subregional Economic Cooperation Program
5. Evaluation Matrix
6. Main Expected Outputs and Outcomes of the South Asia Subregional Economic Cooperation Program, 2011–2022
7. Evaluation Communications Plan

Supplementary Appendixes:

1. Draft Consultant Terms of Reference (*not for public disclosure*)
2. Cost Estimates (*not for public disclosure*)

APPENDIX 1: SOUTH ASIA SUBREGIONAL ECONOMIC COOPERATION PROGRAM'S INSTITUTIONAL FRAMEWORK AND STRATEGY DOCUMENTS

1. South Asia Subregional Economic Cooperation (SASEC) Program does not have a formal document setting out its institutional framework. To operationalize their shared visions, however, SASEC member countries together have established a three-tier informal structure where they conduct informal consultation and agree on priorities for coordinated action under the Program.¹
2. The first tier of the structure is the Nodal Officials Meeting. Each member country has a designated nodal official, usually at the Director General level, who takes the leading role in SASEC for that country. The Nodal Officials Meeting is held at least once annually. It reviews and provides strategic direction and overall guidance for cooperation under SASEC. Above the Nodal Officials Meeting, there is a Finance Ministers' Meeting, which has been operating on an ad hoc basis, but will be formalized to provide stronger overall direction, as endorsed by the Nodal Officials Meeting held in mid-2022.²
3. The second tier is SASEC Technical Working Groups, which supports the Nodal Officials Meeting and review and discuss strategic priorities and project-level progress. These are sector-based groups and have been established for trade facilitation, transport, and energy (the information and communication technology working group has been dropped as the sector is no longer a priority).
4. The third tier is Technical Sub-Committees. These are sub-sector based and are established on an as-needed basis (e.g., SASEC Customs Sub-Committee) to carry out the agreed actions of the technical working groups.
5. The above structures are subject to change in view of the desire in SASEC to strengthen its institutions. The Nodal Officials Meeting will be transformed to Senior Officials Meeting, with a National Committee in each member country (footnote 2).
6. Projects listed under the SASEC Operational Plan are updated and refined by the relevant SASEC technical working groups and/or technical sub-committees based on sector roadmaps and work plans. Changes to the project list require endorsement by the SASEC Nodal Officials Meeting and take into account the level of project readiness.
7. The key strategy documents that guide SASEC's work are the 2017 SASEC Vision and the 2016–2025 Operational Plan (updated). The latter is likely to have another updated version issued soon for the remaining three years 2023–2025. The only sector strategy developed under SASEC is the Trade Facilitation Strategic Framework 2014–2018.³
8. Supporting the above SASEC structure and planning is the SASEC Secretariat, housed in part in the ADB Manila headquarters and in part in the India Resident Mission in Delhi. The two components work closely together, potentially offering the advantages of headquarters leadership with on the ground responsiveness. Financing of the SASEC Secretariat and some costs of meetings have been borne by ADB, partly from its regular budget (staff participation) and partly from technical assistance funds.

¹ SASEC. [SASEC Discussion Platforms | South Asia Subregional Economic Cooperation](#).

² SASEC. Strengthening SASEC Institutional Mechanisms: Organizational Structure and Functions. 20 June 2022.

³ ADB. 2014. *SASEC Trade Facilitation Strategic Framework 2014–2018*. Manila.

APPENDIX 2: REGIONAL PUBLIC GOODS IN SOUTH ASIA SUBREGIONAL ECONOMIC COOPERATION PROGRAM'S AND ASIAN DEVELOPMENT BANK'S STRATEGIC FRAMEWORKS AND DOCUMENTS

A. Regional public goods in South Asia Subregional Economic Cooperation strategies

1. Until 2015, South Asia Subregional Economic Cooperation (SASEC) Program had not developed any strategic framework or long-term plan of its own, relying on a project-heavy approach and guidance from the Asian Development Bank (ADB) regional cooperation integration (RCI) strategies and ADB South Asia RCI strategies. In 2016, SASEC adopted its first long-term plan: the SASEC Operational Plan 2016–2025. This was followed by the adoption of SASEC Vision and the updates of both the Operational Plan and the SASEC Vision.

2. Regional public goods (RPGs) were not explicitly promoted as a priority in any of the ADB RCI strategies for South Asia, the SASEC Operational Plan and its update, and the SASEC Vision and its update. However, ADB wide RCI strategies, including the RCI Strategy 2006, ADB Operational Plan for RCI (2016–2020), and the Strategy 2030 Operational Plan for Priority 7, have consistently treated RPGs as one of their strategic pillars.

B. Regional Public Goods in ADB Strategies

3. The four pillars of ADB's RCI Strategy 2006 are (i) regional and subregional economic cooperation programs on cross-border infrastructure and related software; (ii) trade and investment cooperation and integration; (iii) monetary and financial cooperation and integration; and (iv) cooperation in RPGs.¹ RPGs listed in this strategy include clean air, environmental protection, control of communicable diseases, management of natural disasters, energy efficiency, improving governance, and prevention of human and drug trafficking. This is not presented as an exhaustive list, but seemingly as possible initiatives worth mentioning in the strategy.

4. The ADB Operational Plan for RCI (2016–2020) maintained a similar approach to RPGs.² Its explicit list of RPGs covers much of the same ground as the RCI Strategy 2006, adding and shedding a few items. Again, the list seems not intended to be an exhaustive one, but rather to specify some important areas where ADB can add value. The Operational Plan also mentions that knowledge products will be generated to support RPGs.

5. One of the three strategic priorities of the Strategy 2030 Operational Plan for Priority 7 is “Regional Public Goods Increased and Diversified.” The expected outcomes under this priority are listed as regional climate change mitigation and adaptation, shared environmental management, and expanding and diversifying access to regional education and health services. Examples of RPGs as provided in the main text include disaster risk management, transboundary natural resource management, emission trading and green technologies.³

¹ ADB. 2006. *Regional Cooperation and Integration Strategy*. Manila.

² ADB. 2016. *Operational Plan for Regional Cooperation and Integration, 2016–2020: Promoting Connectivity, Competitiveness, Regional Public Goods, And Collective Action for Asia and the Pacific*. Manila.

³ ADB. 2019. *Strategy 2030 Operational Plan for Priority 7 - Fostering Regional Cooperation and Integration, 2019–2024*. September, Manila.

C. Regional Public Goods in ADB Knowledge Products

6. ADB has recently deepened its knowledge base on regional cooperation. The first chapter of its 2020 knowledge product on RCI is devoted to regional public goods.⁴ It also provides selected examples, including among others air and marine pollution, climate change, infectious and communicable diseases, river basin management, hazardous waste transport, marine fisheries management, biodiversity and nature conservation, invasive species, harmonization of intellectual property rules, controls on dangerous scientific experiments, and technical standards. This is an even more expansive view of regional public goods than found in ADB strategies and one that may find its way into these strategies as they are operationalized and refined.

7. The above mentioned RCI knowledge product defines RPGs as public goods that are supplied by states situated in geographic proximity to one another and that primarily benefit the states belonging to this region (footnote 4). It indicates that RPGs are distinguished by the non-rivalry and/or non-excludability of their consumption by the regional countries. Non-rivalry denotes that the consumption of a public good by one regional country does not reduce the utility of the good for neighboring countries. Non-excludability means that single regional countries cannot be excluded from consuming a particular public good. The Asian Economic Integration Report 2018 articulates that RPGs are often “impure” in that they can be partially rival and/or partially excludable, with some even involving only some excludability but no rivalry or some rivalry without excludability.⁵

D. National versus Regional Projects

8. Frustrating any easy designation of regional projects or RPGs is the reality that sovereign loan projects are owned by national governments. Only in the case of technical assistance (which are generally administered by ADB) are the member countries of SASEC closely involved in a common project.

9. There are no effective operational definitions in the SASEC or ADB strategic documents that are in the form of criteria or checklists for essential features that mark projects as national or regional – the latter includes RPGs and other regional initiatives. The ADB RCI Operational Plan (2016–2020) seeks to distinguish between national and regional projects by providing examples, and it does so for all RCI pillars. The recently introduced Central Asia Regional Economic Cooperation (CAREC) project classification system, which aligns with ADB’s guidance note on classification of RCI projects, provided a criteria-based framework for identifying CAREC projects. The classification system is limited in providing effective guidance because it in effect does not require a regional project to have substantive regional economic benefits.⁶

E. Enabling Factors in Developing Regional Public Goods

10. The experiences in generating regional public goods have shown that trade integration is the usual starting point; regional cooperation can subsequently deepen into other more varied and difficult forms of integration. Establishing economic incentives and commercial interests creates a base of trust and experience upon which RPGs can emerge.⁷ In the context of SASEC,

⁴ B. Susantono and C.Y. Park, eds. 2020. *Future of Regional Cooperation in Asia and the Pacific*. Manila: Asian Development Bank. pp. 5.

⁵ ADB. 2018. *Asian Economic Integration Report 2018*. Manila.

⁶ IED. 2023. *Thematic Evaluation Study: Evaluation of ADB Support for the Central Asia Regional Economic Cooperation Program, 2011–2021*. Manila: ADB.

⁷ IDB and ADB. 2004. *Regional Public Goods: From Theory to Practice*.

building trust will be a prerequisite to any expansion of cooperation beyond the more traditional sectors/areas that have absorbed efforts to date.

11. Facilitating the creation of RPGs, and their performance, requires consideration of several factors. Chief among these is ensuring that participating states in RPGs creation have a strong ownership of initiatives, and this commitment is likely to be found where national development strategies – with explicit regional cooperation aims – have political support in the participating countries. Once countries decide to pursue regional approaches, then new or innovative ways of structuring these forms of cooperation may be needed. This is where the role of regional development banks like ADB and cooperation platforms like SASEC can be helpful. These organizations in turn must use instruments suited to the task and setting, avoiding “one-size fits all” approaches.

F. Concluding Observations

12. Regional public goods are a key pillar of ADB’s RCI strategy, and over time SASEC is expected to reflect this corporate direction, meaning it will need to explore activities beyond the traditional core areas of transport/economic corridors, trade, and energy.

13. SASEC has yet to stake out a regional public goods approach and has an opportunity to do so in the context of developing its next operational plan and generating its first formal results framework.

14. SASEC can look to CAREC and other platforms for RCI to see how good practices in pursuing RPGs are developing in adopting its own approaches.

APPENDIX 3: SOUTH ASIA SUBREGIONAL ECONOMIC COOPERATION PORTFOLIO 2001–2022¹

Table A3.1: ADB SASEC Sovereign Loan Projects by Sector, 2001–2010

Sector	Sovereign Projects		Loan		Share of Total (%)	
	Number	Amount (\$ million)	Number	Amount (\$ million)		
Economic Corridor	0	-	0	0		
Energy	3	352.24	16	16		
Health	0	-	0	0		
ICT	2	13.57	11	1		
Tourism	0	-	0	0		
Trade Facilitation	0	-	0	0		
Transport	14	1,770.37	74	83		
Total	19	2,136.18	100	100		

ICT = information and communication technology.

Source: The evaluation team's calculations based on SASEC portfolio database.

Table A3.2: ADB SASEC Sovereign Loan Projects by Sector, 2011–2022

Sector	Sovereign Projects		Loan		Share of Total (%)	
	Number	Amount (\$ million)	Number	Amount (\$ million)		
Economic Corridor	5	1,261.38	8	12		
Energy	13	1,834.27	22	17		
Health	2	23.00	3	0		
ICT	0	-	0	0		
Tourism	2	65.21	3	1		
Trade Facilitation	6	305.67	10	3		
Transport	32	7,234.07	53	67		
Total	60	10,723.60	100	100		

ICT = information and communication technology.

Source: The evaluation team's calculations based on SASEC portfolio database.

Table A3.3: ADB SASEC TA Projects by Nature of Activity, 2001-2010

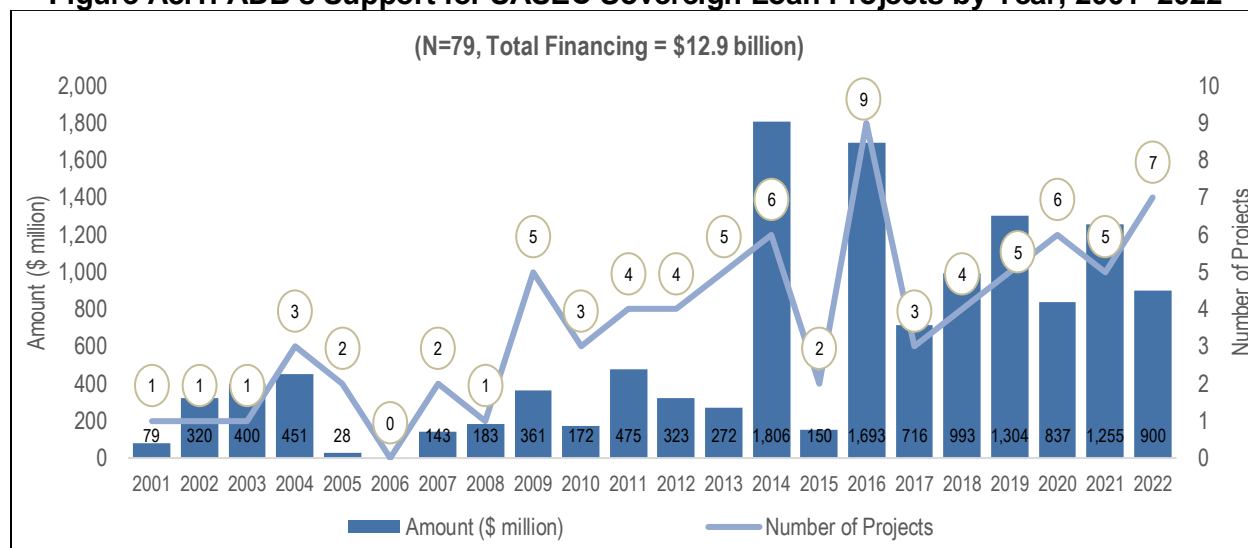
Nature of TA Activity	Technical Assistance		Share of Total (%)	
	Number	Amount (\$ million)	Number	Amount (\$ million)
Capacity Development TA	5	12.71	9	24
Policy Advisory TA	6	7.39	11	14
Project Preparation TA	21	14.47	37	27
Research and Development TA	4	6.25	7	12
Others (Study, Training)	21	13.04	37	24
Total	57	53.85	100	100

TA = technical assistance.

¹ The portfolio data in this appendix cover the evaluation period as well as the preceding 10-year period. This provides a historical trend of the portfolio.

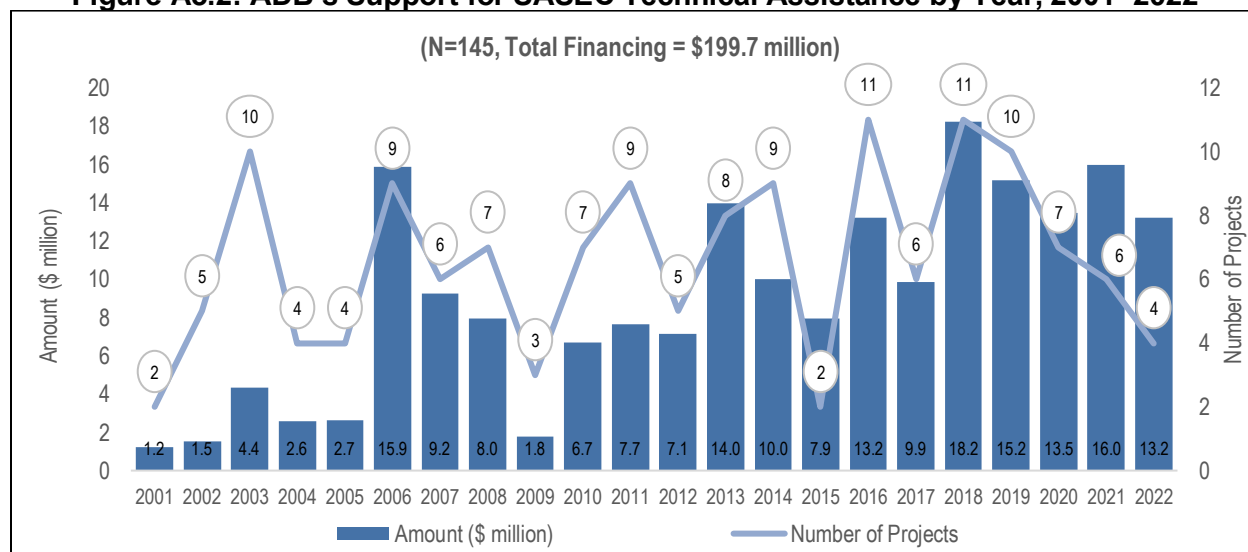
Source: The evaluation team's calculations based on SASEC portfolio database.

Figure A3.1: ADB's Support for SASEC Sovereign Loan Projects by Year, 2001–2022



Source: The evaluation team's calculations based on SASEC portfolio database.

Figure A3.2: ADB's Support for SASEC Technical Assistance by Year, 2001–2022



Source: The evaluation team's calculations based on SASEC portfolio database.

Table A3.4: ADB SASEC Technical Assistance by Sector, 2001-2010

Sector	Technical Assistance		Share of Total (%)	
	Number	Amount (\$ million)	Number	Amount (\$ million)
Economic Corridor	0	-	0	0
Energy	8	6.11	14	11
Health	0	-	0	0
ICT	3	5.35	5	10
Tourism	2	1.40	4	3
Trade Facilitation	16	17.76	28	33
Transport	28	23.23	49	43
Total	57	53.85	100	100

ICT = information and communication technology.

Source: The evaluation team's calculations based on SASEC portfolio database.

Table A3.5: ADB SASEC Technical Assistance by Sector, 2011-2022

Sector	Technical Assistance		Share of Total (%)	
	Number	Amount (\$ million)	Number	Amount (\$ million)
Economic Corridor	5	7.60	5	5
Energy	22	27.41	24	19
Health	0	-	0	0
ICT	0	-	0	0
Tourism	1	1.00	1	1
Trade Facilitation	28	59.25	30	41
Transport	37	50.58	40	35
Total	93	145.84	100	100

ICT = information and communication technology.

Note: Technical assistance portfolio includes 5 regional TAs that were approved prior to 2011 but have supplemental financing that were approved during 2011-2022.

Source: The evaluation team's calculations based on SASEC portfolio database.

Table A3.6: ADB's Support by SASEC Country, 2001-2010

Country	Sovereign Loan Projects		Technical Assistance		Total		Share of Total (%)	
	No.	Amount (\$ million)	No.	Amount (\$ million)	No.	Amount (\$ million)	No.	Amount (\$ million)
India	6	1,346.96	7	5.00	13	1,351.96	16	62
Bangladesh	6	298.47	6	5.29	12	303.77	15	14
Bhutan	4	253.50	7	5.54	11	259.04	14	12
Nepal	6	236.25	7	3.65	13	239.90	16	11
Regional	1	1.00	29	33.37	30	34.37	38	2
Sri Lanka	0	-	1	1.00	1	1.00	1	0
Maldives	0	-	0	-	0	-	0	0
Total	23	2,136.18	57	53.85	80	2,190.04	100	100

No. = number.

Note: The total count of sovereign loan projects does not sum up to 19 since there are two regional projects that were implemented in three countries.

Source: The evaluation team's calculations based on SASEC portfolio database.

Table A3.7: ADB's Support by SASEC Country, 2011–2022

Country	Sovereign Loan Projects		Technical Assistance		Total		Share of Total (%)	
	No.	Amount (\$ million)	No.	Amount (\$ million)	No.	Amount (\$ million)	No.	Amount (\$ million)
Bangladesh	17	4,487.41	17	21.19	34	4,508.59	22	41
India	15	3,126.21	13	17.63	28	3,143.84	18	29
Nepal	19	2,123.38	18	22.17	37	2,145.55	24	20
Sri Lanka	1	642.73	4	4.48	5	647.21	3	6
Bhutan	8	323.87	11	14.10	19	337.97	12	3
Regional	0	-	27	63.08	27	63.08	17	1
Maldives	2	20.00	3	3.20	5	23.20	3	0.2
Total	62	10,723.60	93	145.84	155	10,869.44	100	100

No. = number.

Notes:

1. The total count of sovereign loan projects does not sum up to 60 since there is one regional project that was implemented in three countries.

2. Technical assistance portfolio includes 5 regional TAs that were approved prior to 2011 but have supplemental financing that were approved during 2011–2022.

Source: the evaluation team's calculations based on SASEC portfolio database

Table A3.8: Status of ADB-supported SASEC Projects, 2001–2022

Item	Sovereign Loan Projects		Technical Assistance	
	Number	%	Number	%
Active	41	52	34	23
Mature (passed at least 50 % implementation time)	31	76	28	82
Completed	38	48	111	77
Self-assessed	24		58	
Validated	24		10	
Not evaluated	14		53	
Total	79	100	145	100

Notes:

1. Information on project status as of 18 August 2023.

2. There are cases of multiple completion reports for a single project since (i) some projects were jointly assessed and (ii) the additional financing is counted separately from its original project.

3. The classification of maturity in active projects is a rough estimate whether a project has passed halfway of its expected implementation period based on the approval year and latest revised closing date.

Source: Asian Development Bank (Independent Evaluation Department's estimates).

Table A3.9: ADB's Support in SASEC Countries, 2001–2022

	Sovereign Loan Projects			Technical Assistance		
	2001–2010	2011–2022	Total	2001–2010	2011–2022	Total
Number of Projects	19	60	79	57	93	145
ADB Financing (\$ million)	2,038.22	8,819.82	10,858.04	41.87	89.71	131.57
Cofinancing (\$ million)	97.96	1,903.78	2,001.74	11.99	56.13	68.12
Total Financing (\$ million)	2,136.18	10,723.60	12,859.78	53.85	145.84	199.69

Notes:

1. Additional financing operations in sovereign loan projects are counted separately from the original project.
2. The count of technical assistance projects does not sum up to the total. The count in the period '2011–2022' includes 5 regional TAs originally approved prior to 2011 but have supplemental financing during 2011–2022.

Source: Controller's Department database as of 31 December 2022; ADB eOps, and SASEC portfolio database (<https://www.sasec.asia/index.php?page=projects>).

Table A3.10: ADB SASEC TA Projects by Nature of Activity, 2011–2022

Nature of TA Activity	Technical Assistance		Share of Total (%)	
	Number	Amount (\$ million)	Number	Amount (\$ million)
Capacity Development TA	58	104.17	62	71
Policy Advisory TA	9	9.50	10	7
Project Preparation TA	20	22.00	22	15
Research and Development TA	5	9.95	5	7
Others (Study, Training)	1	0.22	1	0
Total	93	145.84	100	100

Note: The count of TA includes 5 regional TAs that were approved prior to 2011 but have supplemental financing that were approved during 2011–2022.

Source: The evaluation team's calculations based on SASEC portfolio database.

APPENDIX 4: DETAILED QUESTIONS FOR EVALUATING ADB'S CONTRIBUTION TO THE SOUTH ASIA SUBREGIONAL ECONOMIC COOPERATION PROGRAM

Key Questions	Detailed Questions
1. To what extent has ADB support for the SASEC Program increased connectivity in the SASEC subregion?	
Q1: Has ADB support for the SASEC Program been appropriately designed to deliver the Program's connectivity objective?	<ul style="list-style-type: none"> • How well is the program of ADB support for the connectivity objective (the connectivity program) aligned and responsive to the needs of SASEC member countries? • How well is the connectivity program aligned with ADB strategies (particularly the RCI goals of country partnership strategies) and comparative advantages? • How well designed is the connectivity program, in terms of choice of sectors, composition of operations, solution approaches, level of resources, and choice of financing instruments? • How well are safeguards and other risks managed in regional connectivity projects?
Q2: To what extent has ADB support to the SASEC Program contributed to improving connectivity in the SASEC subregion?	<ul style="list-style-type: none"> • To what extent have the major target outputs been delivered in the three key infrastructure areas ADB supported (transportation, energy, and trade)? • To what extent has the connectivity program achieved its target outcomes in terms of increased cross border flows of passengers, freight, energy, and information? • How have the benefits from ADB support for improving connectivity been distributed across the participating countries and different groups of beneficiaries, including women and local indigenous people? • How likely are the outcomes of the ADB support for improving connectivity to be sustainable?
Q3: What are the key issues and lessons learned from ADB support for regional connectivity under the SASEC Program?	<ul style="list-style-type: none"> • What global, regional, and national level issues have emerged from the connectivity program that could impact the strategic approach of and the programs to be implemented under the SASEC Program? • What are the lessons learned from the connectivity program that could be helpful for the design and implementation of other regional cooperation programs?
2. To what extent has ADB support for the SASEC Program increased competitiveness with global and regional trade and investment opportunities expanded?	
Q1: Has ADB support for the SASEC Program been appropriately designed to deliver the Program's objective of increasing competitiveness?	<ul style="list-style-type: none"> • How well is the program of ADB support for the competitiveness objective (the competitiveness program) aligned and responsive to the needs of member countries? • How well is the competitiveness program aligned with ADB strategies (particularly the RCI goals of country partnership strategies) and comparative advantages? • How well designed is the competitiveness program, in terms of choice of sectors, composition of operations, solution approaches, level of resources, and choice of financing instruments?
Q2: To what extent has ADB support to the SASEC Program contributed to increasing	<ul style="list-style-type: none"> • To what extent has the SASEC Program delivered its target outputs in terms of economic corridors and policies and institutions for trade and investment?

Key Questions	Detailed Questions
competitiveness in the SASEC subregion?	<ul style="list-style-type: none"> To what extent has the SASEC Program achieved its target outcomes in terms of market and value chain development and improved trade, private sector investment, and productivity, particularly for member countries with small tradeable sectors? How are the benefits from ADB support for improving trade, regional value chain, and investment opportunities distributed across the participating countries and different groups of beneficiaries, including women and local indigenous people? How likely are the outcomes of ADB support for expanding trade and investment opportunities to be sustainable?
Q3: What are the key issues and lessons learned from ADB support for increasing competitiveness under the SASEC Program?	<ul style="list-style-type: none"> What global, regional, and national level issues have emerged from the competitiveness program that could impact the strategic approach of and the programs to be implemented under the SASEC Program? What are the lessons learned from the SASEC Program efforts to expand trade and investment opportunities that could be helpful for the design and implementation of other regional cooperation programs?
3. To what extent has ADB support improved the provision of regional public goods that address shared health, climate change, cross-border natural resources and water management, and other challenges in the SASEC subregion?	
Q1: Has ADB support for the SASEC Program been appropriately designed to deliver the Program's regional public goods objective?	<ul style="list-style-type: none"> How well is the program of ADB support for regional public goods (the regional public goods program) aligned and responsive to the needs of member countries? What specific South Asia features and challenges have set the pace and scope for expansion in SASEC's support for regional public goods? How well is the regional public goods program aligned with ADB strategies (particularly the RCI goals of country partnership strategies) and comparative advantages? How well designed is the regional public goods program, in terms of choice of sectors, composition of operations, solution approaches, level of resources, and choice of financing instruments?
Q2: To what extent has ADB support for the SASEC Program contributed to provision of regional public goods in the SASEC subregion?	<ul style="list-style-type: none"> To what extent has the regional public goods program delivered its target outputs, especially in terms of improved cooperation on health, climate change, and environmental protection, and enhanced cross-country exchanges and communication? To what extent has the regional public goods program achieved its target outcomes, especially in terms of better controlled communicable diseases, improved climate mitigation and adaptation, and better relationships among countries built on improved understanding and trust? How are the benefits from ADB support for improving regional public goods distributed across the participating countries and different groups of beneficiaries, including women and local indigenous people? How likely are the outcomes of ADB support for improving regional public goods to be sustainable?
Q3: What are the key issues and lessons learned from ADB support	<ul style="list-style-type: none"> What global, regional, and national level issues have emerged from the regional public goods program that could impact the strategic approach of and the programs to be implemented under the SASEC Program?

Key Questions	Detailed Questions
for regional public goods under the SASEC Program?	<ul style="list-style-type: none"> What are the lessons learned from the regional public goods program that could be helpful for the design and implementation of other regional cooperation programs?
4. How effective has the SASEC Program's institutional framework been, including ADB's role as the SASEC Secretariat, in delivering the connectivity; competitiveness; and RPG objectives?	
Q1: Has the SASEC Program governance been appropriately designed to deliver on the RCI strategic objectives?	<ul style="list-style-type: none"> Does the SASEC Program have the necessary and appropriate institutional setup (Finance Ministers' Meeting, Nodal Officials Meeting, Technical Working Groups, Technical Sub-Committees) and instruments (e.g., the SASEC Vision, operational plans, sector strategies, resources) to deliver on the RCI strategic objectives? How efficient has the SASEC Program been in mobilizing financing and other support from member countries, donor agencies, and the private sector? How effective has the SASEC Program been in coordinating and harmonizing with existing charter-based regional organizations (such as SAARC and BIMSTEC), bilateral initiatives, and national priorities? How effective has the SASEC Program been in using financial incentives (such as allocating extra ADB funds to RCI projects) and technical and knowledge inputs to promote cross-country cooperation?
Q2: How well has ADB performed its role as the SASEC secretariat?	<ul style="list-style-type: none"> How well has ADB performed in facilitating and coordinating across member countries, other donor agencies, and the private sector? How well has ADB performed in providing support services to the range of meetings, working groups, and technical sub-committees convened under SASEC? How effective have ADB's internal institutional arrangements been, in terms of division of labor and coordination among relevant ADB departments and units, inclusive of the SASEC Secretariat?
Q3: How well has ADB performed its role as an honest broker and a technical advisor?	<ul style="list-style-type: none"> How effectively has ADB used its convening power to mobilize joint actions among member countries, donor agencies, and regional organizations such as SAARC and BIMSTEC? To what extent have ADB's knowledge products and innovations contributed to achieving the SASEC Program's strategic objectives and ADB RCI strategic objectives? How well has ADB support to capacity development contributed to addressing institutional capacity constraints in the SASEC subregion? How well has ADB leveraged its TA, loans, and policy to leverage more substantial contributions to RCI in terms of innovation, replication, or scale up. As the RCI indicators are low for SASEC, what has ADB done to increase awareness, address policy/capacity constraints and identify bottlenecks/solutions to facilitate great RCI?

ADB = Asian Development Bank, RCI = regional cooperation integration, SASEC = South Asia Subregional Economic Cooperation.

Source: Asian Development Bank (Independent Evaluation Department).

APPENDIX 5: EVALUATION MATRIX

Main evaluation questions	Key Indicators*	Review of documents and literature			Portfolio review				Case study			Survey and Interview		
		Review of SASEC and ADB relevant strategic documents and the best practice on RPGs provision.	Review of CPSs in SASEC DMCs	Review of literature on SASEC and broader context (academic/ research); regional social economic analysis.	Portfolio characterization and performance analysis	Review of knowledge support and technical assistance	Review of role and results of core SASEC sectors (TRA, ENE, trade, economic corridors)	Review of role and results of Regional Public Goods	Sector case studies	Corridor and geo-spatial case study	Regional Public Goods case studies	Survey of stakeholders and ADB Staff	Interview with key stakeholders and ADB staff	Interview with local stakeholders
To what extent has ADB support for the SASEC Program increased connectivity in the SASEC subregion?														
Q1: Has ADB support for the SASEC Program been appropriately designed to deliver the Program's connectivity objective?	NA	✓	✓	✓		✓	✓	✓				✓	✓	✓
Q2: To what extent has ADB support to the SASEC Program contributed to improving connectivity in the SASEC subregion?	Logistic Performance Index score; Cross-border flows of passengers, freight, energy, and information			✓	✓	✓	✓		✓	✓		✓	✓	✓
Q3: What are the key issues and lessons learned from ADB support for regional connectivity under the SASEC Program?	NA			✓	✓	✓	✓		✓	✓		✓	✓	✓
To what extent has ADB support for the SASEC Program increased competitiveness with global and regional trade and investment opportunities expanded?														
Q1: Has ADB support for the SASEC Program been appropriately designed to deliver the Program's objective of increasing competitiveness?	NA	✓	✓	✓		✓	✓	✓				✓	✓	✓

Main evaluation questions	Key Indicators*	Review of documents and literature			Portfolio review				Case study			Survey and Interview		
		Review of SASEC and ADB relevant strategic documents and the best practice on RPGs provision.	Review of CPSs in SASEC DMCs	Review of literature on SASEC and broader context (academic/ research); regional social economic analysis.	Portfolio characterization and performance analysis	Review of knowledge support and technical assistance	Review of role and results of core SASEC sectors (TRA, ENE, trade, economic corridors)	Review of role and results of Regional Public Goods	Sector case studies	Corridor and geo-spatial case study	Regional Public Goods case studies	Survey of stakeholders and ADB Staff	Interview with key stakeholders and ADB staff	Interview with local stakeholders
Q2: To what extent has ADB support to the SASEC Program contributed to increasing competitiveness in the SASEC subregion?	Intraregional import and export; Global trade share of SASEC members; Intraregional intermediate goods imports; FDI inflows; Intraregional outbound tourists; Productivity index; Competitiveness index.			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Q3: What are the key issues and lessons learned from ADB support for increasing competitiveness under the SASEC Program?	NA			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
To what extent has ADB support improved the provision of regional public goods that address shared environmental, health, and other challenges?														
Q1: Has ADB support for the SASEC Program been appropriately designed to deliver the Program's regional public goods objective?	NA	✓	✓	✓		✓	✓	✓				✓	✓	✓
Q2: To what extent has ADB support for the SASEC Program contributed to provision of regional public goods in the SASEC subregion?	Decrease of communicable disease cases; improved climate change mitigation and adaptation; Better relationship among member countries; Subregional mean			✓	✓	✓		✓	✓		✓	✓	✓	✓

Main evaluation questions	Key Indicators*	Review of documents and literature			Portfolio review				Case study			Survey and Interview		
		Review of SASEC and ADB relevant strategic documents and the best practice on RPGs provision.	Review of CPSs in SASEC DMCs	Review of literature on SASEC and broader context (academic/ research); regional social economic analysis.	Portfolio characterization and performance analysis	Review of knowledge support and technical assistance	Review of role and results of core SASEC sectors (TRA, ENE, trade, economic corridors)	Review of role and results of Regional Public Goods	Sector case studies	Corridor and geo-spatial case study	Regional Public Goods case studies	Survey of stakeholders and ADB Staff	Interview with key stakeholders and ADB staff	Interview with local stakeholders
	of Global Conflict Risk Index Scores.													
Q3: What are the key issues and lessons learned from ADB support for regional public goods under the SASEC Program?	NA			✓	✓	✓		✓	✓		✓	✓	✓	✓
Cross-cutting questions on SASEC's institutional set-up and procedures and ADB's contribution														
Q1: Has the SASEC Program governance been appropriately designed to deliver on the RCI strategic objectives?	NA	✓		✓								✓	✓	✓
Q2: How well has ADB performed its role as the SASEC secretariat?	NA	✓										✓	✓	✓
Q3: How well has ADB performed its role as an honest broker and a technical advisor?	NA	✓										✓	✓	✓

*The indicators listed will be drawn from several data sources, including: ADB Results Framework; ADB Asia–Pacific Regional Cooperation and Integration Index; World Bank's Logistics Performance Index; World Competitiveness Index; International Monetary Fund Direction of Trade Statistics; UNCTAD Foreign Direct investment statistics; World Tourism Organization Database on Outbound Tourism; EU – Global Conflict Risk Index (GCRI); and World Integrated Trade Solution (WITS).

ADB = Asian Development Bank, CPS = country partnership strategy, DMC = developing member country, ENE = energy, FDI = foreign direct investment, NA = not applicable, RPGs = regional public goods, SASEC = South Asia Subregional Economic Cooperation, TRA = transport.

Source: Asian Development Bank (Independent Evaluation Department).

APPENDIX 6: MAIN EXPECTED OUTPUTS AND OUTCOMES OF THE SOUTH ASIA SUBREGIONAL ECONOMIC COOPERATION PROGRAM, 2011–2022

1. The main intended outcomes of the South Asia Subregional Economic Cooperation (SASEC) Program are described in the SASEC strategic objectives and the SASEC Vision. From 2011–2015, the SASEC Program focused on three sectors—transport, trade facilitation, and energy—consistent with the priorities set in the ADB South Asia Regional Cooperation Integration (RCI) Strategy 2012–2015. In 2016, SASEC members adopted the SASEC Operational Plan 2016–2025, which refocused its operational priorities, expanding cooperation efforts into maritime transport, maritime trade facilitation, renewable energy and energy efficiency, and economic corridor development. It set four strategic objectives, one each in the areas of transport, trade facilitation, energy, and economic corridor development:

- Enhancing physical connectivity through multimodal transport systems that are aligned closely with the development of markets (along six SASEC road corridors);
- Following a comprehensive approach to transport and trade facilitation and expanding the current focus on land-based trade to include sea-borne trade;
- Enhancing electricity trade to meet energy needs and secure power reliability in the subregion; and
- Promoting synergies between economic corridors being developed in individual SASEC countries and optimizing development impacts of these corridors through improved cross-border links.

2. In 2017, the first SASEC Finance Ministers' Meeting adopted the SASEC Vision, which envisioned to “generate synergies through regional cooperation and enhanced integration to unleash latent potential,” principally through the attainment of the following strategic objectives:

- Resource to industry links. Leveraging natural resource-based industries by tapping into latent industrial demand within the subregion.
- Industry to industry links. Promoting industry-to-industry links within the subregion to develop and strengthen regional value chains and enhance the region's competitiveness.
- Industry to infrastructure links. Expanding the region's trade and commerce by providing access to regional and global markets through the development of subregional gateways and hubs.

3. Key intended outputs are reflected in the operational priorities of the SASEC Program. Based on the Operational Plan 2016–2025 and the SASEC Vision, a well-defined set of operational priorities, supported by a long list of projects identified by the SASEC countries, were set up and organized by sector as follows.

a. Transport

- Upgrade and expand the road network in the SASEC subregion along the major trade routes;
- Improve rail connectivity in SASEC;
- Develop port infrastructure to enable the efficient handling of the subregion's maritime trade and expand capacity to cope with the anticipated growth in container traffic;
- Promote coastal shipping and inland water transport to handle international trade; and

- Expand international airports' capacity.

b. Trade Facilitation

- Simplify trade documentation, increase automation, and expedite border clearance procedures to facilitate the movement of goods and vehicles;
- Promote automation in border agencies and facilitate the development of National Single Windows by maximizing their links with all border agencies and the trading;
- Facilitate the strengthening of national conformance bodies and the development of infrastructure and facilities in sanitary and phytosanitary related and other border agencies to help standardize testing and certification, enable the establishment of National Single Windows, and explore mutual recognition agreements;
- Develop and implement through-transport motor vehicle agreements to reduce the levels of border transshipment;
- Develop trade-related infrastructure in SASEC ports, land border crossings including "last mile" approaches and inland container depots and bonded logistics facilities adjacent to land borders and in major centers of trade; and
- Build capacity to support the use of modern techniques and international best practices and enhance regional cooperation and coordination mechanisms among stakeholders involved in trade facilitation.

c. Energy

- Improve interconnections to access large-scale electricity and natural gas sources;
- Harness unused regional indigenous hydropower potential;
- Develop low-carbon alternatives including wind and solar; and
- Facilitate bilateral and regional coordination mechanisms and knowledge sharing such as technology transfer development practices toward the regional power trading market.

d. Economic Corridor Development

- Reinforcing existing value chains and developing new value-chain linkages between in-country corridors;
- Upgrading key transport and trade facilitation infrastructure to improve connectivity between in-country corridors; and
- Designing appropriate institutional mechanisms to serve as platforms for coordination and collaboration among the government and various stakeholders involved in economic corridor development.

5. The SASEC strategic objectives and operational priorities aligned well with ADB RCI strategic objectives of connectivity and competitiveness throughout the evaluation period 2011–2022. The SASEC priorities on cross-border infrastructure and trade facilitation aligned closely with the connectivity objective, while the priorities on energy trade, value chain, and economic corridors connected well with the competitiveness objective. The RCI objective of regional public goods was not explicitly mentioned as a key pillar in any SASEC strategic document due to the sensitivities of this concept among SASEC member countries. However, the SASEC Program provided some investment and technical assistance support in health/communicable diseases control and pure technical assistance support to address other relevant regional social and environmental risks and vulnerabilities, such as climate change, air quality, and hazardous wastes management.

APPENDIX 7: EVALUATION COMMUNICATIONS PLAN

Evaluation Context and Objectives: The evaluation will assess the performance and results of Asian Development Bank (ADB) support for the SASEC Program during 2011–2022. As part of this evaluation, it will review the appropriateness, effectiveness, and efficiency of the institutional arrangements for the Program, including ADB's role as the Secretariat. This will inform the remaining implementation of SASEC's Vision and operational plan 2016–2025 and provide the basis for any subsequent revision of strategies and plans to be made by SASEC or ADB. The evaluation will particularly focus on assessing how ADB is organized to deliver regional public goods in the SASEC subregion, given the evolving multilateral development bank agenda currently being discussed internationally. The findings and recommendations of the evaluation will inform future ADB support for the SASEC Program, including efforts to help strengthen the Program's implementation and institutional arrangements.					
Communications Goal: To disseminate the findings of the evaluation to internal and external stakeholders.					
Audience	Messages	Activity & Tools	Timeline	Communication Resources	Expected Outcomes
Internal					
Board, Management and Staff	<ul style="list-style-type: none"> To what extent ADB support for the SASEC Program has increased connectivity in the SASEC subregion. To what extent ADB support for the SASEC Program has increased competitiveness with global and regional trade and investment opportunities expanded. To what extent ADB support improved the provision of regional public goods that address shared health, environmental, and other challenges in the SASEC subregion. How well the SASEC Program's institutional framework has functioned, including ADB's role as the SASEC Secretariat. 	• Evaluation Report	• July 24	• 8 Hours: 1 consultant 2 staff	<ul style="list-style-type: none"> The board is informed about SASEC Program overall performance and the recommendations of the evaluation and discusses them with IED and management during a Board Development Effectiveness Committee meeting. Management learns from the evaluation findings and recommendations. Management incorporates evaluation findings and recommendations in developing new strategies, planning, and implementing future SASEC program projects. Transparency, accountability, and professionalism are promoted within ADB.
		• DEC Video Presentation	• September 24	• 8 Hours: 1 consultant 1 staff	
		• What Works (HQ)	• Within 30 days of DEC presentation	• 40 Hours: 1 consultant 2 staff	

Audience	Messages	Activity & Tools	Timeline	Communication Resources	Expected Outcomes
External					
Stakeholders in ADB Member Countries and the broad development assistance community	<ul style="list-style-type: none"> To what extent ADB support for the SASEC Program has increased connectivity in the SASEC subregion. To what extent ADB support for the SASEC Program has increased competitiveness with global and regional trade and investment opportunities expanded. To what extent ADB support improved the provision of regional public goods that address shared health, environmental, and other challenges in the SASEC subregion. How well the SASEC Program's institutional framework has functioned, including ADB's role as the SASEC Secretariat. 	<ul style="list-style-type: none"> Presentation at the SASEC Regional Office in Delhi, India 	<ul style="list-style-type: none"> November 24 	<ul style="list-style-type: none"> 16 Hours: 1 consultant 4 staff (Evaluation team + CO) 	<ul style="list-style-type: none"> Stakeholders are informed about the performance of the SASEC Program and ADB support for it. Stakeholders learn from lessons found from the evaluation. Relevant stakeholders incorporate evaluation findings and recommendations in developing their own new strategies and in planning and implementing future projects either under SASEC or other similar programs. ADB reputation in terms of transparency, accountability, and professionalism promoted.
		<ul style="list-style-type: none"> Web posting 	<ul style="list-style-type: none"> September 24 	<ul style="list-style-type: none"> 8 Hours: 1 consultant 2 staff 	
		<ul style="list-style-type: none"> News Release 	<ul style="list-style-type: none"> 48 hours after DEC presentation 	<ul style="list-style-type: none"> 16 hours: 1 consultant, 2 staff from CO 	
		<ul style="list-style-type: none"> Evaluation in Brief (Digital flyer) 	<ul style="list-style-type: none"> Within 30 days of DEC presentation 	<ul style="list-style-type: none"> 8 Hours: 1 consultant 2 staff 	
		<ul style="list-style-type: none"> Video with human interest angle 	<ul style="list-style-type: none"> Within 30 days of DEC presentation 	<ul style="list-style-type: none"> 40 Hours: 1 consultant 2 staff 	
		<ul style="list-style-type: none"> Blog/articles 	<ul style="list-style-type: none"> Within 30 days of DEC presentation or aligned to relevant SASEC event 	<ul style="list-style-type: none"> 16 hours: 1 consultant and 2 staff. 	

ADB = Asian Development Bank, CO = communication and outreach, DEC = Development Effectiveness Committee, HQ = headquarters, IED = Independent Evaluation Department, RPG = regional public goods, SASEC = South Asia Subregional Economic Cooperation.

Audiences/Stakeholders: Describes the stakeholders who are the main audiences for the evaluation and communications strategy. Stakeholder groups usually need to be identified and segmented by categories such as demographic group, interest relative to the project, and their relative support or opposition to both the evaluation objective and communications objectives.

Messages/Information: Details on what messages and information are useful for stakeholders.

Activity & Tools: Describes the activities needed to ensure the right message and information reaches the right audiences. This section also specifies the tools these activities will use. The choice of activity and tool should consider the audiences' information delivery preferences.

Resources: Describes human and financial resources required. How many staff and consultants are required and how many hours of work needed.

Timeline: Describes the period by which the task is to be accomplished.

Expected Outcomes: Identifies the outcomes related to the actions taken and the communications activities.