IsDB
البنك الإسلامي للتنمية
Islamic Development Bank

REGIONAL COOPERATION ORGANIZATIONS MAPPING REPORT

IsDB COUNTRY STRATEGY AND COOPERATION DEPARTMENT

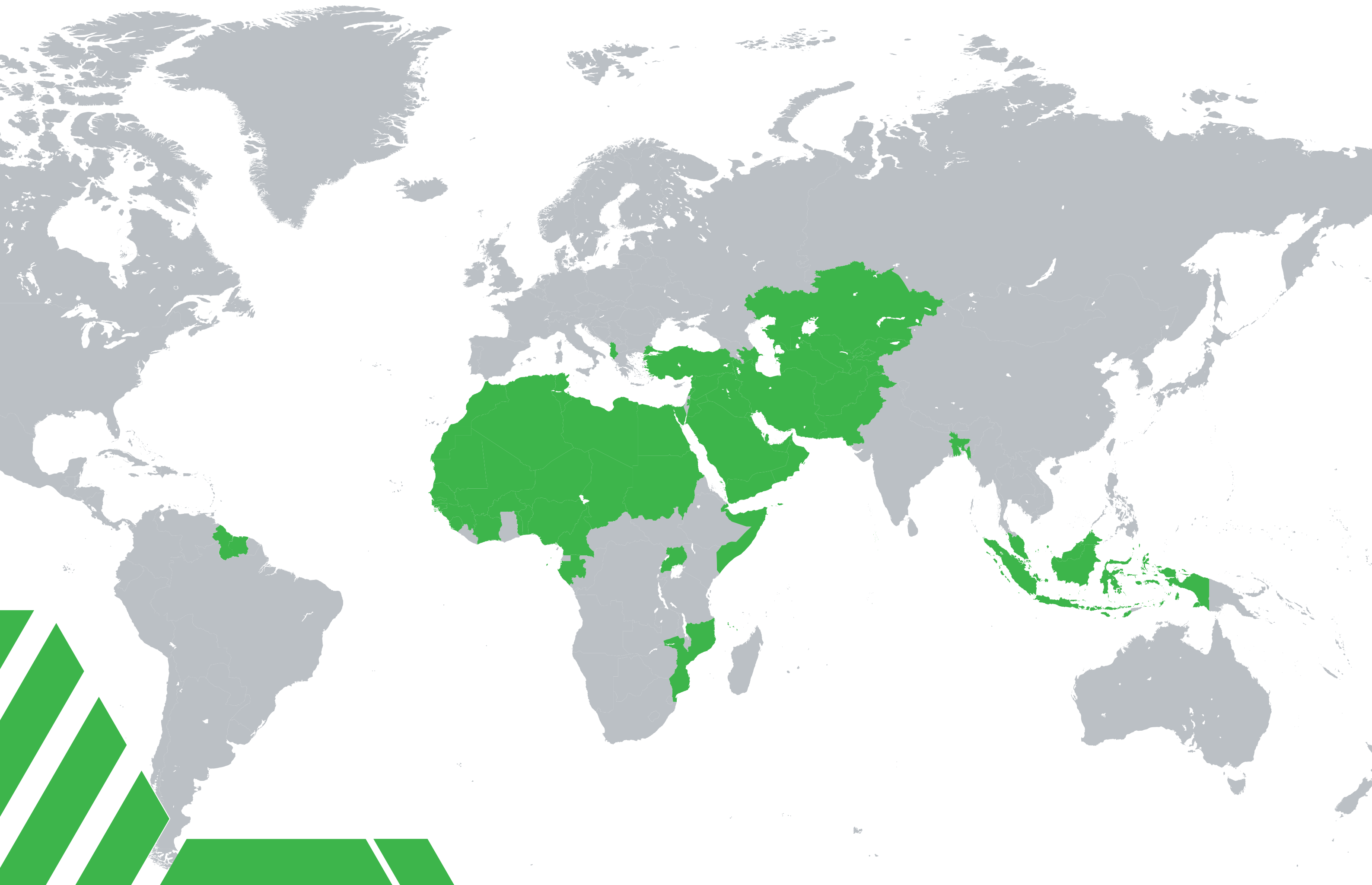
CONTENTS

INTRODUCTION

In July 2019, the IsDB regional cooperation and integration (RCI) policy was approved. The IsDB's new RCI Policy will enable IsDB to become a primary connecting platform for MCs, Regional Cooperation Organizations (RCOs) and communities of the Ummah to cooperate with each other. The RCI Policy is supportive of "open regionalism": strengthening economic cooperation among MCs through RCOs, and enabling greater trade and investment with the global economy. In accordance with the RCI Policy, an RCI Strategy has also been prepared that seeks to operationalize the major principles highlighted in the Policy in to actionable targets and plans. In this regard, the RCI Strategy recognizes the special situation of land and sea-locked MCs and their need to have sustained connectivity and ready access to both near and distant economies. The RCI Policy focuses RCI operations on four Pillars: (i) Enhancing cross-border connectivity; (ii) Improving investment climate and competitiveness; (iii) Mainstreaming trade and Islamic finance; and (iv) Facilitating cooperation on regional public goods.

RCI Policy is aiming at linking the development aspirations, plans and activities of member countries and between them and the rest of the world. Achieving higher and sustainable levels of development is increasingly dependent on an individual country opening up its market to other countries of the region while not discriminating against markets beyond the region ("open regionalism"). RCI policy at level of the Bank will help broaden and increase cross-border flows of goods, services, information, and people based on comparative advantage and thereby accelerate economic diversification and reduce cross-country disparities in income and other development opportunities; help yield positive spillovers and resource sharing that foster increased direct cooperation; and enable joint management of common natural resources and mitigate economic and other risks (e.g., cross-border transmission of disease, of human or animal origin).

IsDB MEMBER COUNTRIES (MCs) MAP



RCI is an inclusive development process. Effective and durable cooperation and integration takes time to develop and requires well-sequenced and adaptable implementation and predictable and visible results and impacts. RCI should be inclusive; both civil society and business actors should have opportunity to contribute to as well as benefit from planning and implementation of RCI agreements and programs, otherwise RCI will have limited ability to shape the behavior of stakeholders in support of RCI goals and intentions.

For all these reasons, the implementation of the RCI policy requires formal collective action among countries and stakeholders. Collective action rests on close, sustained dialogue and active participation among countries and their regional organizations, and with development partners. Economic, social, and environmental/climate change related challenges facing individual countries involve integrating further into regional and global economies, and include commitments that give rise to regional (and global) public goods, for example, financial regulations and standards, combatting communicable disease, responses to natural disasters, among others. Regional Cooperation Organizations (RCOs) can enable and help sustain such collective action by building consensus and agreement among countries, strengthening inclusion and active participation (under agreements) by individual countries, and fostering subregional and inter-subregional leadership on RCI by countries at different levels of development.

Many MCs participate in formal RCOs as part of their approach to achieve economic growth and development, for example: Arab Maghreb Union (AMU), African Union (AU), ASEAN Economic Community (AEC), Economic Cooperation Organization (ECO), Gulf Cooperation Council (GCC), and South Asian Association for Regional Cooperation (SAARC), among others.

While each RCO has a unique mandate, history and record of performance, generally they share a strategic purpose of bringing countries together to cooperate on cross-border connectivity, trade and investment, knowledge generation and technology transfer, human resources development, natural disaster preparedness and post-disaster assistance, as well as other forms of cooperation to achieve their shared development goals and foster a vibrant economic community. In the process, they have developed foundations of RCI-related professional and institutional capabilities which the IsDB can draw upon and further strengthen in the course of implementing its RCI Policy.

Recognizing the key role of RCOs in planning and delivering specific forms of cooperation, the Bank has established an institutional platform for strategic consultations with regional cooperation organizations, the "IsDB Consultative Forum with Regional Cooperation Organizations in the OIC Region (Forum). The first Forum was organized in May 2016 on the sidelines of the IsDB Annual Meeting in Jakarta-Indonesia. Participating organizations exchange views and identify possible priority areas for cooperation to improve regional connectivity share information on their strategies and long-term action plans for promoting RCI.

Given the vital roles RCOs are expected to play in implementing the RCI Policy in IsDB member countries (MCs), the RCOs mapping report is aiming at: (i) discussing the profiles and performance of key regional cooperation organizations that serve member countries of the IsDB; (ii) examining the profiles of selected serving IsDB MCs RCOs and (iii) discussing how the IsDB might strengthen–and also draw upon–the resources and capabilities of RCOs for cost-effective implementation of the IsDB's RCI policy.

For the purpose of this report, an RCO refers to a formal recognized body—including those that may be officially recognized as a regional economic community, or REC—mandated by its member countries or territories to advocate/support regional economic cooperation among them and executes some degree of strategic, legal, technical, financial and/or administrative roles and functions. Furthermore, while many RCOs have official mandates and responsibilities beyond regional economic cooperation, this report is focused on RCOs' support for regional economic cooperation and integration.

WHILE MANY RCOs HAVE OFFICIAL MANDATES AND RESPONSIBILITIES BEYOND REGIONAL ECONOMIC COOPERATION, THIS REPORT IS FOCUSED ON RCOs' SUPPORT FOR REGIONAL ECONOMIC COOPERATION AND INTEGRATION.

PERFORMANCE OF SELECTED REGIONAL ECONOMIC COMMUNITIES THAT INCLUDE MEMBER COUNTRIES OF THE IsDB

An RCO serves and supports a community of member countries, (a regional economic community, or REC), where each member is responsible for taking actions that will foster and enable wider and cooperation and deeper integration with other members. However, each member has its own unique development history, circumstances, and capabilities, and thus progress on RCI within a specific REC will be 'multi-track', that is, different members or subgroup of members may progress on RCI, including specific dimensions of RCI, at a different pace and on the basis of a different sequence of RCI initiatives. However, over time, the goal is that performance and progress by all members of the REC will align or converge more closely on major elements of RCI. The systematic assessment of an REC's performance is necessary to support effective policy, program and project level planning and decision-making by the RCO (that serves the REC). The remainder of this section provides recent information on assessments of performance on RCI by a number of RECs that include MCs of the IsDB.

Africa Regional Integration Index 2016. An index for measuring the progress of Africa on regional integration has been developed and the results of the initial assessment are informative, revealing, and valuable.[1] The Index is made up of five dimensions, which are the key socio-economic categories that are considered fundamental to Africa's integration. Sixteen Indicators, which cut across the five dimensions, have been used to calculate the Index. The Index 2016 report covers member countries from the eight regional economic communities (RECs) recognized by the African Union. The dimensions and indicators chosen for the Index are based on the Abuja Treaty and its operational framework. Figures 1, 2 and 3 illustrate the Index and RCI performance of the eight RECs, which include the participation of many of IsDB's MCs. Regional integration scores for the RECs range from 0.395 to 0.540 (on the scale from 0-1), demonstrating that real progress has been achieved while also recognizing that there is still considerable potential for improving RCI performance in individual member countries, both on particular dimensions/indicators and across them, and thus for raising overall performance of particular regional economic communities. Recognizing the longer-term vision for Africa-wide continental economic integration, raising RCI performance across all eight regional economic communities, in tandem, could be an effective means for enabling and achieving greater inter-regional economic community integration.

[1] "Africa Regional Integration Index Report 2016": African Union, African Development Bank Group, United Nations Economic and Social Commission for Africa.

FIGURE 1: Index for Measuring Progress of Africa on Regional Integration
The Index: Five Dimensions and sixteen indicators

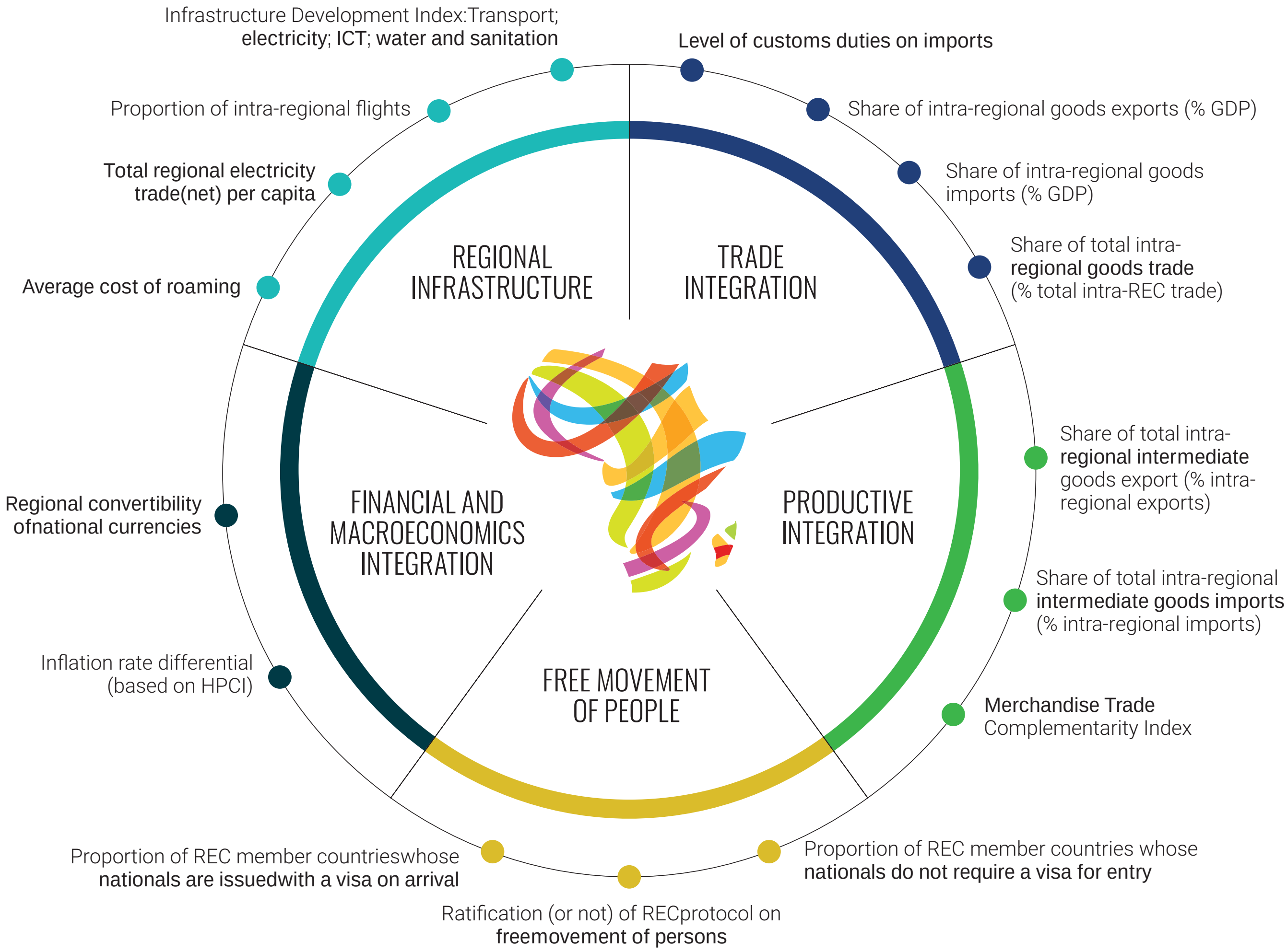
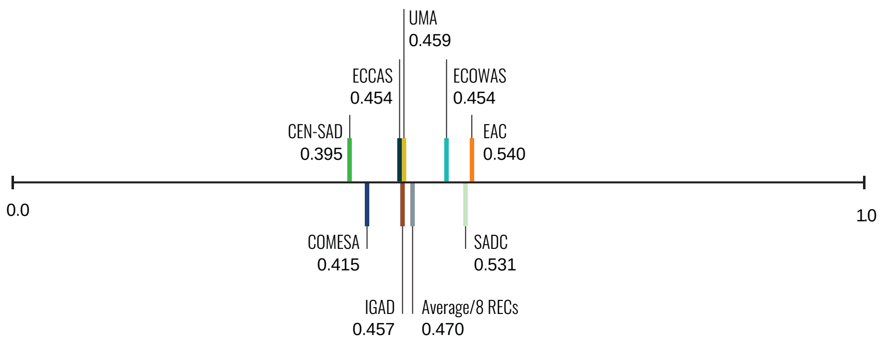


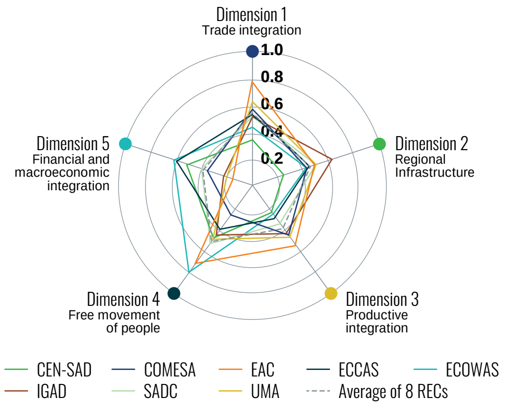
FIGURE 2: Africa Regional Integration Index 2016



Notes:
CEN–SAD: Community of Sahel–Saharan States; COMESA: Common Market for Eastern and Southern Africa;
EAC: East African Community; ECCAS: Economic Community of Central African States;
ECOWAS: Economic Community of West African States; IGAD: Intergovernmental Authority on Development;
SADC: Southern African Development Community; UMA: Arab Maghreb Union

Source: Africa Regional Integration Index Report 2016

FIGURE 3: Regional Integration Overall. Average REC scores in the Five Dimensions

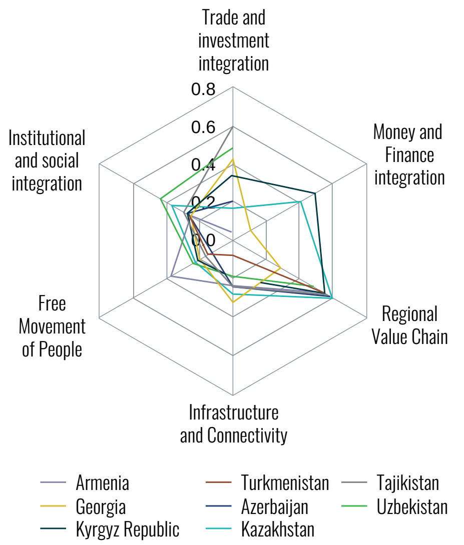


Scores are calculated on a score of 0 (low) to 1 (high).

REC	TRADE INTEGRATION	REGIONAL INFRASTRUCTURE	PRODUCTIVE INTEGRATION	FREE MOVEMENT OF PEOPLE	FINANCIAL AND MACROECONOMIN INTEGRATION
CEN-SAD	0.353	0.251	0.247	0.479	0.524
COMESA	0.572	0.439	0.452	0.268	0.343
EAC	0.780	0.496	0.553	0.715	0.156
ECCAS	0.526	0.451	0.293	0.400	0.599
ECOWAS	0.442	0.426	0.265	0.800	0.611
IGAD	0.505	0.630	0.434	0.454	0.221
SADC	0.508	0.502	0.350	0.530	0.397
UMA	0.631	0.491	0.481	0.493	0.199
Average of eight REC	0.540	0.461	0.384	0.517	0.381

SIGNIFICANT PROGRESS HAS BEEN MADE ON RCI, BUT THE DEGREE OF REGIONAL INTEGRATION VARIES ACROSS DIFFERENT DIMENSIONS OF PERFORMANCE, SUBREGIONS AND AMONG COUNTRIES OF INDIVIDUAL SUBREGIONS

FIGURE 4: APRII Performance of Economies in Central Asia



Notes:

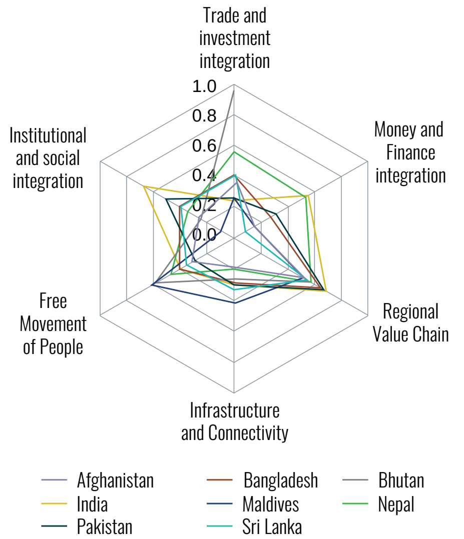
(1) Azerbaijan, Kazakhstan, Kyrgyz Republic, Tajikistan, Turkmenistan and Uzbekistan are members of ECO.

(2) Armenia and Georgia are not member countries of the IsDB.

ASIA-PACIFIC REGIONAL INTEGRATION INDEX

In 2017, the Asian Development Bank (ADB) introduced an Asia-Pacific Regional Integration Index (APRII).[2] As is the case with the Africa Regional Integration Index, the APRII is a composite index constructed from compiling various indicators into a single index and allows for summarizing complex and multidimensional elements, and, aims to assess the degree of integration (in Asia-Pacific) in subregions, identify strengths and weaknesses of regional integration across different subregions and different dimensions, and can be used to monitor progress over time and against goals. The Africa Regional Integration Index and the APRII are quite similar in terms of their major dimensions, however, they are not identical in terms of the set of specific indicators or weighting of individual indicators. Nonetheless, the APRII includes a significant set of IsDB MCs that that are not covered by the Africa Regional Integration Index and belong to three other important RCOs (Association of Southeast Asian Nations, ASEAN; Economic Cooperation Organization, ECO; and South Asian Association for Regional Cooperation, SAARC). Figures 4, 5 and 6 present information on RCI performance by IsDB MCs located in Central Asia, South Asia and Southeast Asia, respectively.[3] Significant progress has been made on RCI, but the degree of regional integration varies across different dimensions of performance, subregions and among countries of individual subregions.

FIGURE 5: APRII Performance of Economies in South Asia

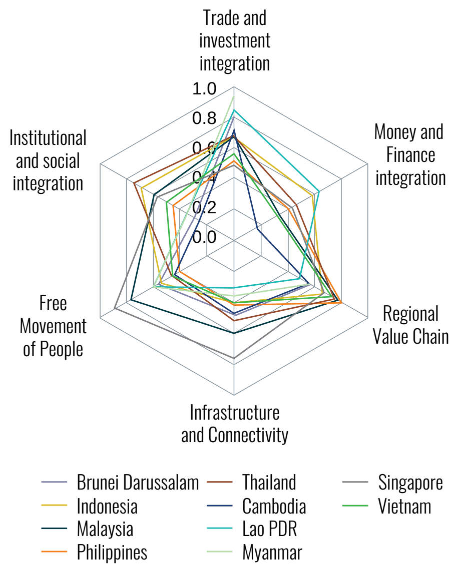


Notes:

(1) Afghanistan, Bangladesh, Maldives and Pakistan are members of SAARC (Afghanistan and Pakistan are also members of ECO)

(2) Bhutan, India, Nepal and Sri Lanka are not member countries of the IsDB

FIGURE 6: APRII Performance of Economies in Southeast Asia



Note:

Only Brunei Darussalam, Indonesia and Malaysia are member countries of IsDB, and they are also members of ASEAN.

[2] "Asia-Pacific Regional Integration Index: Construction, Interpretation, and Comparison", Hyeon-Seung Huh and Cyn-Young Park, ADB Economics Working Paper Series No. 511, April 2017.

[3] Source: "Regional Economic Integration in Asia and the Pacific". Presentation by Cyn-Young Park, Director of Regional Cooperation and Integration Economic Research and Regional Cooperation Department (ERCD), Asian Development Bank, at the ADB-KIEA-UNESCAP Conference 13-14 June 2017, Seoul, Korea.

PROFILES OF SELECTED REGIONAL COOPERATION ORGANIZATIONS THAT SERVE MEMBER COUNTRIES OF THE IsDB

As previously noted, in-principle an individual RCO may perform strategic, legal, technical/operational, financial and/or administrative roles and functions on behalf of a regional economic community or other such formal grouping of neighboring countries in relation to agreed common objectives or interests. RCOs may plan, implement and resource regional commitments, programs and projects that exhibit a varying degree of public good characteristics[4] and where the expected total benefits for participating members exceed those if the countries acted independently or decided not to act. In the process, RCOs could mobilize and allocate scarce financial and human resources of members (and in some cases resources of external partners) and generate spillover effects[5] across countries, sectors/subsectors, industries and influence independent or other collective action by a variety of stakeholders (e.g., individual firms, agriculture cooperatives, financial institutions and investors, national policy and regulatory bodies, professional associations, consumers, external development partners, among others).

Drawing on available information, the remainder of this section will provide a brief profile of a number of RCOs that include MCs of the IsDB. The profiles will consider an individual RCO's membership; role, organizational form; operational modalities; and notable strategic directions and priorities. The section will end with some overall observations or conclusions. Countries that are members of the IsDB are shown in boldface type.

[4] Broadly, there are four categories of public goods: (i) Pure public goods: where additional use does not reduce availability for others (non-rivalry) and where it is not possible to separate and charge individual users (non-excludability), and where benefits of such goods are dispersed across a region they are pure regional public goods (e.g., contagious disease control, reduction in green-house gases); (ii) Impure public goods: there is partial rivalry in consumption or where it is possible to exclude some users through regulation or pricing (e.g., aquifer or watershed management); (ii) Club goods: where full exclusion is possible and pricing can ration use (e.g., shared cross-border roads and power grids); and (iv) Joint products: where more than one output is involved and at least one output has public good characteristics (e.g., biodiversity protection). Source: "Benefit Valuation: Regional Public Goods and Regional Projects", a presentation to the Asian Development Bank, Manila, by Prof. John Weiss, University of Bradford, 14 December 2017.

[5] In economics, a spillover effect is an economic event in one context that occurs because of something else occurring in a seemingly unrelated context. A very common and widespread example of a spillover effect is information. When more information about a particular market generates or leads to more insights and understanding of another market, that information helps to eliminate asymmetries in information among the markets, thereby supporting more informed resource allocation decisions across markets–the spillover effect in this case is positive.

THE ARAB LEAGUE

Members include: **Algeria**, **Bahrain**, **Comoros**, **Djibouti**, **Egypt**, **Iraq**, **Jordon**, **Kuwait**, **Lebanon**, **Libya**, **Mauritania**, **Morocco**, **Oman**, **Palestine**, **Qatar**, **Saudi Arabia**, **Somalia**, **Syria** (membership suspended), **Sudan**, **Tunisia**, **United Arab Emirates**, and **Yemen.**

The Arab League is an intergovernmental organization (IGO), a voluntary association of independent African and Middle East countries whose peoples are mainly Arabic speaking. It is a regional organization within the framework of Chapter VIII of the United Nations Charter. Its headquarters is located in Cairo, Egypt. The stated purposes of the Arab League are to strengthen ties among the member states, coordinate their policies, and promote their common interests. It is based on voluntary cooperation between its members, and on principles of sovereignty, equality and mutual respect. The Council of the League of Arab States (Council) is the Supreme Authority functioning within the Arab League. It consists of all the Arab League Member States representatives. The Council meets twice a year. Each member state has one vote. Resolutions of the Council taken by unanimous vote are binding on all Member States; resolutions not adopted by unanimous vote are binding only on the assenting states. The General Secretariat is the administrative organ of the League. It is headed by the Secretary General who is appointed by the League Council.

THE STATED PURPOSES OF THE ARAB LEAGUE ARE TO STRENGTHEN TIES AMONG THE MEMBER STATES, COORDINATE THEIR POLICIES, AND PROMOTE THEIR COMMON INTERESTS. IT IS BASED ON VOLUNTARY COOPERATION BETWEEN ITS MEMBERS, AND ON PRINCIPLES OF SOVEREIGNTY, EQUALITY AND MUTUAL RESPECT

THE NUMEROUS ARAB LEAGUE COUNTRIES HAVE WIDELY VARYING LEVELS OF POPULATION, RESOURCES, AND GDP YET IN THE CONTEXT OF THE ARAB LEAGUE THEY HAVE AN IMPORTANT FORUM THAT BRINGS ALL OF THEM TOGETHER TO CONSIDER COLLECTIVE ACTION ON BEHALF OF THE ARAB WORLD

The numerous Arab League countries have widely varying levels of population, resources, and GDP yet in the context of the Arab League they have an important forum that brings all of them together to consider collective action on behalf of the Arab world. Through agreements for economic cooperation and free trade, among others, the Arab League helps its member countries to coordinate government, economic, and scientific and cultural programs to facilitate cooperation and to mitigate any acute differences that may arise among members on vital issues. The Arab League has served as a platform for the drafting and conclusion of almost all landmark documents promoting various cooperation among Member States, such as the conclusion of the "Joint Arab Economic Action Charter", which set out the principles for economic activities of the League.

The League has established a group of specialized organizations and unions, formed to deal with various affairs and matters relating to manpower, economic and social development, scientific and cultural affairs, for example: "The Arab Labor Organization", "The Arab Fund for Economic and Social Development", and "The Arab League Educational, Cultural and Scientific Organization (ALESCO)." It is a system that includes a range of specialized Arab Agencies, specialized ministerial councils and several financial institutions.

One of the Arab League's main objectives is to establish an Arab Common Market. The "Greater Arab Free Trade Area" (GAFTA) is a pan-Arab free trade zone that came into existence in 1997. GAFTA is supervised and run by the Economic and Social Council (ESC). The Greater Arab Free Trade Area was created as the most far-reaching trade agreement to be implemented in the Arab world. The agreement seeks to facilitate an overarching inclusive trade structure between all Arab states. GAFTA's goals include: the removal of tariffs, a reduction in monetary and administrative non-tariff barriers, liberalization in agricultural market trading, and increased sub-regional and bilateral trade agreements. Member states are also expected to take part in consultation on research cooperation and technology. The main provisions concerned the progressive removal of tariff and nontariff barriers on intra-GAFTA trade in manufactures. Agricultural products were provided special treatment: each country could exclude a limited number of agricultural products from the agreement. In addition, rules of origins were set at less than half of the value added. There has been considerable progress on tariff removal, although countries have only partially removed non-tariff barriers.

The Arab Fund for Economic and Social Development (the Arab Fund), based in the State of Kuwait, is an Arab regional financial institution focused on funding economic and social development by financing public and private investment projects and providing grants and expertise. The Fund was established by agreement of the Economic and Social Council of the Arab League. The Arab Fund's activities are characterized by a number of important aspects that make it a model of cooperation and Arab economic integration, and a reflection of outstanding joint Arab action. Achieving Arab integration and consolidating cooperation among the Member countries is the main objective of the Arab Fund. Priority is therefore given to financing joint Arab projects of particular importance and specifically to those projects that increase the interdependence of Arab countries. Hence the emphasis on contributing to projects involving the interconnection of electrical power, transportation and communications.

The Arab Monetary Fund (AMF) is a regional Arab organization, a working sub-organization of the Arab League. It was founded 1976, and has been operational since 1977. The Arab Monetary Fund's main objectives are to correct and balance the payment of its member states, remove payment restrictions between members, improve Arab monetary cooperation, encourage the development of Arab financial markets, and to facilitate and promote trade between member states. In April 2015, the World Bank Group and the Arab Monetary Fund signed a partnership for enhanced cooperation in the MENA region. And in May 2016, the Arab Monetary Fund called for members' central banks to be more active in Islamic finance, urging them to use Sharia-compliant tools to manage their short-term financial obligations.

GULF COOPERATION COUNCIL (GCC)

Members include: Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and the United Arab Emirates.

The Gulf Cooperation Council (GCC) was founded in 1981. Members of the GCC include Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates. The Unified Economic Agreement (UEA, 1981) foresaw a gradual convergence toward an integrated economic bloc marked by harmonized economic systems and coordinated external commercial policies and trade relations. It also called for coordinating industrial policies and promoting joint projects to align value chains and link transportation networks. Today, the GCC is perhaps the most advanced example of economic integration in the Middle East and North Africa (MENA) region. It has evolved well beyond a focus on free trade in goods to embrace high levels of cross-national labor and capital mobility, and the opening of various sectors within each economy to all member states. The GCC has identified economic cooperation and integration as an integral part of its agenda. The member states signed an Economic Agreement in December 2001, which brought a renewed focus on trade, investment, and other economic issues. The creation of a customs union began in 2003 and was completed and fully operational on 1 January 2015. The GCC declared common market status in 2008 and continues to work towards creation of a single environment where citizens of member countries can, among other things, move easily between countries for work and to engage in various economic activities and services. Besides ongoing integration mechanisms, particularly in facilitating energy trade, strengthening transport corridors, and integrating broad network infrastructure, addressing further cooperation in areas such as the financial sector, fiscal policy, and service sector liberalization could expand the size of markets and promote the efficient allocation of resources for the GCC as a whole. The GCC has negotiated FTAs with nonmembers and other trading blocs, working with private sector groups, and to some extent working together to diversify their economies without resulting in undue competition among them. Many actions are taken unilaterally. The GCC has a well-resourced and professionally staffed Secretariat. The GCC has successfully established a number of joint institutions (e.g., patents, commercial arbitration), and has achieved some meaningful progress on monetary cooperation and development of a single currency.

TODAY, THE GCC IS PERHAPS THE MOST ADVANCED EXAMPLE OF ECONOMIC INTEGRATION IN THE MIDDLE EAST AND NORTH AFRICA (MENA) REGION

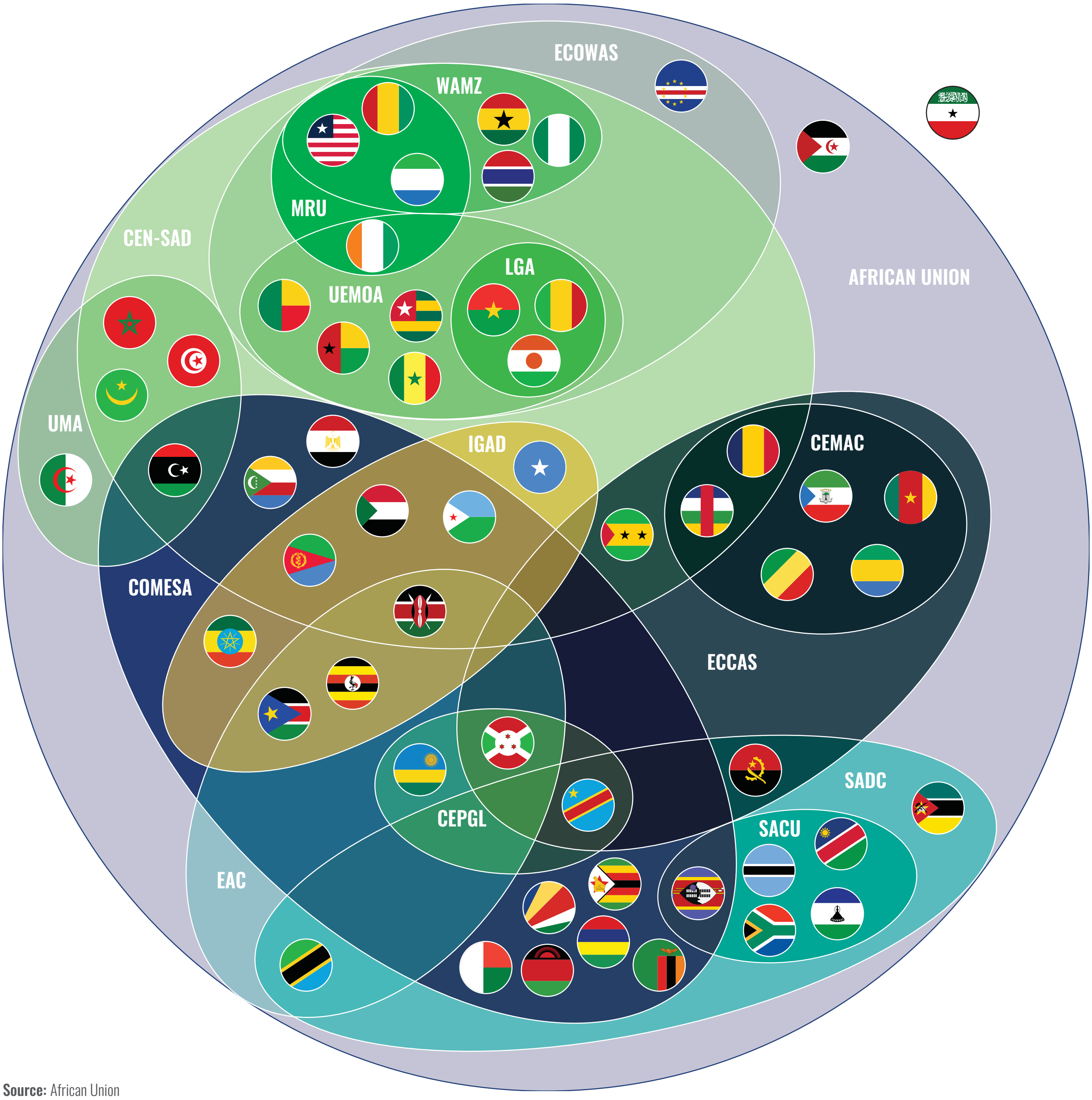
THE AFRICAN UNION (AU), AFRICAN ECONOMIC COMMUNITY (AEC), NEW PARTNERSHIP FOR AFRICA'S DEVELOPMENT (NEPAD), AND REGIONAL ECONOMIC COMMUNITIES (RECs)

The AU is an intergovernmental organization, established in 2002, to promote unity and solidarity of African states, to spur economic development, and to promote international cooperation. The AU replaced the Organization of African Unity (OAU). The AU's headquarters are in Addis Ababa, Ethiopia. The AEC is an organization of African Union states establishing grounds for mutual economic development among the majority of African states. The stated goals of the organization include the creation of free trade areas, customs unions, a single market, a central bank, and a common currency, with a view merging eight RECs into one economic and monetary union.

NEPAD is a Program of the AU that seeks to, among other things, eradicate poverty and place African countries both individually and collectively on a path of sustainable growth and development. The implementation of NEPAD is guided by a set of principles, including, inter alia, acceleration of regional and continental integration and building the competitiveness of African countries and the continent as a whole. NEPAD has been closely integrated into the structures and processes of the AU. This included the establishment of the NEPAD Planning and Coordinating Agency (NPCA) as a technical body of the AU (replacing the NEPAD Secretariat). NEPAD is essentially a coordinating mechanism; it is national governments and Regional Economic Communities (RECs) that must actually pilot and operate the NEPAD agenda. NEPAD is also the pivot for United Nations System support to the continent. The Regional Coordination Mechanism for Africa (RCM-Africa) is a framework for coordination aiming to fast-track program implementation by the United Nations. There are also subregional coordination mechanisms (SRCMs). The mechanisms help to further coordinate and foster joint activities at the subregional level promoted by RECs, with some technical and financial support provided from United Nations agencies and other development partners.

The AU recognizes eight RECs (see next page); each REC is a regional grouping of African states. The RECs have developed individually and have differing roles and structures. Generally, the purpose of the RECs is to facilitate regional economic integration between members of the individual regions and through the wider AEC. The AEC is an organization of AU states establishing grounds for mutual economic development among them. The stated goals of the organization include the creation of free trade

FIGURE 7: The Relationship between the African Union and RECs



Source: African Union

areas, customs unions, a single market, a central bank, and a common currency thus establishing an economic and monetary union. The RECs are considered a core basis for wider African integration, with a view to regional and eventual continental integration (see Figure 7) . The RECs are closely integrated with the AU's work and serve as its building blocks. The RECS are increasingly involved in coordinating AU Member States' interests in economic cooperation and development, among other strategic development interests. The relationship between the AU and the RECs is mandated by the Abuja Treaty and the AU Constitutive Act, and guided by the Protocol on Relations between the RECs and the AU.

THE RECs ARE CONSIDERED A CORE BASIS FOR WIDER AFRICAN INTEGRATION, WITH A VIEW TO REGIONAL AND EVENTUAL CONTINENTAL INTEGRATION

ARAB MAGHREB UNION (AMU)

Members include: Algeria, Libya, Mauritania, Morocco, and Tunisia.

Established in 1989, the AMU is the only regional initiative that includes all five Maghreb countries. It originally aimed to strengthen economic cooperation and achieve regional economic integration while respecting each country's political, economic, and social interests. Member countries also aspired to reach a common stance in foreign affairs and national defense. The AMU is governed by a council of all heads of state. Decisions are reached with a unanimous vote by the heads of all five states. Other governing institutions include the council of Prime Ministers, the council of Ministers of Foreign Affairs, the permanent General Secretariat, and various specialized ministerial commissions. The permanent General Secretariat is headquartered in Rabat. There are four specialized ministerial commissions dealing with human resources, infrastructure, economy and finance, and food security.

A customs union was planned for 1995, and eventually an economic common market in 2000. Neither goal has been accomplished. The goal of establishing an economic union in the Maghreb will require the following steps, as agreed in the treaty: a free trade area, including the dismantlement of all tariff and nontariff obstacles to trade; a customs union with a common external tariff with the rest of the world; and a common market with no remaining restrictions on the movement of production factors. Since 2005 the five Maghreb countries have organized three ministerial conferences to foster regional integration. The first two conferences focused on financial integration and trade facilitation, harmonization of regulations, tariff and custom reforms, and transport infrastructure. The most recent conference focused on strengthening the business environment and fostering private investment. In March 2007 foreign ministers announced the establishment of a Maghreb Investment and Foreign Trade Bank (BMICE) owned by the central banks of the member countries, with initial capital of $1 billion and a mandate to promote investment, trade, and cross-border economic cooperation.

The AMU has been unable to achieve substantial progress on its goals due, in part, to longstanding disagreements between some members on economic and non-economic issues. No high-level meetings have taken place in recent years. However, it has also been observed that Maghreb countries' tangible commitments to the goals and objectives of trade with countries of the European and Mediterranean regions have undermined a prioritization for more substantive progress on cooperation and regional integration as envisaged by the Marrakech Treaty establishing the AMU.

COMMUNITY OF SAHEL-SAHARAN STATES (CEN-SAD)

Members include: Benin, Burkina Faso, Central African Republic, Chad, the Comoros, Djibouti, Egypt, Eritrea, the Gambia, Ghana, Guinea-Bissau, Ivory Coast, Libya, Mali, Mauritania, Morocco, Niger, Nigeria, Senegal, Sierra Leone, Somalia, the Sudan, Togo and Tunisia.

The Community of Sahel-Saharan States (CEN-SAD) was established in February 1998. CEN-SAD became a regional economic community during the Conference of Heads of State and Government of the Organization of African Unity, July 2000. CEN-SAD gained observer status at the General Assembly and thereafter, initiated cooperation agreements with numerous regional and international organizations with the purpose of consolidating collective work in the economic and non-economic fields. The treaty establishing CEN-SAD specified the following objectives: (a) Establishment of a comprehensive Economic Union based on a strategy implemented in accordance with a developmental plan that would be integrated in the national development plans of the member States, including investment in the agricultural, industrial, social, cultural and energy fields; and (b) elimination of all obstacles impeding the unity of its member States through adopting measures that would guarantee facilitating the free movement of individuals, capital, and meeting the interest of member States citizens; freedom of residence, work, ownership and economic activity; freedom of the movement of national goods, merchandise and services; encouragement of foreign trade through drawing up and implementing an investment policy for member States; and enhancement and improvement of land, air and sea transportation and telecommunications among member States through the implementation of joint projects. CEN-SAD's headquarters are located in Tripoli, Libya.

The general structure of CEN-SAD is as follows: (i) The Conference of the Heads of States, which is the supreme organ of the organization and takes decisions on the general policies aimed at implementing the organization's objectives; (ii) The Executive Council, which is responsible for the preparation of the programs of integration plans and the implementation of the decisions of the Conference of the Heads of States; (iii) the Secretariat General, which is the administrative and executive organ of the Community responsible for the management of the daily work, the monitoring of the regular functioning of the institutions and the implementation of the objectives and policies defined by the Conference of Heads of States and Executives Council; (iv) the Economic, Social and Cultural Council (ESCC) that is mandated to assist the organs of CEN-SAD in the design and preparation of development, policies, plan and programs; and (v) the African Bank for Development and Trade, to exercise banking, financial and commercial activities, including those relating to financing development projects and external trade, giving priority to projects executed in the member states.

Market integration is at the heart of CEN-SAD objectives for cooperation among its member States. The ordinary sessions of the Conference of Leaders and Heads of State of CEN-SAD suggests acceleration of regional integration and economic development through policy harmonization initiatives. However, CEN-SAD has achieved limited progress in implementing the integration stages of the Abuja Treaty, and has found eliminating tariff barriers and non-tariff barriers within the regional economic community to be particularly challenging. The key challenges faced by CEN-SAD include overlapping memberships of its (comparatively large grouping of) States to other regional economic communities and regional integration arrangements on the African continent that have progressed further in their trade integration processes, as well as weakened institutional capability resulting from variable commitment from some members experiencing domestic instability.

That being said, CEN-SAD has achieved some significant progress on financial and macroeconomic integration, which in part is related to the presence of the West African Economic and Monetary Union and the Central African Economic and Monetary Community member States that share a common currency in the franc zone.

COMMON MARKET FOR EASTERN AND SOUTHERN AFRICA (COMESA)

Members include: Burundi, Comoros, Djibouti, Egypt, Kenya, Libya, Madagascar, Malawi, Mauritius, Rwanda, Seychelles, Sudan, Zambia, and Zimbabwe. The Secretariat is located in Lusaka, Zambia.

The Treaty establishing COMESA was signed in 1994. However, the beginnings of COMESA go back much further including a Preferential Trade Area (PTA) formed in 1981. A Free Trade Area was achieved in 2000 following a sustained period of trade liberalization that commenced in 1984 on reduction and eventual elimination of tariff and non-tariff barriers to intra-regional trade. COMESA decided to expand the free-trade zone in 2008 to also include the East African Community (EAC) and the Southern Africa Development Community (SADC) through the Tripartite Free Trade Area, which represents a very significant initiative in regional cooperation and integration on the continent. COMESAs objectives also involve trade promotion. For example, trade liberalization and customs cooperation, introducing a unified computerized customs network across the region, improving administration of transport and communication to facilitate for the movement of goods, services and people, to create an enabling environment and legal framework to boost the growth of the private sector, establish a secure environment for investments, adopting a common set of standards and the harmonization of macroeconomic and monetary policies. COMESA's current strategy can thus be summed up in the phrase 'economic prosperity through regional integration'. To achieve an economic community, COMESA has chosen to focus on development integration including trade development and investment promotion and coordination. The four focus areas of the development integration agenda are trade, investment, infrastructure and science and technology development. A notable area is the agriculture sector. To promote agricultural trade development, COMESA has endorsed the principle of moving from a national to a regional approach in dealing with regional food security issues based on two major strategies. The first is to open up the region to freer flow of agricultural trade by removing all barriers to such trade to ensure that as needed, commodities move from surplus to deficit areas in the region driven primarily by demand and market forces. The other strategic approach is to put in place policies, systems, regulations and procedures which are harmonized across the region so as to create a conducive, transparent and facilitative environment for conducting regional agricultural trade with forward and backward linkages across the region from the farmer to the market.

The COMESA Authority, composes of Heads of States or Government and is COMESA's supreme policy-making organ. The Authority meetings are held in closed sessions and usually decisions are taken by consensus. The session leaders have to issue a communiqué, recording any decisions made. These directives and decisions taken by the Authority are binding on all member States and the other organs to which they are addressed. There is a Council of Ministers responsible for policy making, various technical committees and a series of other advisory bodies (including specific relations with partner countries and the business community). In addition each member state appoints liaison persons in their appropriate ministries who form part of the day-to-day communication process with COMESA. Overall coordination and support to the policy organs is provided by the COMESA Secretariat (Secretariat), which is based in Lusaka, Zambia, and is headed by a Secretary-General appointed by the Authority, The COMESA Study http://ecdpm.org/peria/comesa 10 Secretariat is responsible for, among other things, monitoring the implementation by member states of the provisions of the COMESA Treaty and the regulations, directives and decisions of the Council.

COMESA has established several institutions to promote sub-regional co-operation and development, for example, an association of commercial banks, a re-insurance company, a trade insurance agency, and a regional investment agency, among others. These have resulted in significant achievements with resource mobilization for financing development, including cross-border development, in member countries. The financial institutions, for example provide financing to the public and private sector. Most of them have credit ratings from international credit rating agencies and are thus able to raise funds from the international capital markets. In addition, the shareholding of these institutions has been opened up to non-COMESA Member States. As a means of accessing and mobilizing greater amounts of financial resources for investment, including trade financing and cross-border infrastructure.

EAST AFRICAN COMMUNITY (EAC)

Members include: Burundi, Kenya, Rwanda, South Sudan, Tanzania, and Uganda.

The East African Community (EAC) was originally founded in 1967, dissolved in 1977, and revived with the Treaty for the Establishment of the East African Community (the Treaty Establishing EAC) signed in 1999. The aims of the EAC include, among others, gradually establishing among themselves a Customs Union, a Common Market, and a Monetary Union. In 2010, the EAC launched its own common market for goods, labor, and capital within the region, with the goal of creating a common currency. Member States agreed to, eliminate tariffs, remove non-tariff and technical barriers to trade; harmonize and mutually recognize standards and implement a common trade policy for EAC; and lastly, ease cross-border movement of persons and adopt an integrated border management system. Furthermore, the EAC also has a Model Investment Code that serves as a reference guide for member States to align their national investment policies in order to improve the business climate and promote trade. In 2013, a protocol was signed outlining their plans for launching a monetary union within 10 years. The most important aspects of the customs market include a common external tariff on imports from third countries, duty-free trade between the member states and common customs procedures. The EAC is part of the Tripartite Free Trade Agreement with SADC and COMESA which was established in 2005 with the aim to harmonize REC programs in the areas of trade and infrastructure development, in order to accelerate economic integration and achieve sustainable economic development. The EAC is in the preparatory stages of establishing an EAC Monetary Union. In November 2013, the Heads of States and Government signed a Protocol on the Establishment of the East African Community Monetary Union. The critical areas of harmonization include, monetary and exchange rate policy harmonization; statistic harmonization; fiscal policy coordination and harmonization; financial market coordination; banking supervision and financial stability; harmonization of payments and settlement systems; and cohesive accounting and financial standards. In March 2016, EAC adopted a road map for member States to optimize the utilization of its resources to accelerate productivity and the social wellbeing of its people, called the Vision 2050. The Vision depicts a future East Africa with cohesive societies, competitive economies, and strong inter-regional cooperation that will transform the EAC region into an upper middle-income region based on the principles of inclusiveness and accountability. Today, the EAC is arguably the most advanced regional trade organization on the continent.

The EAC is one of the fastest growing regional groups in Africa and the world at large. The EAC has taken a strong sectoral focus to economic cooperation and integration. For example, with regard to infrastructure, the EAC has identified specific transport corridors in the Community that constitute a strategic priority and requires rehabilitation to complete the road network in the Community. Significant investment in trade facilitation has resulted in real progress in reducing the time for cross-border movement of cargo and at ports and reducing trade costs. In regards to energy, the East African Power Master Plan was completed in May 2011 and approved in June 2011. The Power Master Plan outlines the least cost generation and the transmission program in order to satisfy the electricity demand for 2013–2038 in the region. Following approval of the Power Master Plan, the EAC Secretariat was tasked to mobilize resources for priority projects that are critical for ensuring regional interconnectivity and enhancing power generation in the region. EAC partner states signed important protocols that will help in promoting East Africa as a single tourist destination and will result in attracting more tourists and increase the contribution of the tourism industry to the East African economy. A single East African Tourist Visa for the EAC countries of Kenya, Rwanda, and Uganda has been available since 2014.

The main Organs of the EAC include, among others, the Summit, the Council of Ministers, the Coordinating Committee, Sectoral Committees, and the Secretariat. The Council of Ministers is the central decision-making and governing body of the EAC. Its membership constitutes Ministers or Cabinet Secretaries from the Partner States whose have responsibilities for regional co-operation. Regulations, directives and decisions taken or given by the Council are binding to the Partner States. Under the Council, the Coordinating Committee has the primary responsibility for regional co-operation and co-ordinates the activities of the Sectoral Committees. Sectoral Committees conceptualize programs and monitor their implementation. The Secretariat is the executive body of the Community. It ensures that regulations and directives adopted by the Council are properly implemented. The Secretariat comprises the Secretary-General, several Deputy Secretaries-General, the Counsel to the Community, and EAC staff who carry out the day-to-day work of the EAC as mandated by the Council. The Community has a number of semi-autonomous institutions that help it implement its mandate, for example, the Civil Aviation Safety and Security Oversight Agency and the East African Development Bank.

VISION 2050 DEPICTS A FUTURE EAST AFRICA WITH COHESIVE SOCIETIES, COMPETITIVE ECONOMIES, AND STRONG INTER-REGIONAL COOPERATION THAT WILL TRANSFORM THE EAC REGION INTO AN UPPER MIDDLE-INCOME REGION BASED ON THE PRINCIPLES OF INCLUSIVENESS AND ACCOUNTABILITY

ECONOMIC COMMUNITY OF CENTRAL AFRICAN STATES (ECCAS)

Members include: Angola, Burundi, Cameroon, Central African Republic, Chad, Republic of the Congo, Democratic Republic of the Congo, Equatorial Guinea, Gabon, Sao Tome and Principe, and Rwanda.

The creation of ECCAS was agreed in 1983, and ECCAS began functioning in 1985. ECCAS was initially conceived as a pillar of the African Economic Community (AEC); its central objective was defined as promoting and strengthening economic and social cooperation and self-sustained development. In its first decade ECCAS's operations were limited. This was followed by a period of reduced activity due to financial constraints and regional instability. Then, in 1998 ECCAS States convened to give new impetus to their cooperation and re-launch the regionalization process. The Community embarked on institutional reform and revision of the agenda. The promotion of economic cooperation and development through the progressive creation of a Central African single market was kept as the main central aim. Formal contacts with AEC were established in October 1999 and the importance of ECCAS as major economic community in Central Africa confirmed on the continental level. At their summit in Equatorial Guinea's capital Malabo in June 2002, the Heads of State defined four main priority fields for the Community: (i) to develop capacities to maintain regional stability in support of future economic and social development; (ii) to develop physical, economic and monetary integration; (iii) to develop a culture of human integration; and (iv) to establish an autonomous financing mechanism for ECCAS.

The Conference of Heads of State is the supreme authority of ECCAS, to formulate the overall policy of the Community and defines major policy orientations. It monitors the implementation of Community decisions and regulations by every Member State. The Conference appoints the Secretary-General and the deputy Secretaries-General. It prepares ECCAS' annual budget and fixes the contributions due by every Member State. The Conference is assisted by the Council of Ministers. The Council is composed of the Member States' Ministers responsible for economic development matters. It is responsible for the functioning and development of the Community and makes recommendations to the Conference in view of the overall achievement of the Community's aims. It guides the activities of the other ECCAS institutions, notably the Secretariat and the technical and specialized committees. The Council is advised by the Consultative Commission; its major duty is to review projects submitted by other ECCAS institutions. It may establish specialized technical committees recommended by the Council. The central administrative organ is the Executive Secretariat, based in Libreville, Gabon. It is responsible for the execution of decisions and directives adopted by the Conference and the regulations issued by the Council of Ministers. The Secretary General oversees major departments and is responsible for budget, administration and human resources issues.

THE ECCAS CENTRAL OBJECTIVE WAS DEFINED AS PROMOTING AND STRENGTHENING ECONOMIC AND SOCIAL COOPERATION AND SELF-SUSTAINED DEVELOPMENT

ECCAS, with the support of its development partners, is involved in programs that must contribute to accelerating regional integration in Central Africa and achieving the objectives set out in the 2025 vision. In the area of transport: the strategy for the region is the Consolidated Transport Development Plan for Central Africa (PDCT-AC), which includes a range of priority projects covering all transport infrastructure that supports the international trade of countries in the region. In the field of energy infrastructure ECAC's activities aim to develop and consolidate a regional energy market, led by the Central African Energy Pool (PEAC), which is recognized as an appropriate institutional framework to stimulate regional cooperation and to realize the commitment member countries to work together to exploit the enormous energy potential of the region. In the area of agriculture and food security, strategic actions have been initiated with regard regional food security, the development of a common agricultural policy, regional funding for agricultural development assist small farmers, and the development of the common phytosanitary regulations for regulating cross-border agricultural trade and to mitigate health risks. Several ECCAS members utilize a single currency, and capital moves fairly freely across borders. Steps have been taken to eliminate tariffs as well, though these have yet to be fully implemented.

ECCAS and ECA have collaborated on ways to accelerate economic integration among their member countries. Collaboration has included infrastructure; industry, trade and access to markets; agriculture, food security and the environment; and development of institutional frameworks. Results of this collaboration include adoption of a transport master plan and identification of priority projects, harmonized instruments to achieve further trade liberalization, and the adoption of model laws on telecommunications, cybersecurity and the cross-border interconnection regulatory framework by countries.

ECONOMIC COMMUNITY OF WEST AFRICAN STATES (ECOWAS)

Members include: Benin, Burkina Faso, Cape Verde, Gambia, Ghana, Guinea, Guinea-Bissau, Ivory Coast, Liberia, Mali, Niger, Nigeria, Togo, Senegal, and Sierra Leone.

ECOWAS was established in 1975 with the Treaty of Lagos. Considered one of the pillar regional blocs of the continent-wide African Economic Community (AEC), the stated goal of ECOWAS is to create a single large trade bloc by building a full economic and trading union. The mission of ECOWAS is to promote economic integration in all fields of economic activity, particularly industry, transport, telecommunications, energy, agriculture, natural resources, commerce, monetary and financial cooperation, and to promote and support cooperation in relation to social and cultural matters. ECOWAS includes two sub-regional blocs. One, the West African Economic and Monetary Union is an organization of eight, mainly French-speaking, states within the ECOWAS which share a customs union and currency union. The common currency is the CFA franc. And two, the West African Monetary Zone (WAMZ), which comprises six mainly English-speaking countries within ECOWAS. ECOWAS and UEMOA have developed a common plan of action on trade liberalization and macroeconomic policy convergence. The organizations have also agreed on common rules of origin to enhance trade.

Past regional integration initiatives have focused on removing barriers to free trade in the region, increasing the free movement of people, labor, goods, and capital across national borders, and adopting cohesive regional stances on policy issues, such as the environment. ECOWAS has implemented a Customs and Connectivity program to simplify the movement of goods in the region. The ECOWAS Common External Tariff has thus been operational since 2015. Moreover, member States are increasingly implementing the ECOWAS Single Customs Declaration Form for their customs administrations. Nevertheless, challenges in regards to still limited application of the ETLS is an issue that need to be addressed for deepened trade and market integration in the ECOWAS region. ECOWAS is also working in three areas to promote investments and competition policies, namely: creation of the ECOWAS Common Investment Market, investment climate promotion and financial market integration. The ECOWAS Investment Forum and the ECOWAS online resource for monitoring the investment climate are such initiatives. ECOWAS set up The West African Monetary Institute (WAMI) in Accra, Ghana to undertake technical preparations and monitoring of quantitative convergence criteria for the establishment of a common West African Central Bank. The ECOWAS Commission set out specific macroeconomic convergence criteria for member States to comply with for a single currency to be implemented. Internalization and compliance with the criteria has however not been simultaneous or on a sustainable basis across member States. The initial date for the launch of the single currency has been postponed several times due to member States' inability to fulfill the full set macroeconomic convergence criteria. However, ECOWAS has made significant progress in the harmonization of sectoral policies, notably in the areas of health, infrastructure, energy, aviation as well as food and agriculture, as exemplified by highway and transport facilitation programs, air transport liberalization, a liberalized telecommunications market, the West African Power Pool, and implementation of the ECOWAS Agricultural Policy.

ECOWAS headquarters is located in Abuja, Nigeria. The ECOWAS Commission is the main 'center' of all ECOWAS programs, projects and activities. This ECOWAS administrative instrument was transformed from an Executive Secretariat into a Commission in 2007. The Commission provides ECOWAS with a strengthened position and capability to support ECOWAS member states to build their capacities for program implementation. The ECOWAS Bank for Investment and Development (EBID) is the financial institution established by the 15 Member States of the Community, providing financing of ECOWAS projects and programs in particular, those related to transport, energy, telecommunications, industry, poverty alleviation, the environment and natural resources. Within the scope of its corporate objectives, EBID cooperate with national and sub-regional development organizations operating within the Community. ECOWAS has also established a set of specialized agencies, notably, the West African Monetary Agency (WAMA), West African Monetary Institute (as previously noted), the Regional Agency for Agriculture and Food (RAAF), and the ECOWAS Regional Electricity Regulatory Authority (ERERA), among others.

Going forward under its ECOWAS-wide Vision, the organization recognizes that achieving a common currency and further reductions in non-tariff barriers remain crucial objectives, but that these need to be complemented by sector efforts that increase country and firm competitiveness, improve the business climate, reduce the hard infrastructure gaps, and invest in soft infrastructure such as skills and technology.

THE ORGANIZATION RECOGNIZES THAT ACHIEVING A COMMON CURRENCY AND FURTHER REDUCTIONS IN NON-TARIFF BARRIERS REMAIN CRUCIAL OBJECTIVES

INTERGOVERNMENTAL AUTHORITY ON DEVELOPMENT (IGAD)

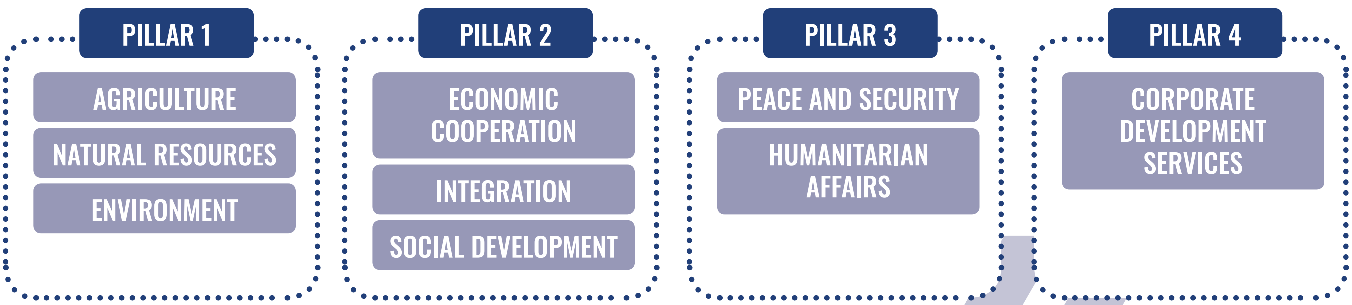
Members include: Djibouti, Ethiopia, Eritrea, Kenya, Somalia, Sudan, South Sudan, and Uganda.

The Intergovernmental Authority on Development was established in 1996 (it was previously organized through the Intergovernmental Authority on Drought and Development (IGADD), formed in 1986). The Agreement Establishing IGAD identifies some twenty areas of cooperation among the Member States. In addressing these diverse areas of cooperation in a manageable manner, the overarching IGAD Regional Strategy (2011-15) regrouped them under four Pillars as follows: Pillar 1: Agriculture, Natural Resources and Environment; Pillar 2: Economic Cooperation, Integration and Social Development; Pillar 3: Peace and Security; and Humanitarian Affairs; and Pillar 4: Corporate Development Services. All IGAD programs are clustered under these Pillars. The details of the programs are provided in the specific sectoral or departmental strategies.

IGAD's Mission is to promote regional cooperation and integration to add value to Member States' efforts in achieving peace, security and prosperity. IGAD expanded its activities in 2008 with initiatives to improve the investment, trade and banking environments of member states. In 2010, IGAD revived its Business Forum to promote private sector-led integration through increased trade and cross-border investments. The Business Forum aims to facilitate an environment for promoting trade and investment throughout the region. The Business Forum also aims to advance trade facilitation by supporting access to inputs and trade finance; encouraging more public-private partnerships to create an enabling environment for domestic and cross-border investments as well as to advance the harmonization of policies. IGAD has developed a strategic framework for tourism development. The IGAD Sustainable Tourism Master Plan was developed through a consultative process involving key tourism stakeholders drawn from the Member States. The master plan was officially launched in 2013. The aim of the master plan is to provide IGAD member states with a regional framework for sustainable tourism development that contributes to socio-economic development, poverty alleviation and promotion of regional integration. The IGAD Regional Strategic Framework and Implementation Plan 2016-2020 provides the overall framework to guide IGAD in delivering its mandate. The Plan was formulated on the basis of extensive stakeholder consultations, prepared taking into account ongoing development trends at the national, regional and international levels, and places a renewed emphasis on cost-effective and accountable delivery of IGAD's programs and projects.

The headquarters of IGAD is located in Djibouti City, Djibouti. The Assembly of Heads of State and Government is the supreme policy making organ. It determines the objectives, guidelines and programs for IGAD and meets once a year. A Chairman is elected from among the member states in rotation. The Secretariat assists member states in formulating regional projects in the priority areas, facilitates the coordination and harmonization of development policies, mobilizes resources to implement regional projects and programs approved by the Council and reinforces national infrastructures necessary for implementing regional projects and policies. The Council of Ministers formulates policy, approves the work program and annual budget of the Secretariat. The Committee of Ambassadors comprises IGAD member states' Ambassadors or Plenipotentiaries accredited to the country of IGAD Headquarters. It convenes as often as the need arises to advise and guide the Executive Secretary.

FIGURE 8: The IGAD Regional Strategy (2011-15)

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SOUTHERN AFRICA DEVELOPMENT AUTHORITY (SADC)

Members include: Angola, Botswana, Comoros, Democratic Republic of the Congo, Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia, Seychelles, South Africa, Swaziland, Tanzania, Zambia, and Zimbabwe.

The Southern African Development Coordinating Conference (SADCC), was established in 1980 and was the precursor of the Southern African Development Community (SADC). The SADC was established into the SADC in 1992 when the SADC Treaty was adopted, redefining the basis of cooperation among Member States from a loose association into a legally binding arrangement. It aims to foster regional integration through the free trade area, creation of the customs union, common market and monetary union. The main objectives of SADC are to achieve development and economic growth, alleviate poverty, enhance the standard and quality of life of the peoples of Southern Africa and support the socially disadvantaged through regional integration. They aim to do this through increased regional integration, built on democratic principles, and equitable and sustainable development. SADC is part of the Tripartite Free Trade Area together with COMESA and EAC.

The SADC Regional Indicative Strategic Development Plan (RISDP) provides strategic direction and specific milestones for implementation of SADC policies and programs over the long term. Its objectives include, the formation of a free trade area; the establishment of a Customs Union with common external tariffs; the achievement of a Common Market by 2015 the creation of a Monetary Union by 2016, and forming a single currency. FTA was launched in 2008, following an earlier tariff reduction program. Eighty-five per cent of intra-regional trade among the member States attained zero duty. Implementation of the Customs Union, the Common Market and the Monetary Union has not been realized; multiple memberships of some SADC member States to other regional integration arrangements and the subsequent challenge of having to meet multiple obligations simultaneously has been a significant constraint. In addition, attainment of increased intra-regional trade in SADC has been made more difficult by limited investment in infrastructure and improved trade facilitation systems. SADC is taken various measures to address these challenges, for example: review of rules of origin; the completion of tariff phase downs; the removal of non-tariff barriers to trade; and the development of mechanisms to assist member States that are not yet apart of the FTA to participate. SADC is also cooperating with COMESA and the ECA to address issues in relation to non-tariff barriers to trade. Furthermore, under the RISDP, SADC member States agree to restrict inflation to stable levels, maintain prudent fiscal stances with minimal deficits, maintain sustainable balances in current accounts, and minimize market distortions. The SADC Secretariat created a Macroeconomic Surveillance and Performance Unit to support implementation of the RISDP through provision of policy guidance and advice to member States in the areas of macroeconomic policy, more specifically, to plan, facilitate, coordinate and monitor macroeconomic policies, including monetary and fiscal policies, with a view to promote economic liberalization and development. SADC has commenced a process of formulating a new cooperation and integration strategy to succeed the Revised Regional Indicative Strategic Development Plan (RISDP) that was approved in 2015 and runs to 2020, and also recently agreed to put in place a mechanism for tracking progress on the implementation of the regional integration agenda; in that context will plan to strengthen National Committees so they can be even more effective in coordinating the implementation of regional policies at national level.

SADC has been able to put in place regional programs which encourages co-operation in various economic sectors, exemplifying SADC's strong sectoral and thematic approach to regional economic cooperation and integration. A number of infrastructure projects have been undertaken to rehabilitate roads, rail and harbors as a way of improving electricity, communication, transportation and carriageways across the region, and other success has been achieved in the fields of tourism, improved border crossings, and water sharing, among others. SADC has put in place a modern Disaster Preparedness and Response Strategy 2016-2030, which will, among other things explore risk insurance options for disasters such as drought and floods caused by climate change. These achievements have provided a foundation on which the SADC region can make further progress towards its vision of regional integration. However, much works remains on addressing issues, such as the intricacies of rules of origin across SADC member states, in order to stimulate and allow larger and less restricted flows of goods. And, as is the case for other RCOs/RECs on the continent, overlapping membership with other regional groupings has prevented reaching broader harmonization and alignment on trade facilitation and trade policy

SADC has six principal bodies: among them are the Summit (heads of government), Council of Ministers, National Committees, and the Secretariat. The Secretariat is the principal executive institution of SADC, responsible for strategic planning, facilitation and co-ordination and management of all SADC Programs. It is headed by the SADC Executive Secretary and is located in Gaborone, Botswana. The Deputy Executive Secretary: Regional Integration is responsible for five Directorates that address SADC's Regional Integration themes (trade, industry, finance and investment; infrastructure, food, agriculture and natural resources; social and human development and special programs; and policy planning and resource mobilization).

ASIAN PACIFIC ECONOMIC COOPERATION (APEC)

APEC has 21 members: Australia, Brunei Darussalam, Canada, Chile, People's Republic of China, Hong Kong, China, Indonesia, Japan, Republic of Korea, Malaysia, Mexico, New Zealand, Papua New Guinea, Peru, The Philippines, The Russian Federation, Singapore, Chinese Taipei, Thailand, United States of America, and Viet Nam.

The word 'economies' is used to describe APEC members because the APEC cooperative process is predominantly concerned with trade and economic issues, with members engaging with one another as economic entities. In 1994, APEC Leaders committed to achieving the 'Bogor Goals' of free and open trade and investment by 2020 through reducing trade barriers in the region and promoting the free flow of goods, services and capital among APEC economies. The goal is to build a dynamic and harmonious Asia-Pacific community by accelerating regional economic integration, encouraging economic and technical cooperation, enhancing human security, and facilitating a favorable and sustainable business environment. APEC ensures that goods, services, investment and people move easily across borders. Members facilitate this trade through faster customs procedures at borders; more favorable business climates behind the border; and aligning regulations and standards across the region. APEC pioneered the concept of "Open Regionalism"—voluntary commitments to trade liberalization and an absence of protectionism against third parties.

Asia-Pacific Economic Cooperation (APEC) operates as a cooperative, multilateral economic and trade forum. There are no binding commitments to be made by members of APEC; instead the organization offers its members an opportunity to engage in dialogue with each other, support projects, and make voluntary decisions on the nature and extent of the trade liberalization they plan to implement. The joint activities of APEC are associated mainly with the annual high-level leaders' summit, as well as numerous summits on other levels including meetings of senior officials, expert groups, business advisory councils, sectoral dialogues, and the APEC Study Centers Consortium. A significant number of APEC activities are implemented by individual countries and country groups. APEC Member Economies report progress towards achieving free and open trade and investment goals

THE GOAL IS TO BUILD A DYNAMIC AND HARMONIOUS ASIA-PACIFIC COMMUNITY BY ACCELERATING REGIONAL ECONOMIC INTEGRATION, ENCOURAGING ECONOMIC AND TECHNICAL COOPERATION, ENHANCING HUMAN SECURITY, AND FACILITATING A FAVORABLE AND SUSTAINABLE BUSINESS ENVIRONMENT

through Individual Action Plans (IAPs) and Collective Action Plans (CAPs). Four core committees and their respective working groups provide strategic policy recommendations to APEC Leaders and Ministers who annually set the vision for overarching goals and initiatives. The working groups are then tasked with implementing these initiatives through a variety of APEC-funded projects—projects are small, with the average budget of a project being around US$100,000—but at the same time APEC gives strongly promotes investment in infrastructure in Asia-Pacific. Members also take individual and collective actions to carry out APEC initiatives in their individual economies with the assistance of APEC capacity building projects. Broadly, projects are concerned with the priorities of APEC Economic Leaders and APEC Ministers, cover the interest of at least several APEC member economies, build capacity, help improve economic efficiency, and encourage the participation of the business sector and nongovernmental institutions.

The APEC Secretariat is based in Singapore and operates as the core support mechanism for the APEC process. It provides coordination, technical and advisory support as well as information management, communications and public outreach services. The APEC Secretariat performs a central project management role, assisting APEC Member Economies and APEC fora with overseeing more than 250 APEC-funded projects; the APEC Project Management Unit oversees APEC-funded projects in collaboration with working groups. APEC's annual budget is also administered by the APEC Secretariat. APEC is not a donor organization. APEC activities are centrally funded by annual contributions from APEC member economies. Member economies also provide voluntary contributions to support projects that advance APEC's trade and investment liberalization and facilitation goals and to meet capacity-building needs, especially for APEC developing economies.

APEC Ministers agreed to establish an APEC Policy Support Unit (PSU) - a research and analysis arm for APEC attached to the APEC Secretariat. The PSU can undertake detailed research on various topics to support fora discussions, provide members and fora with access to greater levels of data and commentary about economic issues within APEC, and support members and fora in designing robust, effective initiatives with measurable outcomes, and carry out initiatives on behalf of APEC fora, marshalling internal and external expertise as necessary.


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ASSOCIATION OF SOUTHEAST ASIAN NATIONS (ASEAN)

The Association of Southeast Asian Nations (ASEAN) is a regional grouping that promotes economic, political, and security cooperation among its ten members: Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand, and Vietnam.

ASEAN countries have a population of nearly 640 million people and a combined GDP of $2.57 trillion. The group has spurred economic integration, signing six free-trade agreements with other regional economies. ASEAN is chaired by an annually rotating presidency assisted by the ASEAN Secretariat (ASEC) based in Jakarta, Indonesia. Decisions in ASEAN are reached through consultation and consensus. In 2007, the ten members adopted the ASEAN Charter. The charter set out a blueprint for a community built on three branches, including the ASEAN Economic Community (AEC), which came into force at the end of 2015. The AEC's four pillars are: the creation of a single market with the free flow of goods, services, investment, and skilled labor; fair economic competition; sustainable and equitable economic development; and further integrating ASEAN into the global economy. The AEC Blueprint 2025, adopted in 2015 provides broad directions through strategic measures for the AEC from 2016 to 2025. The AEC Blueprint 2025 aims to strengthen and reinforce the following five characteristics of the ASEAN Economic Community: (a) A Highly Integrated and Cohesive Economy; (b) A Competitive, Innovative, and Dynamic ASEAN; (c) Enhanced Connectivity and Sectoral Cooperation; (d) A Resilient, Inclusive and People-Oriented, People-Centered ASEAN; and (e) A Global ASEAN 3. To achieve these characteristics, strategic measures as operationalized by key action lines will be pursued by relevant ASEAN sectoral bodies through their corresponding sectoral work plans. A Consolidated Strategic Action Plan (CSAP) complements the AEC 2025 Blueprint, by serving as a single reference document intended for the public to inform stakeholders of the key action lines that will be implemented in pursuit of ASEAN economic integration from 2016 to 2025.

The ASEC's basic function is to provide for greater efficiency in the coordination of ASEAN various bodies and for more effective implementation of ASEAN projects and activities. The ASEAN Secretariat's mission is to initiate, facilitate and coordinate ASEAN stakeholder collaboration in realizing the purposes and principles of ASEAN as reflected in the ASEAN Charter. ASEC contributes towards effectively implementing the ASEAN Community Vision 2025, and strengthening regional cooperation and integration in the ASEAN region. One of the key challenges is to ensure effective coordination between the various ASEAN bodies and working groups, the Committee of Permanent Representatives and the National ASEAN Secretariats. Together with the Member States, ASEC is also responsible for achieving the ASEAN Community Vision 2025 in areas of security policy, culture and economic development. Under the ASEC structure there is an ASEAN Economic Community Department focused on key functional issues of market integration as well as sectoral development of members' economies.

ASEAN remains a primarily intergovernmental organization with a flexible architecture, organized around several high-level meetings and summits (e.g., EAST Asia Summit of ASEAN leaders and leaders of the major non-ASEAN Asian economies; ASEAN Regional Forum including representatives from countries participating in the East Asia Summit plus several south-Asian and non-regional countries; ASEAN Plus Three which includes ASEAN, China, Japan and South Korea; Asia-Europe Meeting, focusing on inter-regionalism; and the ASEAN-Russia Summit). In conducting ASEAN's external relations, the ASEAN Foreign Ministers Meeting may confer on an external party the formal status of Dialogue Partner, Sectoral Dialogue Partner, Development Partner, Special Observer, Guest, or other status. ASEAN's coherent and outward-looking approach in forging its external economic relations is based on the realization that integration into the global economy complements ASEAN's pursuit of regional economic integration. The region's existing free trade agreements (FTAs) have seen expansion in scope and depth of liberalization through the years. In addition, ASEAN has played a central role in helping to advance the Regional Comprehensive Economic Partnership (RCEP) negotiations involving ASEAN and its six FTA Partners towards a timely and successful conclusion.

This architecture and associated high-level formats plus a strong central secretariat function have, over time, given rise to numerous economic and other initiatives (specialized forums and programs), specialized centers and facilities, and frequent engagement with a wide range and various stakeholders in the public, private and non-governmental sectors within and outside the ASEAN community for the purpose of explain ASEAN economic initiatives and to obtain inputs into the ASEAN policy making process. Many of the ASEAN-initiated and sponsored initiatives including comprehensive as well as sectoral agreements implemented by the ASEAN countries themselves.

ASEAN partners with official development-finance organizations. For example, the Asian Development Bank (ADB)–ASEAN partnership has spanned a wide range of areas, including monetary and financial cooperation, cross-border infrastructure development, trade and transport facilitation, social development, agriculture and food security, and environmental sustainability. It has also involved various modalities, such as information sharing, policy dialogue, capacity building, institutional strengthening, project financing, and resource leveraging, which have contributed to the building of the ASEAN Community. ADB has provided assistance through both its regional and national programs. Since 2006, ADB support to ASEAN integration has been considerable in terms of financing and TA, which have helped carry out specific actions required by the ASEAN community blueprints. Such support has been both direct, where the intention to promote ASEAN's objectives was explicitly stated, and indirect, where activities supported ASEAN integration, although this was not explicitly stated as an objective. The latter is particularly true in the case of national projects where many loans and TA projects for education, financial market development, poverty alleviation, health care, and environment involve actions that are mandated in the ASEAN Economic Community and ASEAN Socio-Cultural Community blueprints.

ECONOMIC COOPERATION ORGANIZATION (ECO)

The Economic Cooperation Organization (ECO) is an inter-governmental regional organization including ten member countries: Afghanistan, Azerbaijan, Iran, Kazakhstan, Kyrgyz Republic, Pakistan, Tajikistan, Turkey, Turkmenistan, and Uzbekistan. Together, these are home to more than 460 million inhabitants and cover over 8 million square kilometers and a combined GDP of US$2 trillion.

The overall objective of ECO is the sustainable economic development of its Member States and the Region as a whole. Recent trends in total trade and FDI inflows are positive along with the region's share in world GDP and world trade.

ECO functions through its intergovernmental relations, Secretariat and specialized agencies and regional institutions. The intergovernmental character of ECO is represented through different bodies which include meetings of Heads of State/Government, Council of Ministers (COM), Regional Planning Council (RPC), Council of Permanent Representatives (CPR), sectoral ministerial meetings as well as expert groups, working groups, and various committees. The Council of Ministers may convene meetings of other Ministers in the formulation of plans and projects in their respective fields through sectoral or joint ministerial events. The ECO Secretariat is located in Tehran, Iran. The Secretariat is responsible for assisting members and the Organization through secretariat services, including advocacy support for meetings and program, and with the initiation, implementation and monitoring processes of ECO regional projects and program. External relations of the ECO are also managed by the Secretariat. The Regional Planning Council (RPC) is the main technical planning body within ECO which comprises the heads of the Planning Organizations of the Member States as well as officials and experts from the national sectoral ministries and agencies. The RPC is responsible for preparation of the program of action for realizing the objectives of the Organization. ECO is also assisted by its specialized agencies and regional institutions, as well as bodies affiliated to the Organization. These subsidiary bodies of ECO deal with areas such as regional cooperation, economic growth, finance, education, among others (e.g., ECO Trade and Development Bank, ECO Chamber of Commerce and Industry, ECO Regional Coordination Centre for Food Security). ECO Secretariat has widely established cooperative relations with the regional and international organizations within and outside the Region, including arrangements for bilateral cooperation covering areas such as technical and financial assistance, capacity building and implementation of programs and projects. ECO has been engaged in joint design and implementation of specific projects and programs in different sectors and areas of regional importance. The incentive to enter in such joint arrangements comes either from the ECO's interest or the partner's own program for the countries of the ECO Region.

In March 2017, Heads of States/Government of the Member States in their 13th Summit in Islamabad endorsed "ECO Vision 2025", in which it is envisioned that "ECO will pave the way to a territory of integrated and sustainable economies as well as free trade area achieved by highly educated societies and improved governance through enhanced cooperation". ECO Vision 2025 defines the main cooperation areas over the next eight years (trade, transport and connectivity, energy, tourism, economic growth and productivity, social welfare and environment, partnerships, and capacity building and training programs) and for each cooperation area it specifies the strategic objective, summarizes the policy environment, and identifies the expected outcomes. The Vision document also includes a comprehensive implementation framework delineating activities/actions, timelines, outputs/results, and the entities and member countries responsible. The Vision will be implemented adhering to three core principles: sustainability, integration, and an enabling and conducive environment (which itself should be achieved through adhering to the principles of equality, equity, mutual benefits and transparency).

SHANGHAI COOPERATION ORGANIZATION (SCO)

The SCO comprises eight member states: India, Kazakhstan, China, Kyrgyz Republic, Pakistan, the Russian Federation, Tajikistan, and Uzbekistan.

SCO's eight full members account for approximately half of the world's population, a quarter of the world's GDP, and about 80% of Eurasia's landmass. The Council of Heads of State is the top decision-making body in the SCO. This council meets at the SCO summits, which are held each year in one of the member states' capital cities. The Council of Heads of Government is the second-highest council in the organization. This council also holds annual summits, at which time members discuss issues of multilateral cooperation. The Secretariat of the SCO is the primary executive body of the organization, located in Beijing. It serves to implement organizational decisions and decrees, drafts proposed documents (such as declarations and agendas), function as a document depository for the organization, arranges specific activities within the SCO framework, and promotes and disseminates information about the SCO. Overall, the institutional design of the SCO includes a range of platforms and forums where member countries can engage in dialogue.

The main objectives of the SCO are to (i) strengthen relations among member states; (ii) promote cooperation in political affairs, economics and trade, scientific-technical, cultural, and educational spheres as well as in energy, transportation, tourism, and environmental protection; (iv) safeguard regional peace, security, and stability; and (v) create a democratic, equitable international political and economic order. The SCO has also intensified its focus on regional economic initiatives like the recently announced integration of the China-led Silk Road Economic Belt and the Russia-led Eurasian Economic Union. The organization functions as a forum to strengthen confidence and neighborly relations among member countries and promote cooperation in politics, trade, economy, and culture to education, energy, and transportation. The SCO has broadened its mandate in recent years to include joint economic development programs. Priorities economic and energy cooperation, including establishing a bloc-wide development bank. The SCO had initiated over twenty large-scale projects related to transportation, energy and telecommunications.

Several SCO member states—notably Kazakhstan, Russia, and Turkmenistan—possess some of the world's largest reserves of oil and natural gas, driving interest in expanded energy cooperation among members. Economic cooperation has become one of the organization's more pressing goals in recent years. Member states have adopted an SCO Development Strategy, which includes bolstering finance, investment, and trade cooperation as a priority over the next ten years. China has urged the organization to increasingly focus on economic cooperation with proposals like launching a development fund and a free-trade zone. A notable SCO economic initiative is the SCO Interbank Association, which was set up in 2005 and includes the largest banks of the member countries. The Interbank Consortium is an important public institution of the SCO, which makes a significant contribution to strengthening financial cooperation and promoting trade and economic cooperation between the member states and has helped to implement infrastructure projects as well as projects to develop small and medium-sized businesses. In 2017 the Interbank Consortium's member banks engaged, among others, the Asian Infrastructure Investment Bank, the BRICS New Development Bank and China's Silk Road Fund to consider opportunities for more effective financial cooperation including encouraging national development banks to play a larger role supporting sustainable growth and social stability across the region.

SOUTH ASIAN ASSOCIATION FOR REGIONAL COOPERATION (SAARC)

The South Asian Association for Regional Cooperation (SAARC) was established with the signing of the SAARC Charter in Dhaka on 8 December 1985. SAARC comprises of eight Member States: Afghanistan, Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan and Sri Lanka. The Secretariat of the Association was set up in Kathmandu on 17 January 1987.

The objectives of the Association as outlined in the SAARC Charter are: to promote the welfare of the peoples of South Asia and to improve their quality of life; to accelerate economic growth, social progress and cultural development in the region and to provide all individuals the opportunity to live in dignity and to realize their full potentials; to promote and strengthen collective self-reliance among the countries of South Asia; to contribute to mutual trust, understanding and appreciation of one another's problems; to promote active collaboration and mutual assistance in the economic, social, cultural, technical and scientific fields; to strengthen cooperation with other developing countries; to strengthen cooperation among themselves in international forums on matters of common interests; and to cooperate with international and regional organizations with similar aims and purposes.

Summits, which are the highest authority in SAARC, are to be held annually (although this has not happened on several occasions due to strained international relations between some members). The Council of Ministers comprising Foreign Ministers, meets at least twice a year. Its functions include formulating policy, reviewing progress of regional cooperation, identifying new areas of cooperation and establishing additional mechanisms that may be necessary. The Standing Committee comprising Foreign Secretaries, monitors and coordinates SAARC programs of cooperation, approves projects including their financing and mobilizes regional and external resources. It meets as often as necessary and reports to the Council of Ministers. In SAARC, decisions are taken on the basis of unanimity. Bilateral and contentious issues are excluded from the deliberations of SAARC.

Notwithstanding periodic strained relations among some members SAARC has tackled important socioeconomic topics for the region such as a social charter and proposed agreements on transportation and energy. The South Asian Free Trade Area (SAFTA) signed by founding members in 2004 and came into force in 2006. It created a free trade area of member nations. The main objective of the agreement is to promote competition in the area and to provide equitable benefits to the countries involved. SAFTA was also formed in order to increase the level of trade and economic cooperation among the SAARC nations by reducing the tariff and barriers and also to provide special preference to the Least Developed Countries (LDCs) among the SAARC nations. Establishment of South Asian University in New Delhi and "Delhi Declaration" on education has charted out new course of cooperation. Members approved a SAARC Market of Electricity (SAME) Agreement that aims to setup a "SAARC energy grid". The South Asia Satellite provides crucial information on tele-medicine, tele-education, banking and television broadcasting opportunities. It is also equipped with remote sensing state of the art technology which enables collection of real-time weather data and helps in observations of the geology of the South Asian nations. And, exchanges in the areas of civil society and science have become one of the pillars of South Asian integration efforts.

Where a SAARC individual member's national development policies are being influenced by improving national as well as regional economic conditions and availability of improved infrastructure, they have shown increasing interest to move ahead on mutual cooperation under SAARC. Thus, SAARC planning seems to be moving in the direction to continue cooperation in those areas or initiatives that could progress more quickly to approval and implementation and clearly provide shared benefits.

IMPLICATIONS FOR OPTIMIZING IsDB ENGAGEMENT AND SUPPORT OF REGIONAL COOPERATION ORGANIZATIONS FOR IMPLEMENTATION OF THE IsDB'S RCI POLICY

The preceding review of the roles and responsibilities, structure and performance of distinguished RCOs/RECs (that include countries that are members of the IsDB) presents some noteworthy implications for the implementation or delivery of the IsDB's new RCI Policy.

THE IMPORTANCE OF THE IsDB'S RCO FORUM

Given both the similarities (e.g., intergovernmental character, organization structure) and differences (e.g., scope/priorities of sectoral and non-sectoral RCI operations, nature of decision-making) across the various RCOs/RECs, it will be constructive and beneficial to IsDB to continue with the "IsDB Consultative Forum with Regional Cooperation Organizations in the OIC Region (Forum)", as a cost-effective means of: (i) systematically agreeing, programming, and delivering on medium-term RCI operations that serve RCO/REC interests and also draw upon their considerable resources in direct association with IsDB's support; (ii) building operational links across IsDB-assisted RCI activities within sub-groups of members of the Forum; (iii) pooling/sharing resources among RCOs/RECs in IsDB-assisted RCI operations; and (iv) systematically sharing RCI knowledge among members of the Forum. Furthermore, IsDB may wish to consider expanding the Forum to include other entities, for example, RCOs in South Asia and East Asia, which are not yet members of the Forum.

RCI OPERATIONAL FOCUS AND SELECTIVITY

RCI operations will be only a subset of the IsDB's overall annual operations and associated resource appropriations/allocations. Requests for IsDB assistance will come from many RCOs/RECs with varied priorities and interests. The IsDB's RCI Policy itself encompasses a potentially wide set of operational areas. And, achieving development effectiveness is not a discrete project issue; development effectiveness in a particular sector or in the context of addressing a particular thematic challenge, including cross-border sectors and thematic challenges, comes about generally as a result of a sustained focus on the relevant operational area, involving multiple operations over time. Therefore, some degree of concerted RCI operational focus and selectivity will be meaningful; perhaps a viable approach will be to achieve this in the context of a specific RCO/REC or perhaps even through complementary RCI operations across contiguous RCOs/RECs sharing similar cross-border development goals and challenges.

SINGLE COUNTRY AND MULTI-COUNTRY RCI OPERATIONS UNDER AN RCO/REC FRAMEWORK

RCI operations are those that inherently benefit two or more countries, and the formal RCO/REC structure and associated processes for inter-country engagement can generate multi-country projects that define commitments of respective countries (e.g., trade facilitation agreements), and be considered for IsDB support under its RCI Policy. At the same time, RCOs/RECs recognize that achieving closer regional economic integration often depends on individual countries making investments in national infrastructure that is also supportive of bringing about larger/more diversified cross-border trade and movement of people. Therefore, for the purposes of delivering the IsDB's RCI Policy in cooperation with RCOs/RECs, IsDB should consider also supporting single-country ('national') projects but those that have an assessed potential for generating positive cross-border spillovers. The existence of RCOs/RECs should make this quite possible, because the RCO/REC organization framework and decision-making can readily allow individual member countries to agree on an alignment and prioritization/sequencing of national projects that fall under or are otherwise closely related to an existing/planned RCO/REC multi-country sector or economic corridor agreement. IsDB could consider providing some assistance to RCOs/RECs to conduct assessments of the potential cross-border spillovers of national projects that come under RCO/REC planning frameworks/agreements.

‘MULTILATERALIZING’ IsDB’S INNOVATIVE REVERSE LINKAGES PROGRAM

IsDB has an established and innovative program “Reverse Linkages”, which to date has fostered and supported a number of very successful bilateral technology cooperation projects between two IsDB member countries. Under its RCI Policy, IsDB could consider ‘multilateralizing’ the Reverse Linkages program by developing such technology cooperation projects—involving three or more member countries of IsDB—under a single RCO/REC framework or even across two or more RCOs/RECs.

TIGHTENING THE LINK BETWEEN RCI CAPACITY BUILDING AND INVESTMENT ASSISTANCE

Looking across the range of RCOs/RECs there is variation in the available, or otherwise accessible, quantity and/or quality of economic and technical professional skills to support the organization’s planning and implementation of programs and projects and to conduct development research. Under the RCI Policy IsDB can consider mobilizing (internally and externally) financial and professional resources to assist with capacity development at RCOs/RECs. In some cases, ‘core’ institutional capacity building that is not linked to any particular RCI program or project may be merited and effective, by providing a necessary foundation of capabilities and proficiencies that are applicable to the RCO/REC as a whole. That may be particularly the case for smaller RCOs/RECs and/or those with a limited or unpredictable base of core financing. However, an RCO/REC also provides an opportunity for IsDB to strategically target and sustain assistance for RCI-related capacity building that will support planning and delivery of larger investments in specific operational areas agreed between IsDB and the RCO/REC.

INTRA-SUBREGIONAL AND INTER-SUBREGIONAL RCI

Most RCOs/RECs operate at the subregional level. Looking across the experience of the major multilateral development finance institutions supporting RCI it is a subregional operational framework that has been dominant. However, trends in major regions (e.g., Africa, Asia) point to an increasing interest in moving beyond (but not giving up) subregional-centered RCI toward inter-subregional economic integration and involving more diverse trade, data/information, investment, and people flows. Continent-wide economic integration has in fact been an overriding goal of the AU since its establishment, and in Asia there is a growing interest in an expansion of ASEAN-centered economic integration to encompass the largest economy of South Asia. Therefore, by working closely with various RECs/RCOs and drawing upon its RCO Forum, IsDB can plan to balance its RCI assistance to both intra-subregional and inter-subregional RCI operations, with a view to helping foster and build stronger inter-subregional economic integration that harmonizes more liberalized trade and investment policies and practices across much wider geographic and economic areas. This is particularly relevant in contexts where member countries of the IsDB belong to multiple and contiguous RCOs/RECs and where each RCO/REC represents a particular trading bloc.

PRIORITIZE INTRA-CONTINENT TRADE INTEGRATION OVER REC BILATERAL AGREEMENTS WITH EXTERNAL NON-REGIONAL RECs

For varied historical reasons, some RCOs/RECs have larger and more diverse economic integration with external non-regional RECs than with other regional RCOs/RECs, based on longstanding or even new trade and investment agreements that are deemed more attractive in terms of providing the IsDB’s member countries with access to larger, higher-income external markets. These agreements may provide quite tangible and immediate economic benefits to the concerned IsDB member countries, but they are also likely undermining RCO/REC attention and prioritization toward closer intra-continent or region-wide economic integration. By working closely with RCOs/RECs the IsDB has an opportunity to (i) support high-quality and cross-RCO/REC economic research on trade and investment policy reforms that could tilt the balance towards a preference for wider and deeper intra-continent/intraregional trade and investment agreements, and (ii) support pilot projects testing limited/bounded trade and investment reforms aimed at expanding and diversifying economic flows across two or more RCOs/RECs.

IsDB AS AN ‘HONEST BROKER’ ON RCI AMONG RCOs/RECs

Considering all eight of the preceding ‘implications’ of delivering IsDB’s RCI Policy through RCOs/RECs, the much wider implication is that the IsDB develops, over time, into a leading ‘honest broker’ among RCOs/RECs in relation to building superior collective action among them, leading to substantially strengthened regional economic cooperation and integration benefitting all of IsDB’s member countries.

CONCLUSION

The IsDB's new RCI policy envisages an important role for RCOs (and associated RECs) in the delivery of the policy, and IsDB has already established a sound mechanism and systematic process for garnering regular RCO engagement and collective inputs for planning and prioritizing IsDB's RCI operations. That mechanism could be usefully expanded to encompass wider RCO participation sourced from the Asia region.

There are established metrics for assessing RCI performance in the various regions where IsDB's member countries are located, and related assessments of several of the well-established RCOs (that have substantial membership of IsDB member countries) have been conducted, with the results demonstrating generally good performance but also indicating that there is considerable scope for improving upon that performance.

An overview of RCOs shows both considerable similarity but also diversity among them. The similarities relate strongly to the model of organization structure and the allocation of responsibilities and functions of specific organs that comprise the structure. There are also some similarities in terms of the nature (although not necessarily the 'soundness') of the base of financial support to the RCO from member countries. And, while not discussed at any length in this paper, most RCOs have significant mandates and responsibilities for other development-related issues such as governance, security and regional stability, which may from time-to-time directly or indirectly impact the RCO's performance on RCI. The diversity among RCOs relates mainly to geographic scope, members' economic size and level of development, how long they have been in existence, professional/institutional capacities, decision-making, and the sectoral and thematic scope of their RCI-related strategies and areas of operations, and the scale of their activities. In a few cases RCOs have only minimal RCI project-level operations and function mainly as a forum for high-level/sectoral-level engagement and formulation of agreements (for aligned national actions) among representatives of member countries.

Generally, RCOs have made notable achievements with sectoral/industry level RCI, for example, cross-border infrastructure, power sharing, and improvements in the functioning of border crossings. However, an issue that may be seen as hindering inter-RCO cooperation and economic alignment at broader levels is the fact that many members of the IsDB belong to multiple RCOs, each RCO representing a trade bloc of sorts, which prevents, for example, development of a wider customs union and deeper sector and firm level competitiveness in each member's economy.

The prevalence of RCOs involving IsDB member countries across several major regions provides the IsDB with excellent opportunities to implement its RCI policy cost-effectively. However, in order to exploit those opportunities well, the IsDB needs to carefully consider a number of issues regarding its own approaches in planning and delivering the RCI policy and allocating its own institutional resources to support policy implementation.

By cooperating closely and cost-effectively with RCOs, as partners, for implementing its RCI policy the IsDB has a very worthwhile opportunity to become an even more renowned 'honest broker' for RCI in all the regions in which it operates.

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