



SWAC Briefing Note

Contribution to the
3rd High Level Forum on Aid Effectiveness
Accra (Ghana), 2-4 September 2008

Regional Co-operation as a Tool

for Improving Aid Effectiveness

Proposal for an OECD Pilot Initiative on West Africa

Key Ideas:

- ▶ Improve regional aid effectiveness in compliance with the core principles of the Paris Declaration;
- ▶ Promote innovative regional development co-operation tools;
- ▶ Develop incentives for regional economic co-operation.

This Briefing Note outlines nine action proposals, building on the know-how and various resources of the OECD Development Cluster and the SWAC's West African partner organisations. The initiative aims to produce short-term, measurable results in a pilot region (West Africa); outcomes could also feed into a more general reflection on regional aid effectiveness.

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Introduction

On 19 March 2008, the President and the Director of the Sahel and West Africa Club (SWAC) sent a letter to the Development Assistance Committee (DAC) Chair on ***Regional Co-operation within the International Aid Architecture*** (Annex 1).

The feedback on the proposals outlined in this letter was positive. The members of the SWAC's Strategy and Policy Group (SPG, - the SWAC's Governing Board) and the OECD Centre for Co-operation with Non-Members (CCNM) encouraged the SWAC Secretariat to deepen this reflection in consultation with other OECD Development Cluster members. The issue was raised during the high-level DAC Meeting of 22 May 2008, and discussed in depth with the DAC Chair and other colleagues of the OECD Development Co-operation Directorate (DCD/DAC).

Drawing on these consultations, this document briefly outlines in the first part the rationale of this ambitious and innovative initiative. In the second part, it presents action proposals that would build on the know-how and resources of the OECD Development Cluster (DCD/DAC, DEV and SWAC) and the SWAC's main three West African partner organisations (ECOWAS, UEMOA and CILSS → Annex 2).

The proposed initiative could be discussed at the 3rd High-Level Forum on Aid Effectiveness that will be held in Accra (Ghana) from 2 to 4 September 2008. The initiative aims to produce short-term, measurable results in a pilot region (West Africa); outcomes could also feed into a more general reflection on regional aid effectiveness and thereby provide useful lessons for the preparation of the 4th High-level Forum on Aid Effectiveness scheduled for 2010.

I. Rationale

1.1. Regional Aid in the Paris Declaration

The SWAC letter to the DAC Chair is based on the following observation: regional aid – the aid given to groups of developing countries or their respective regional organisations – is not mentioned in the Paris Declaration on Aid Effectiveness¹.

The Paris Declaration is based on a negotiation and mutual commitment between donors and partner countries. This approach reflects the nature of development aid, which is mainly the product of *sovereign states* establishing ties of solidarity between them.

The Declaration seems to apply exclusively to the “**partner countries’ national development strategies**” which in paragraph 16 (→ footnote 2) includes “*poverty reduction and similar overarching strategies as well as sector and thematic strategies*”. It is nowhere mentioned that *partner countries* define and implement **regional development strategies** with the support of **various donors**.

Indeed, it is the specification “*national*” which is problematic. If paragraph 16 simply made reference to “*partner countries’ development strategies*”, regional (and even local²) policies or initiatives could easily be included within these strategies.

In practice, donors providing regional aid and partner countries’ regional organisations make efforts to comply with the core principles of the Paris Declaration, though the Declaration itself does not formally request them to do so:

- ▶ **OWNERSHIP**: “*partner countries commit to exercise leadership in developing and implementing their national development strategies through broad consultation processes*” (§14.1);
- ▶ **ALIGNMENT**: the principle of alignment is mainly based on the development of **national** systems for aid management, the strengthening of public financial management capacity and national procurement systems (→§ 16-31);
- ▶ **HARMONISATION**: the principle of harmonisation is mainly based on the implementation of common arrangements, **at the partner-country level** for planning, funding, disbursement, monitoring, etc. (§ 32-42);
- ▶ **MANAGING FOR RESULTS**: this principle is based on compliance with the **assessment frameworks of partner countries to assess progress against national development strategies** (§ 43-46);
- ▶ **MUTUAL ACCOUNTABILITY**: this principle is based on **national development policies** (§47-50).

¹ The Paris Declaration, endorsed on 2 March 2005, is an international agreement to which over one hundred Ministers, Heads of Agencies and other Senior Officials adhered and committed their countries and organisations to continue to increase efforts in harmonisation, alignment and managing aid for results with a set of monitorable actions and indicators.

² The word “local” is also not mentioned in the Paris Declaration. However, decentralisation can be part of a “national development strategy”. The Declaration refers in several sections to the need to develop participatory approaches within national strategies and thus takes into account the opinions of local populations and their elected officials.

Admittedly, it would be useful to adjust some formulations of the Paris Declaration. For example, paragraph 3 (i) could be reformulated as follows: “*strengthening partner countries’ national and regional development strategies*”. Similarly, paragraph 3 (ii) could become: “*Increasing alignment of aid with partner countries’ and regional organisations’ priorities, systems and procedures and helping to strengthen their capacities*”. These modifications would formally include regional issues in the analysis and work on aid effectiveness, and thereby validate/recognize what is already being done – or tried to be undertaken in practice.

The SWAC Secretariat is aware that this objective is ambitious, and intends to work on it over time together with the DAC, West African regional organisations, and their respective member countries. Ultimately, however, it would be necessary to achieve an even more ambitious objective: recognizing regional co-operation as a tool for promoting the development of each country and thereby improving aid effectiveness.

1.2. Regional Co-operation in the Process of African Development

“Integration is no doubt a vital tool for accelerating the economic, social, cultural and political development of African countries; because affirmation of a common will to come together and for integration is likely to alleviate and indeed eliminate the sources of violent conflicts. Furthermore, enlargement of national markets and harmonization of regulatory frameworks will help create an environment conducive to profitability of investments in the Continent. Clearly, other measures will be necessary to wipe away the poverty phenomenon and place Africa on the fast track of home-grown development. However, integration is an obligatory and unavoidable approach for weak countries, given the difficulties associated with globalization. African micro-nation-states in the making are for the most part anachronistic, lacking in visibility and credibility; States without a hold on history; States without clout vis-à-vis contemporary forces dominated by more powerful leader states and multinational entities. Africa must form vast and viable internal markets to overcome this difficult situation. Such markets will pave the way for inter-African division of labour according to relative domestic and external advantages, and confer on these huge collective entities a genuine power of negotiation with the markets already constituted on other continents”.

This extract from one of the founding documents of the African Union³ analyses very clearly one of the greatest paradoxes of the globalisation process. Today the most developed countries are accelerating the process of building regional capacities in order to face the challenge of globalisation, whereas the poorest countries seem fated to deal individually with the double-challenge of development and international competition.

³ Strategic Plan of the African Union Commission; Volume 1: Vision and Mission of the African Union.

Drawing on the AU's Constitutive Act, the African Union identifies eight key ideas; the first four concern regional integration:

*“The first key idea is that political integration should be the *raison-d’être* of the African Union (...). The disintegration of authoritarian regimes offered the hope that political integration would be progressively achieved between democratic States respectful of human rights and keen to forge equitable societies which would have no room for exclusion, racism and any form of discrimination, particularly discrimination against women.*

The second key idea is that (...) as a matter of fact, in the context of globalization and intense regionalization both in the North (European Union, NAFTA) and in the South (MERCOSUR, ASEAN), regional integration should be placed on Africa’s priority agenda (...).

The third key idea is that the integration process should be geared to stimulating or reenergizing the role of States. This role should be re-evaluated in light of the experience of the Asian countries where it has been recognized that the State contributed significantly to the economic success achieved by the countries of the region (...).

The fourth key idea is that, though predicated on strong leadership, integration should be anchored on an enlarged, popular base (...). Thus, regional integration should take on board not only government representatives but also parliamentarians, political parties, economic operators and civil society representatives (...). Moreover, the integration drive could be championed by groups of countries acting as the engine of integration within and among the Regional Economic Communities (RECs). In other words, it is not necessary for all countries to be ready at the same time to embark upon the integration train. Integration at variable speed should be conceivable.”

Does the international community share this regional conviction that is so well expressed by the African Union? Does the absence of the “*regional dimension*” in the Paris Declaration reflect the skepticism of the signatories – *partner countries* and *donors* - towards this ambition? Is it a mere oversight due to the *de facto* preeminence of bilateral co-operation in aid relations?

Yet, in practice, there is regional aid. The *donors* finance many projects and programmes in the areas of agriculture, environment, food security, health, infrastructures, institutional support to regional organisations, livestock, water and sanitation management, etc. Regional aid has a record of remarkable success stories.

West African Examples of Successful Regional Co-operation

- ▶ The numerous regional road connections between West African states (inter-State roads);
- ▶ The prevention and common management of food crises within the framework of the Food Crises Prevention Network in the Sahel and West Africa (RPCA – www.food-security.net);
- ▶ ECOWAS' West Africa Power Pool (WAPP) Initiative which mainly benefits from the support of the World Bank;
- ▶ The setting-up of a Common External Tariff (CET) applied within the UEMOA zone and later enlarged to ECOWAS member countries;
- ▶ The CILSS Regional Solar Programme which, with funding from the European Union, provides solar pumps to one million rural people in the Sahel;
- ▶ The Small Arms Control Programme in West Africa, implemented under ECOWAS (ongoing);
- ▶ Joint Management of the Senegal River Basin by the Senegal River Basin Organisation (OMVS): a dam in Diama (Senegal/Mauritania) which controls saline seeps, creates 120 000 hectares of potentially irrigated areas, and improves the filling of Lakes Guiers (Senegal) and Rkiz (Mauritania); a dam in Manantali (Mali), which produces electricity for the three countries.
- ▶ The Onchocerciasis Control Programme in West Africa, implemented by the WHO (1974 – 2001) which eradicated river blindness over an area of 1.2 million km² with 30 million people in 11 countries and freed 24 million hectares of cultivable land.
- ▶ The CILSS Regional Agrhymet Centre: it ensures regional agro-meteorological and hydrological monitoring of Sahel countries, training of specialized senior staff, the production of agricultural statistics, and the monitoring of crops. → www.agrhymet.net

While this type of regional aid must be promoted, further expanded and explicitly recognized within the Paris Declaration, it is also necessary to broaden the scope of *regional development co-operation*.

The SWAC's experience with joint work undertaken in collaboration with its West African partners highlights that regional co-operation is insufficiently integrated in aid programmes that have a direct impact on the livelihoods of African people.

With regard to agriculture, many of the production basins cross over borders and are subject to policies and projects conceived and implemented without co-ordination 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 centers 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.

II. Action Proposals to Improve Regional Aid Effectiveness

The SWAC Secretariat proposes to implement a series of activities designed to improve regional aid effectiveness. The activities could be managed by members of the OECD Development Cluster (DCD/DAC, DEV and SWAC), in close collaboration with the SWAC's West African partner organisations (ECOWAS, UEMOA and CILSS). The initiative aims to produce short-term, measurable results in a pilot region (West Africa); outcomes could also feed into a more general reflection on regional aid effectiveness. The initiative's main objectives would be to:

- ▶ Improve regional aid effectiveness in compliance with the core principles of the Paris Declaration (ownership, alignment, harmonisation, management for results and mutual accountability);
- ▶ Promote innovative regional development co-operation tools;
- ▶ Develop incentives for regional economic co-operation.

The three objectives are broken down into action proposals that are outlined in the following sections.

2.1. Improving Regional Aid Effectiveness

2.1.1. Mapping Regional Aid in West Africa

| ACTION PROPOSAL 1

The SWAC's Strategy and Policy Group (SPG- the SWAC's Governing Board) has requested its Secretariat to launch as soon as possible a series of mapping studies on regional aid in West Africa. The analysis could first focus on the three major regional organisations, namely ECOWAS, UEMOA and the CILSS. These organisations are also the three main West African partners of the SWAC. The SWAC could assume leadership of this exercise, with methodological support from the DCD/DAC.

- ▶ *OECD Directorates to be involved:* SWAC with DCD/DAC support
- ▶ *West African Partners to be involved:* ECOWAS, UEMOA, CILSS

2.1.2. Regional Dimension of Aid to West African Countries | ACTION PROPOSAL 2

This is an even more ambitious exercise, as it aims to analyze aid granted to West African countries from a regional perspective. It would, for example, be interesting to analyze the volume of aid granted in agriculture, health, etc. in neighbouring countries which face the same development challenges. The notion of *geographic coherence of aid* could emerge from such an exercise. Building on DCD/DAC's experience on aid assessment, the DCD/DAC could assume leadership of this project with the support of SWAC for regional analysis.

- ▶ *OECD Directorates to be involved:* DCD/DAC with SWAC support
- ▶ *West African Partners to be involved:* West African Governments, ECOWAS

2.1.3. A Regionally-oriented Peer Review

| ACTION PROPOSAL 3

Placing Regional Co-operation within the DAC's Peer Review Programme:

- a) Add new questions to the "DAC Peer Review Content Guide" (DCD/DAC (2007)6/Final)".
For example:
 - i. What is the proportion of *regional* development co-operation in the overall volume of aid? Is there a specific strategy in this area? What are the criteria for selecting regional partner organisations?
 - ii. Is the notion of membership in a regional organisation taken into account when selecting partner countries? Is the decision to support a regional organisation based on consideration of aid concentration at the national level?
 - iii. At the Headquarters level, are there consultation channels between country desks? (For example, between the Benin, Burkina Faso and Mali Desks). Do country desks systematically share information with the responsible regional desk? (For example, information-sharing between the Mali Desk and the West Africa Desk).

- iv. At the country-level, are there consultation channels between country-based representations and Embassies in neighbouring countries or countries belonging to the same regional organisation? (For example, between the Embassy of X in Niger and the Embassy of X in Nigeria)
- v. Is regional interdependence considered in aid programmes? For example, in programmes designed to improve transport and agricultural development systems located in cross-border basins, in health programmes (complementarities between border hospitals) or in post-conflict programmes (consideration of cross-border propagation of instability), etc.?
- vi. In support of sector-specific policies, is the coherence between regional and national policies taken into account (for example: national agricultural policy versus regional agricultural policy)?

b) Include regional development co-operation in the short list of special issues for the 2009-2010 peer reviews cycle (chapter 6 of the “DAC Peer Review Content Guide” (DCD/DAC (2007)6/Final).

c) Conduct a peer review on donor support to West African regional organisations. This exercise could draw on outcomes of the analysis on Regional Aid in West Africa (→ action proposal 1). The review could be presented to the DAC, and provide inputs and support the building of synergy between West African regional organisations (→ action proposal 4).

- ▶ *OECD Directorates to be involved:* DCD/DAC, SWAC
- ▶ *West African Partners to be involved:* ECOWAS, UEMOA, CILSS

2.1.4. Building Synergy between Regional Organisations | ACTION PROPOSAL 4

West Africa has made an important step towards streamlining its regional organisations: the member countries have officially decided to strengthen their collaboration and build synergy between the work of ECOWAS, UEMOA and the CILSS. However, the way ahead is still very long. Concrete arrangements for ensuring the synergy have not yet been completely clarified.

The SWAC is well-placed to facilitate this process:

- ▶ The SWAC’s Secretariat is maintaining close working relations with the three institutions concerned (→ Annex 2); they invited the SWAC to take a lead role by facilitating exchanges that favor the building of synergy among them.
- ▶ The SWAC provides a neutral forum for discussion and brainstorming in which West Africa’s regional organisations and their development partners can express themselves freely.
- ▶ As an OECD Directorate, the SWAC Secretariat can build on the capacities and know-how of other OECD Directorates, in particular in the area of aid assessment.

The SWAC Secretariat proposes to start with:

- ▶ Taking stock, with these institutions, on the current situation and describing the areas in which the search for synergies has already been initiated, as well as identifying areas where progress still need to be made;
 - ▶ Bringing together the three organisations and their financial partners around concrete action proposals, and defining a road map with measurable indicators;
 - ▶ Facilitating the implementation of this road map and regularly present outcomes to the DAC.
-
- ▶ *OECD Directorates to be involved:* SWAC with DCD/DAC support
 - ▶ *West African Partners to be involved:* ECOWAS, UEMOA, CILSS

2.2. Promoting Innovative Regional Development Co-operation Tools

2.2.1. Cross-border Co-operation

| ACTION PROPOSAL 5

Since 2003, the SWAC Secretariat has been supporting the development of cross-border co-operation in West Africa (joint development projects bringing together cross-border populations in the areas of agriculture, conflict prevention, education, health, trade, etc.).⁴ Following the facilitation of four local pilot operations, the development of the ECOWAS Cross-border Initiatives Programme (CIP) and the elaboration of a regional legal framework for cross-border projects, the SWAC would like to deepen this experience in post-conflict settings.

The potential of cross-border co-operation as a tool to rebuild trust among local populations in post-conflict settings⁵ could be assessed within the framework of the DAC. To that end, the SWAC Secretariat suggests to:

- Compile Guidelines on good practices and lessons learned from cross-border co-operation projects in zones of instability and post-conflict settings – guidelines could draw on the West African and European experience⁶.
- Jointly organise with ECOWAS a workshop to assess results and prospects of the four cross-border pilot operations; this workshop would bring together the co-ordinators of the four pilot operations, representatives of states that officially support cross-border co-operation⁷, and co-operation agencies interested in supporting the promotion of this regional co-operation tool⁸.

⁴ West African Borders and Integration Initiative (WABI): www.afriquefrontieres.org

⁵ One of the ongoing pilot operations in West Africa is located in a zone of chronic instability (the S n gambie m ridionale region covers the cross-border area between Gambia, Guinea-Bissau and Senegal). It supports local initiatives such as the building of a cross-border community radio stations network, the creation of “Miradors of Peace” and other local conflict prevention initiatives. Cross-border co-operation is also very largely used in post-conflict settings in Europe, in particular in the Balkans.

⁶ In collaboration with the Association of European Border Regions (AEBR): www.aebr.net

⁷ Burkina Faso, Gambia (the), Mali, Niger, Nigeria and Senegal

⁸ In particular: **EU** (cross-border co-operation was included in the programming of the 10th regional EDF); **UNDP** (currently supports two pilot operations); **Spain** (granted 10 million euros to finance the ECOWAS Common Approach to Migration; the action plan of this Common Approach also includes the promotion of cross-border co-operation); **Sweden** (cross-border co-operation is part of its three priority areas with ECOWAS); **Germany and Canada** have both expressed their interest in supporting cross-border co-operation activities.

- Finalize the ECOWAS Road Map on Cross-border Co-operation, in particular the establishment of a regional cross-border co-operation fund.
- Facilitate the implementation of this Road Map, and report the progress made to the relevant DAC networks and specific donors.

- ▶ *OECD Directorates to be involved:* SWAC with DCD/DAC support (CPDC, GOVNET, Fragile States Group)
- ▶ *West African Partners to be involved:* ECOWAS, West African governments, border authorities, various local partners and civil society representatives

2.2.2. National Approach to Regional Co-operation (NARCO) | ACTION PROPOSAL 6

National governments and their development partners have great difficulty in implementing transnational and cross-border programmes. Genuine co-operation is rare between two or three countries regarding specific concerns and which would directly benefit the populations. Co-operation could however generate significant productivity with regard to aid and complement the national development strategies of each country.

The SWAC Secretariat is 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, regional co-operation could be better and more often used in national development strategies.

Based on “*the national approach to regional co-operation (NARCO)*”, the SWAC is currently conducting a case study on Ghana. Along with government officials, the project involves professional associations, civil society and Ghana’s development partners, and identifies operational sectors where regional co-operation actions could be carried out as well as tools and modalities for these actions. Initial findings of this case study will be available in September 2008. The SWAC would like to closely associate the DCD/DAC with this project in order to enhance strategic thinking on the effectiveness of development assistance.

As next steps, the SWAC Secretariat intends to:

- ▶ Publish the initial findings of the Ghana case study;
- ▶ Present the NARCO Approach to the DAC members;
- ▶ Launch a second phase of the Ghana case study aiming to deepen and operationalise the action proposals, with the support of a DAC member operating in this country;
- ▶ Support the launching of a second case study in another West African country (preferably a fragile state like Guinea-Bissau) with the support of a DAC member that is particularly active in the selected country.

- ▶ *OECD Directorates to be involved:* SWAC with the support of DCD/DAC
- ▶ *West African Partners to be involved:* West African Country
- ▶ *Others:* DAC members willing to take a lead role

2.2.3. Innovative Practices in Regional Co-operation

| ACTION PROPOSAL 7

In Africa and elsewhere in the world, there are innovative practices in regional co-operation: the Maputo Corridor, the growth triangles, the cross-border parks in Southern Africa, success stories in cross-border management of transhumance and other examples drawn from the European and North-American experiences in cross-border co-operation.

Guidelines on good practices and lessons learned from worldwide cross-border co-operation initiatives would provide an excellent regional co-operation tool for development regions and their respective development partners.

- ▶ *OECD Directorates to be involved:* SWAC with DCD/DAC support
- ▶ *West African Partners to be involved:* ECOWAS, UEMOA

2.3. Developing Incentives for Regional Economic Co-operation

The international community does not contribute much to encourage the building of common markets in developing regions. In particular, analyses of economic performance and prospects are usually produced on a “country-by-country” basis only, with little or no reference to **regional** economic co-operation challenges. As the international community – donors and partner countries – is increasing efforts to support private sector development and attract investments to developing countries, analyses cannot remain limited to the narrowness of national markets and must be further opened to the regional and international levels. Regional mobility of persons, goods and capital, is another key issue that needs to be addressed. Regional economic co-operation organisations of developing regions would need stronger support from the international community in the long process of building common markets.

2.3.1. A Regional Economic Outlook on West Africa

| ACTION PROPOSAL 8

The OECD Development Centre has developed, in collaboration with the African Development Bank (AfDB) and the UN Economic Commission for Africa (UNECA), an excellent practical tool for analyzing annually the performances of African national economies: the African Economic Outlook⁹.

Drawing on this experience, the OECD could launch a **Regional Economic Outlook on West Africa** which could be elaborated by the OECD Development Centre with support of the SWAC Secretariat and in collaboration with ECOWAS and UEMOA. The production cycle could be progressively transferred to ECOWAS and UEMOA that could gradually assume leadership and eventually achieve full ownership, as in the process initiated by the OECD Development Centre with the AfDB.

- ▶ *OECD Directorates to be involved:* DEV with SWAC support
- ▶ *West African Partners to be involved:* ECOWAS and UEMOA

⁹ The *African Economic Outlook* (AEO) reviews the recent economic situation, the likely short-term evolution, and the social and political context of 35 African economies → www.oecd.org/dev/aeo

Regional areas in development do not have a specific status within development assistance. Specific status is exclusively reserved to states: Least Developed Countries (LDC) category, fragile states category, insular or landlocked states category, etc.

Recent negotiations within the framework of the Economic Partnership Agreements (EPA) between ACP countries and the European Union or on cotton under the WTO (West Africa is the third cotton exporting region in the world, after the USA and Central Asia, and the second supplier of China) illustrated the difficulties that developing countries of the same region face in speaking with one voice.

As regards West Africa, a case study could be jointly conducted by the SWAC Secretariat and the OECD Development Centre. Using the examples of EPAs and cotton negotiations, this study would tend to explain why West African countries have not been able to develop a co-ordinated, united approach (divergences of economic interests, different status (LDC/non LDC), etc.

Building on this initial study, the DCD/DAC could then, in a second phase, further deepen the analysis by proposing innovative ways in which the international community could develop incentives to facilitate the building of regional coalitions between developing countries of the same region. It would, for example, be useful to brainstorm on the idea of a “**region in construction**”, including a minority of non-LDCs and a majority of LDCs; these regions could benefit from having a particular status within trade negotiations and within development assistance.

- ▶ *OECD Directorates to be involved:* DEV and SWAC (phase 1); DCD/DAC (phase 2)
- ▶ *West African Partners to be involved:* West African governments, ECOWAS, UEMOA

III. The Way Forward

The “*regional door of development*” must be opened.

Regional co-operation could become an effective tool for improving aid effectiveness. Building on the know-how and the complementary resources of the OECD Development Cluster and the SWAC’s West African partners, the OECD would demonstrate its innovative capacity by enhancing regional analysis within its country-based approach.

The ideas and action proposals presented in this briefing note need to be discussed and further elaborated with inputs from OECD Development Cluster members, DAC Representatives and other OECD Directorates that wish to contribute. Moreover, the action proposals also need to be discussed with the SWAC’s West African partners.

The 3rd High-level Forum on Aid Effectiveness will certainly provide new inputs and help identify next steps.

Annex 1 - SWAC Letter to the DAC Chair



ORGANISATION DE COOPÉRATION ET
DE DÉVELOPPEMENT ÉCONOMIQUES



ORGANISATION FOR ECONOMIC
CO-OPERATION AND DEVELOPMENT



SAH/DO(2008)18

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

Paris, 19 March 2008

Subject: Regional Co-operation 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 co-operation (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 Goerens
President
Sahel and West Africa Club/OECD

Cc:

Mr. Mario Amano, Deputy Secretary General/OECD
Mr. Richard Carey, Director, DCD/OECD
Mr. Eric Burgeat, Director, CCONM/OECD

Annex 2 – The Three Major West African SWAC Partners: ECOWAS, UEMOA and CILSS

ECOWAS – www.ecowas.int



The Economic Community of West African States (ECOWAS) is a regional group of fifteen countries, founded in 1975 and lead since 1 January 2007 by a Commission. Its mission is to promote economic integration in "all fields of economic activity, particularly industry, transport, telecommunications, energy, agriculture, natural resources, commerce, monetary and financial questions, social and cultural matters".

In November 2006 ECOWAS and the SWAC signed a "Framework for Co-operation" that outlines priority areas for joint activities. To date, the two organisations work together in the fields of agriculture (ECOWAP), cross-border co-operation, the setting-up of a regional post-conflict strategy and the building of a common ECOWAS approach to migration. Joint publications such as the 2007-2008 West Africa Report or the Atlas on Regional Integration provide reliable and up-to-date information on West Africa that contribute to the reflection on West Africa's development prospects.

ECOWAS Member Countries: Benin, Burkina Faso, Cape Verde, Côte d'Ivoire, Gambia (the), Ghana, Guinea, Guinea-Bissau, Liberia, Mali, Niger, Nigeria, Senegal, Sierra Leone and Togo.

UEMOA – www.uemoa.int



Created in 1994, the West African Economic and Monetary Union's (UEMOA) brings together eight West African countries in one monetary zone (F CFA). Within this common market, the UEMOA aims to strengthen the economic and financial competitiveness of its member states.

The SWAC signed a Partnership Agreement with UEMOA in October 2007. Both organisations commit to co-operate in the field of (i) Food Security, (ii) Water and Land Resource Management and Combating Desertification, (iii) Rural Transformation, (iv) Agricultural and Trade Policies, (v) Cross-border Co-operation, and (vi) Prospective Strategic Thinking.

UEMOA Member Countries: Benin, Burkina Faso, Côte d'Ivoire, Guinea-Bissau, Mali, Niger, Senegal and Togo.

CILSS - www.cilss.bf



The Permanent Inter-State Committee for Drought Control in the Sahel (CILSS) was created in 1973 to carry out research on food security and curb the effects of drought and desertification.

The SWAC and CILSS have worked together for more than 30 years. They created and co-animate the Food Crisis Prevention Network (RPCA - www.food-security.net) of which one of the main achievements was the adoption of the Food Aid Charter in 1990 (currently being revised). In October 2006, CILSS and the SWAC adopted a Partnership Agreement that outlines the major joint initiatives: (i) Food Aid Charter, (ii) Food Security, (iii) Land Tenure, (iv) Livestock, and (v) Monitoring and Response Mechanisms for Combating Desert Locusts.

CILSS Member Countries: Burkina Faso, Cape Verde, Chad, Gambia (the), Guinea-Bissau, Mali, Mauritania, Niger and Senegal.