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Mr. Eckhard DEUTSCHER
Chairman of the DAC
OECD
2, rue André Pascal
75016, Paris

Paris, 19 March 2008

Subject: Regional Cooperation within the International Aid Architecture

Mr. Chairman,

Given that the Third High Level Forum on Aid Effectiveness will be held in Accra in September 2008, we would like to provide you with some thoughts and proposals on *regional cooperation (i.e. transnational)* within the international aid architecture.

Promoting regional cooperation as a tool to improve aid effectiveness

The work we carry out in West Africa with our partners demonstrates that regional cooperation can be a remarkable tool for improving aid effectiveness.

There are certainly regional cooperation funds financing important infrastructure programmes, the combating of transmissible diseases, and, moreover, capacity building. This form of regional cooperation should be encouraged and intensified. However, we have observed that regional cooperation is only a small part of the development process within each country as well as within development assistance.

With regard to agriculture, many of the production basins cross over borders and are subject to policies and projects conceived and implemented without coordination among the countries concerned. These distortions lead to additional costs and a lack of effectiveness. In the health sector often two hospitals situated on both sides of the border will have the same medical specialty when complementary services could be provided. On a different scale, the same could be said for schools and health centres located in border zones. Post-conflict management and prevention programmes are often developed only at the national level whereas the spread of instability is for the most part, transnational. Most natural resources management programmes stop at the border. These are only a few examples.

We have noted that national governments and their development partners have great difficulty in implementing transnational and cross-border programmes. Genuine cooperation is rare between two or three countries regarding specific concerns and which would directly benefit the populations. Cooperation could however generate significant productivity with regard to aid.

We are convinced that by taking into account national and local concerns, joint programmes could be implemented between several countries where effectiveness and results in terms of reducing poverty would be greater than the sum of national programmes. While respecting the principle of “subsidiarity” and without pretending that this will solve all the problems, we believe that regional cooperation could be better and more often used in national development strategies.

In 2008, the SWAC is supporting a pilot project entitled “the national approach to regional cooperation” within West African countries. Along with government officials, the project will involve professional associations, civil society and development partners of these countries, and identify operational sectors where regional cooperation actions could be carried out as well as tools and modalities for these actions. The SWAC would like to closely associate the OECD’s Development Cooperation Directorate and the DAC with this project in order to enhance strategic thinking on the effectiveness of development assistance.

Give developing regions a specific status

Today the most developed countries are quickly building up their regional capacities in order to face the stakes of globalisation, whereas the poorest countries seem fated to deal chaotically with the challenges of development.

Significant efforts have been undertaken, notably in Africa, in order to build regional interdependent development areas. Several African Regional Economic Communities have recorded significant progress over the last decade. However, regional construction is hampered by West African countries’ diverging interests. These diverging interests are due in part to their belonging to or not belonging to the category of Least Developed Countries. The LDCs benefit from the “Everything but Arms” initiative signed in 2001 by the European Union, an initiative which eliminated quotas and duties on all products except weapons within the European Union. As they do not all have the same status, they do not have the same interests as the “non-LDCs”.

Regional areas in development today do not have a specific status within development assistance. No strategic thinking, no strategies, no prompting are aimed at these areas however vital for development.

Hence, we suggest that the idea of a “region in construction”, including a minority of non-LDCs and a majority of LDCs, be discussed within the framework of the OECD’s DAC. These regions could benefit from having a particular status within trade negotiations and within development assistance.

Including the regional issue in strategic thinking and action on aid effectiveness

In light of the above, we believe that the regional issue should be included in the aid effectiveness debate. This could be through:

- Presenting at the next DAC High Level meeting a concept and orientation document on regional cooperation in support of aid effectiveness.
- Identifying, within DAC member countries, a “regional cooperation” project leader able to oversee the development of this project.
- Placing regional cooperation within the DAC’s Peer Review programme.
- Organising, within the context of the Third High Level Forum on Aid Effectiveness to be held in Accra in September 2008, a roundtable on this issue; where the first results of pilot exercises in West Africa that the SWAC is launching in the next few weeks could be presented.

We would be pleased to discuss these ideas and proposals with you and with the OECD’s DCD. We believe that the “regional door of development” must be opened. We are sure that this belief is widely shared by developing countries and within cooperation agencies. We believe the time is right for this initiative.

Please accept, Mr. Chairman, the expression of my highest consideration.

Yours sincerely,



Normand Lauzon
Director
Sahel and West Africa Club/OECD

Yours sincerely,



Charles Goërens
President
Sahel and West Africa Club /OECD

Cc:

Mr. Mario Amano, Deputy Secretary General/OECD
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