

World Bank's Approach to South Asia Regional Integration, Cooperation and Engagement (SA RICE)



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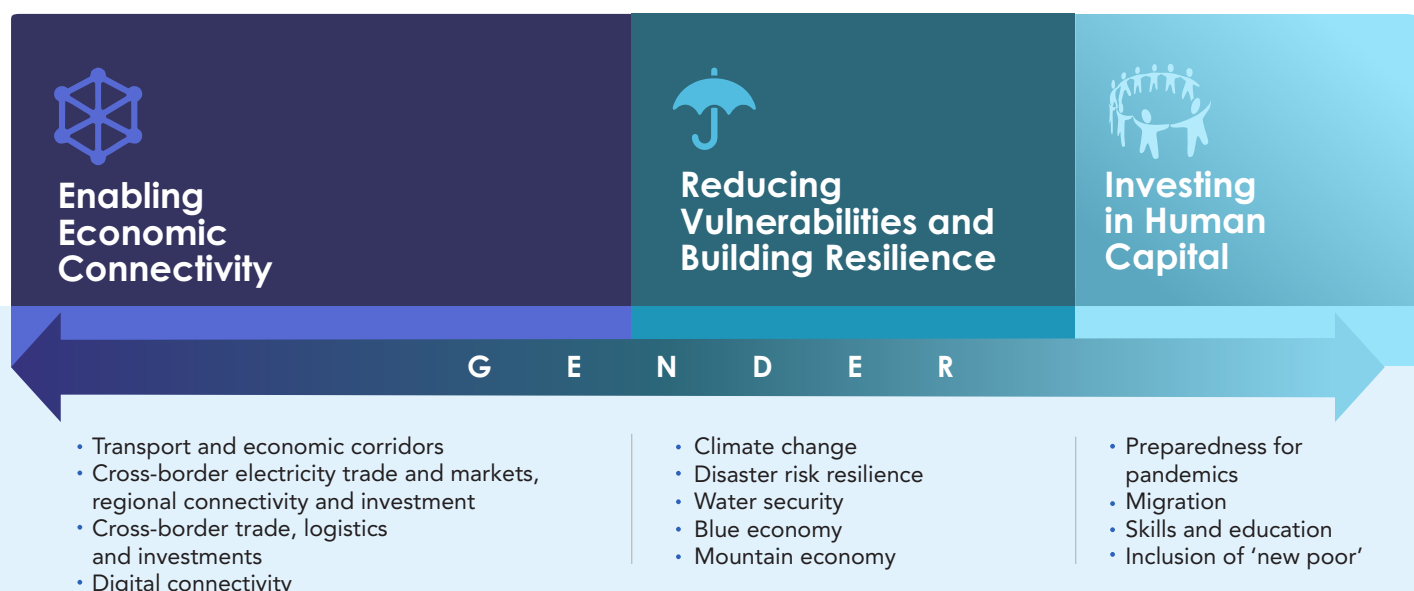
The SA RICE Vision and Strategy

Over its 10-year history, the World Bank's South Asia regional integration program has yielded important results and lessons.

Regional Integration, Cooperation and Engagement (RICE) has the potential to produce significant economic and welfare gains across the countries of South Asia. This includes sectors such as intraregional trade (currently at a third of potential with gap estimated at \$23 billion), energy (estimated savings of \$17 billion in capital cost reductions through 2045) and transport (container shipment within South Asia costs 50 percent more than within OECD countries).

Post-COVID-19, we see opportunities as well as risks for regionalism in a world where countries grapple with global problems at the domestic level. The **COVID-19 pandemic is an opportunity for South Asian countries to put aside traditional concerns and take joint action** in the short term which can contribute to longer term benefits by strengthening regional institutions, improving regional infrastructure and connectivity, advancing trade policy, and developing cross-boundary solutions to shared problems.

The South Asia Regional Integration, Cooperation and Engagement (SA RICE) approach is a strategic framework for our regional projects, regional trust funds, and engagement with key development partners. Our vision is for SA RICE to enhance *prospects for inclusive growth, sustainable development, and building a resilient Asia*. SA RICE has **three focus areas** - (i) enabling economic connectivity, (ii) reducing vulnerabilities and building resilience, and (iii) investing in human capital.



Results and Instruments

World Bank's regional cooperation program in South Asia has made steady progress since 2010, for example by:

- **Influencing the regional narrative through flagship analytics and new knowledge**
 - World Bank reports such as "A Glass Half Full: The Promise of Regional Trade in South Asia," "The Web of Transport Corridors in South Asia," and "South Asia's Hotspots" inform data-driven decision making.
- **Reframing debates and building consensus through platforms for dialogue and diplomacy**
 - Regional Champions Group, Power Secretaries Roundtable meetings, and the Regional Ecological Integrity Platform influence national agendas, foster collaboration, and identify new entry points.
 - Support for regional institutions (ICIMOD, SACEP, RIMES) and networks (South Asia Economic Network) that reach key influencers and expand implementation capacity.
- **Supporting transformational regional projects by strengthening capacity and systems that lead to development outcomes and policy change**
 - WB regional energy cooperation program contributed to over a 3-fold increase in cross border electricity trade between Bangladesh, Myanmar, Nepal, India since 2013
 - Design, implementation, or evaluation of 13 nutrition projects that reach 16.2 million beneficiaries
 - Gender components in inland water transport projects and Bangladesh economic corridor project

Moving from disbelief to demonstration to scaling up *Example of electricity trade*



Regional Portfolio: Working with and through others

Regional Trust Funds have received total contributions of \$225 million through mid-2020, demonstrating satisfaction of development partners with programs and outcomes. Development Partners - Australia, United Kingdom, EU, and Norway are committed to regional activities. The trust funds have informed or leveraged more than \$19 billion of World Bank operations in South Asia through analytics, feasibility studies, project preparation and design, implementation, technical assistance, and building capacity.

The SA RICE approach incorporates the World Bank's high standards in financing, influencing, convening, partnering, and internal governance of regional activities.

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