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Ministerial Lobby Group

**REGIONAL INTEGRATION: WORKING PAPER FOR THE NEXT
GMAP MEETING**

**4th Meeting of the Ministerial Lobby Group (GMAP)
Dakar, 24-25 May 2000**

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(Discussion draft 14 April 2000)**

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INTRODUCTION

The purpose of this paper is to help GMAP define its programme of action, discussion, proposals and lobbying on regional integration. It follows on from the paper on regional integration issues given and discussed at the last meeting.

The next GMAP meeting is to be held on 24-25 May in Dakar. GMAP members should send their comments and preferences to the Club Secretariat early enough for the Secretariat to prepare activity scenarios on the options chosen the Dakar meeting. There will be a preparatory meeting with Minister Sallah in Dakar on 26 April: comments should reach us before then.

Considering the unimpressive results of all the initiatives, surveys and seminars intended to advance the cause of regional integration over the past thirty years, it may seem over-ambitious to talk about defining practical, constructive actions.

Intentions aside, West African countries have been mainly preoccupied since independence by building new States and national economies focused far more on world markets than the regional market. Nor have the donors have paid much real attention to regional co-operation in the development projects they have funded. They have kept their work in separate compartments, talking regional but acting bilateral. In this situation the Intergovernmental Organisations (IGOs) with a regional integration remit have been particularly ineffective¹. Almost all attempts to play on regional comparative advantage or set up common production units have failed. While not wishing to prejudge the prospects for WAEMU, there are still many obstacles to the free circulation of local products, capital and people.

Meanwhile, fortunately, "real", bottom-up integration has continued to operate. Despite obstacles of all kinds, West Africa's markets have expanded considerably thanks to energetic, ad hoc trading networks that take advantage of disparities in economic and monetary policy.

There are also four fairly recent factors to take into consideration:

- Because economic liberalisation and globalisation are now unavoidable in West Africa, many vested interests in these countries may be threatened. In the medium term and at sub-regional level some industries such as cotton, food processing, wholesale goods transport etc. will probably rationalise, concentrate and relocate. These major upheavals will be due both to governments' macro-economic policies and the strategies of large private corporations whose West African businesses have to confront world competition.
- African business people of the new generation are demanding the right to work in a clear, formal framework of rules and regulations that are favourable to investment.

1. West Africa has four IGOs set up to develop regional integration: ECOWAS set up in 1976 (Benin, Burkina, Cap Verde, Ivory Coast, The Gambia, Ghana, Guinea, Guinea Bissau, Liberia, Mali, Mauritania, Niger, Nigeria, Senegal, Sierra Leone, Togo). UDEAC formed in 1964 (Cameroon, Central African Republic, Congo, Gabon, Equatorial Guinea, Chad). WAEMU, set up in 1994 to replace WAMU (Benin, Burkina, Ivory Coast, Mali, Niger, Senegal, Togo). and the **Mano River Union**, formed in 1973 (Liberia, Sierra Leone, Guinea).

- Local elected representatives and members of parliament are expressing the worries and ambitions of the areas they represent, many of which have lively, long-standing social and economic relations across borders.
- Development co-operation approaches and methods (such as the PRSPs currently being drawn up, and which will absorb most of the donors' funds over the next few years) all take a country-by-country approach. There seem to be no plans for taking a regional approach to supporting development, or for achieving regional integration, even though this is considered to be essential. Each donor does as they like, with no clear strategy and no strategy negotiations with their African partners.

1. An Agenda for GMAP

Given this complicated background, GMAP could draw up an agenda based on the following arguments:

- There have been many initiatives to reform the IGOs, the most recent being the highly ambitious one proposed by the Global Coalition for Africa (GCA) in 1995-96. One pragmatic and useful approach would be to examine and discuss how far these recommendations have been implemented, and what the obstacles are.
- One reason for the IGOs' failure is probably their lack of connection to the real world. The days when most West African countries applied State planning to their economies (an approach that is quite incompatible with regional integration) are over. Liberalisation, democratisation and decentralisation radically change the state of play. Civil society is beginning to play a part in governance, and its views on regionalisation must be heard with. GMAP would offer to support initiatives aimed at linking the current debate among business people, local elected representatives etc., with the activities of the IGOs, and to convey the messages formulated by civil society.
- Neither IGOs nor governments nor donors today have a practical, overall view of the whole range of problems that could effectively be tackled at regional level, or the most appropriate geographical areas for tackling each issue. GMAP would offer to support an initiative to develop such a view, in partnership with the aid agencies.

2. Initiatives that Could be Added to GMAP's Regional Agenda

2.1. Short Term

2.1.1. Reform of the IGOs: Revive Discussion, Starting from the Achievements of GCA

Working closely with GCA, GMAP would quickly draw up an assessment of the diagnosis made in the mid-1990s and the conclusions/recommendations that emerged from that diagnosis. An action plan could be defined jointly with GCA to provide a more thorough explanation of why it is so inherently difficult to reform the IGOs. For example, if no investigation of this kind has yet been made, one could conduct a meticulous case study of one country, with the accent on:

- Evaluating, with the Finance Ministry, total annual contributions payable to the IGOs.
- Evaluating, with all the IGOs the country belongs to, their financial flows to projects in that country.
- Evaluating the number of civil servants in the country who work in the IGOs in question.

- Making a quick review, with the Finance Ministry and local donors, of regional projects involving the country and implemented independently of the IGOs.

The assessment of the process GCA has begun, and a precise definition of the action plan, could be presented to the Club du Sahel Strategy and Policy Group (SPG) when they meet in Washington on June 12.

Expected result: a proposal for the reform of the IGOs presented to the Heads of State at the Bamako 2000 Summit. Implementation of this reform with the support of the aid agencies.

2.2. Medium Term

2.2.1. *Launch an initiative on the "geographies" of West Africa's regional development*

Valid goals for this initiative would be to provide the much-needed all-round decision aid for finding the best way of dividing up the region to address each different regional problem, so that operations would be carried out in a concerted, interconnected way geared to developing the region as a whole. For example, what are the best geographical areas for addressing the issues of:

- The regional market?
- Water management?
- Energy distribution?
- Transport?
- Macro-management of ecological balance?
- etc.

To produce annotated maps on these questions (and many others), a forward-looking perspective is obviously essential, especially as regards human settlement, which is one of the most important variables involved².

Unlike the usual kind of perspective study, this initiative would aim to give the region macro instruments for operational programming; this indirectly links up with the "Marshall Plan" theme, taking the necessary detour via strategic thinking. This initiative could introduce practical issues encouraging the region's governments to join forces in negotiations with the international community and with foreign investors in the transport and energy infrastructure fields etc. Here we also link up with the often-expressed desire to have perspective studies produce real decision aids.

This kind of initiative also implies forging an "alliance"; this would obviously require funding, but would also reflect a manifest interest on the part of the institutions involved.

If GMAP decides to promote this project, a document setting out the problems and including draft maps could be drawn up in time to be presented at the next SPG meeting.

2. For this, use could be made of the databases of perspective*maps compiled for the West Africa Long Term Perspective Study (WALTPS) conducted between 1992 and 1994 by the Club Secretariat in collaboration with the ADB with financial support from the European Commission, World Bank and overseas development agencies of Belgium, Canada, France, Netherlands and the United States.

2.2.2. *Identify aid agencies' regional co-operation strategies and instruments*

It seems no such assessment has ever been made. To do it, GMAP would doubtless have to consider what "alliances" to make to ensure the success of the enterprise. Should the region's main IGOs be involved? Should the OECD DAC be involved and would it want to be? What about the ACP Secretariat in Brussels, which is (no doubt) particularly aware of these issues considering the size of the European Development Fund's regional funds? How can we make sure the main agencies are involved and motivated; especially in terms of making information available?

This approach to such a sensitive issue cannot be achieved without the agreement of the main players. Should a working group be set up for the purpose? How can it be given the initial political impetus to make it happen? Should this initial boost take the form of a letter signed by the members of GMAP after consulting their governments and/or a letter from the Club President and/or a consciousness-raising mission calling on the main people and bodies concerned?

GMAP members will also have to define the aspects to be reviewed. Examples are:

- A quantified status report on regional co-operation.
- A comparative analysis of all agency strategies.
- Analysis of the issues and sub-regions on/in which their efforts are concentrated.
- Analysis of modalities of negotiation and local management of the process.
- Analysis of the place of IGOs and ad hoc projects (other than IGO) in regional co-operation.
- A more complex analysis of the existence and place of regional co-operation not directly requiring funds (co-ordination and interlinking of actions financed in different countries) etc.

Between now and the SPG meeting the first contacts can be made and the action project can perhaps be set down in detail.

2.2.3. *Support concrete attempts to formulate the business community's and local elected representatives' views of the region, to see how regional integration can be achieved and WAEMU and ECOWAS brought closer together*

As already stated, this is a fairly new sphere of operation, the purpose of which is to shed light on two essential, complementary questions:

- Can analysis of the issue from the local viewpoint and the business viewpoint support the regional integration strategies of governments and their regional organisations?
- What room for manoeuvre do local elected officials and business people have? They look helpless, since control of macro-economic policy, industrial restructuring and land use planning is beyond their reach.

It is not a matter of contrasting a top-down integration that brings bureaucracy and failure with a bottom-up integration that brings promise and efficiency, but of showing by example that cross-fertilisation between the viewpoints of the institutions and the operators is a fruitful approach³.

GMAP could also support two innovative initiatives and act as a relay between them and the region's governments and the donors. They are:

- An initiative to help private operators formulate proposals for developing regional trade. The proposal here is to examine the example of trade flows between Nigeria and its neighbours. Data are currently being gathered on current flows, interactions between monetary and macro-economic policies, obstacles to the free circulation of goods and monetary transfers, and private operators' strategies. On this basis the Club Secretariat and WAEN will be organising a regional discussion meeting of private operators in mid-June.
- An initiative to help local authorities formulate their views of and proposals for regional co-operation. The Club Secretariat's Local Development operation has had assessments made of local economies in the border areas of Sikasso (Mali), Korhogo (Ivory Coast) and Bobo Dioulasso (Burkina Faso). At the request of the three local authorities, the Club Secretariat has offered to use the studies' findings to support a process of consultation between the three areas which channel virtually all human and trade traffic between the three countries. A report describing the issues raised this approach is already available.

GMAP members could debate a possible common strategy aimed at integrating these experiences into the political debate on regional integration in general (how this kind of exercise can lead to concrete actions), and how to bring WAEMU and ECOWAS closer together (ideas for action in the light of how private operators see trade with Nigeria, the value of launching an initiative like the Sikasso-Korhogo-Bobo Dioulasso exercise on the border between the WAEMU area and Ghana or Nigeria).

At the forthcoming SPG meeting, the results of the preliminary study of regional trade between Nigeria and its neighbours and the report on the issues raised by the Sikasso-Korhogo-Bobo Dioulasso process would be presented, along with a precise description of both these processes and their "political uses".

3. Results Expected from the Next GMAP Meeting

This meeting is set for 24-25 May 2000, in Dakar.

As regards regional integration, it could conclude with:

- Agreement among GMAP members on a specific agenda.
- Decisions about initiatives supporting the implementation of that agenda.
- The preconditions for implementing the agenda, especially regarding participation of ministers from the English-speaking countries and in terms of facilitation of the "GMAP regional integration" process (does GMAP consider it necessary to designate a facilitator responsible for work on the issue, and if so with what terms of reference?).
- Aspects to discuss in Washington, at the meeting with aid agencies.

3. While not wishing to set up the North as an "example", it is worth noting that several thousand lobbies have permanent offices in Brussels, seat of the European Commission, to represent Europe's regions and business interests.

4. Summary of "Products" that Could be Presented to the SPG Meeting and/or the Bamako 2000 Conference

- **GMAP agenda** on regional integration.
- **Reform of the IGOs:** assessment of the process undertaken by GCA and precise definition of the action plan.
- **Analysis of the agencies' regional co-operation strategies and instruments:** action plan.
- **Putting the IGOs in touch with the ways civil society sees regional integration:** results of the preliminary study of regional trade between Nigeria and its neighbours and the report on the problems involved in the Sikasso-Korhogo-Bobo Dioulasso process could be presented, along with a precise description of both processes and their "political uses".
- **Initiative on development geographies in West Africa:** a document setting out the problems, including draft maps, could be drawn up in time for the next SPG meeting.

The Bamako 2000 Conference, due to be held in December 2000, could be an opportunity to present:

- Results of and lessons from the discussions with private operators on trade between the WAEMU countries and Nigeria.
- Results of the initial phases (depending on GMAP's choices and subjects) of the other initiatives.
- Reform of the IGOs.