



# The World Bank and Regional Initiatives

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Sonia Plaza

Africa Region, The World Bank



# Reasons for using a Regional Approach

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- Achieve economies of scale (e.g. research)
- Internalize the externalities (e.g. investment in R&D, knowledge)
- Donor coordination and harmonization

# What is needed?

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- Coordination
  - To seek a regional division of labor , locating particular research activities in particular countries and exchanging results.
  - Key: organizing research as a regional network
- Participation
  - Broad participation of stakeholders
- Partnerships
  - Identification of win-win situations for regional and national research institutions

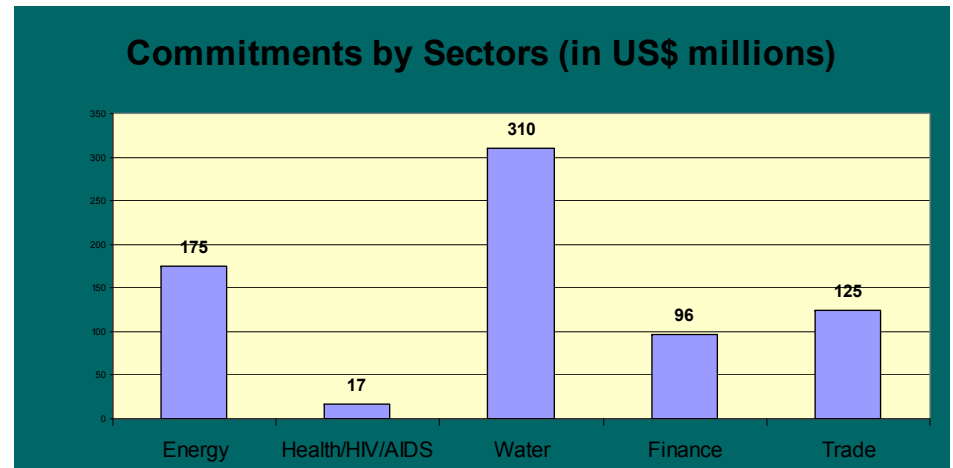
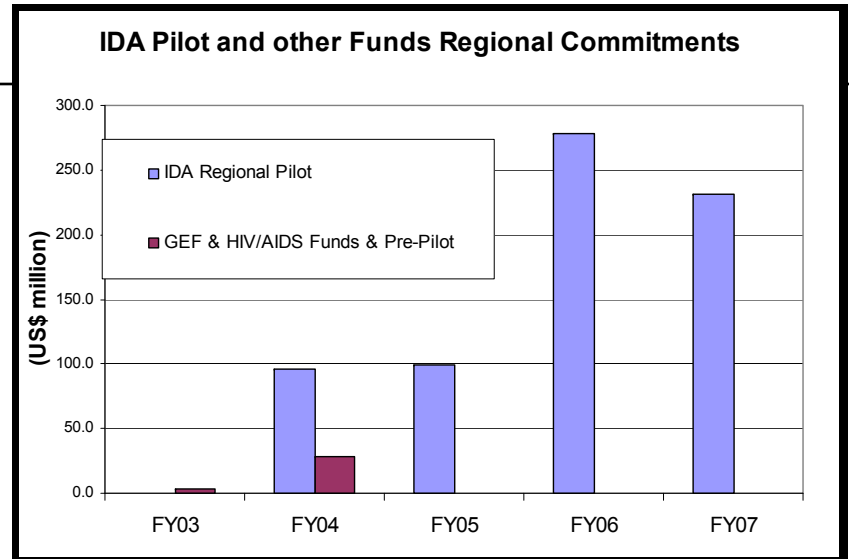
# World Bank a Late-Comer

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- **IDA Regional Pilot Program (RPP)**
  - Launch of Pilot under IDA13 in 2003. Continued under IDA14.
  - 22 projects approved since FY03 for \$1.3bn (\$1.8bn by mid-2007) of which 12 projects & \$1 bill (\$1.5bn by mid-2007) under RPP
- **AFR Regional Integration Department**
  - Est. in late 2004. Functions as a Country Management Unit
- **Field of Many Donors & Partners**
  - ADB, EU, USAID, the Kuwait Fund and French, British, German, Japanese and South African bilateral agencies
  - Donor alignment & harmonization is limited however

# World Bank's Current Program

- Lending & Technical Advise for Regional Projects



# Regional Pilot Program: Projects in the Portfolio

<b>Categories</b>	<b>Projects</b>	<b>#</b>
Regional Commons	○Africa Emergency Locust Project	<b>1</b>
Management of shared natural resources	○Senegal River Basin Multipurpose Water Resource Development APL	<b>1</b>
Regional Infrastructure and financial sector integration	○Southern Africa Power Market APL ○WAEMU Capital Markets Development Project ○Regional Trade Facilitation Project ○West Africa Power Pool APL (3) ○East Africa Transport and Trade Facilitation ○West & Central Air Transport Safety APL	<b>11</b>



# New Strategic focus

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- Africa Action Plan (AAP)
- Capacity Development Management Action Plan (CDMAP)
- Regional Integration Assistance Strategy



# Better Skills for Supporting Growth and Competitiveness

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- Supporting Regional Integration
  - Region & sub-regional networks (e.g., AERC, MEFMI)
  - Capacity Building for RECs (e.g., policy analysis, preparation of projects)
- Supporting Higher Education and S&T
  - Strengthening Analytical Work
  - IDA operations to revitalize tertiary education systems
  - African Knowledge Innovation Fund



# Strategic Focus of World Bank RIAs

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- **Central Focus on Integration of Markets**
  - **Regional and Global Trade Integration**
  - **Infrastructure development in energy, telecommunications and transport and transit facilitation**
  - **Support of improved business climate and financial sector**
- **Strong Attention to Human Development & Capacity Building**
  - **Regional Cooperation in Higher Education and Skills Development**
  - **HIV/AIDS and Malaria Control and communicable diseases**
  - **Support for capacity development of Regional Economic Communities (RECs)**
- **Emerging Global Issues**
  - **Migration**
  - **Climate Change**

# Where does Africa stand?

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- Labor markets and knowledge embodied in skills and human capital have not been globalized ( some exceptions of to tail of scientists, engineers, managers, and other talents)
- Global Knowledge market remains highly unequal :
  - Major concentration of knowledge activities in the North (technological efforts and patents)
  - However, increased number of scientists and engineers graduating in the South



# Is there a role for the Diaspora? Forms of Involvement

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- Licensing agreements between diaspora owned or managed firms
- Direct investment in local firms as a joint venture
- Knowledge spillovers (managerial positions)
- Networks of scientists and professionals
- Virtual return, extended visits or electronic communications
- Return to permanent employment

# Using the diaspora: Some lessons from high skilled migrants

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- Key players: expatriates who have become senior executives in firms
- They will build awareness in their corporations of their native countries as outsourcing candidates

# Lessons from successful diaspora networks

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- Networks bring together people with strong motivation
- Member play both roles:
  - Implementing projects in the home country; and
  - Serving as bridges and antennae for the development of projects in the home country

# Brain Drain or Brain Gain?

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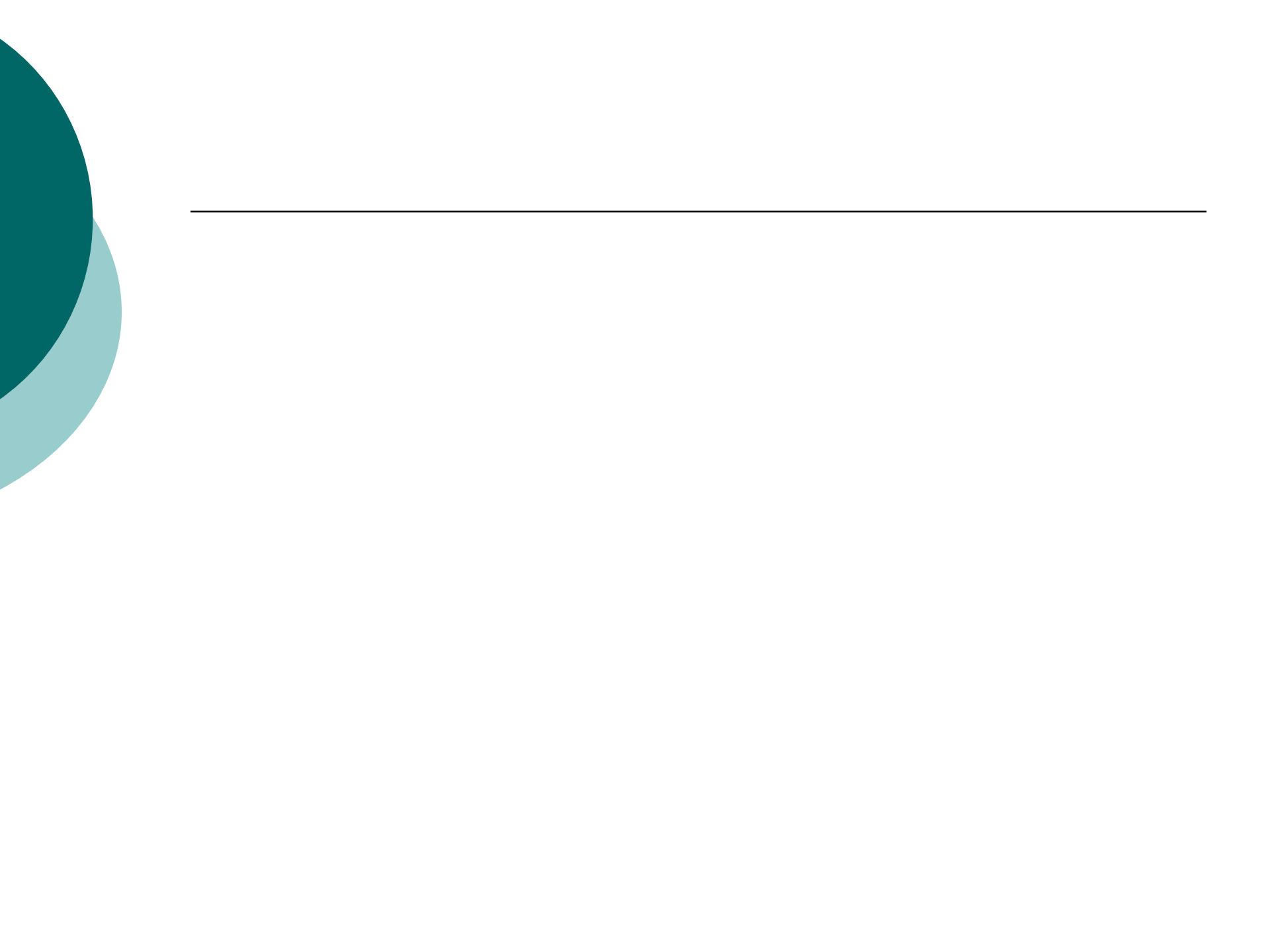
- The dilemma of highly skilled migration
- Using the diaspora: trade, investment and technology
- The special case of education and health professionals



# Opportunities and Challenges

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- Lack of experience (e.g. regional research planning)
- Finding a recognized catalytic institution in the region
- Regional ownership of processes and outputs
- Data and information
- Transaction Costs







# Regional Mechanisms for Supporting R&D in Developing Countries

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## ○ Participation

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## ○ Partnerships

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# Challenges

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# Examples in the Africa Region

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- The Eastern African Dialogue on Biotechnology Policy-making, Trade and Sustainable Development
  - Organized by the International Centre for Trade and Sustainable Development (ICTSD) and the African Technology Policy Studies Network (ATPS)
  - Co-hosted by the African Union (AU) and the New Partnership for Africa's Development (NEPAD)
- Areas that require a regional approach:
  - S&T
  - Biosafety & quality standards
  - IPRs

# Coordination at the regional and national level to:

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- Harmonize national policies and strategies for a regional agenda (incl. to facilitate trade);
- Develop joint negotiating positions by providing a common forum to formulate strategy, articulate and prioritize issues;
- Set up a process of consultations to promote coherent interaction between the national regional actors to develop and promote:
  - Joint research & development activities
  - Joint standard-setting
  - Joint risk assessments
  - Joint monitoring of impacts and benefits
  - A regional biosafety clearing house



# Proposed West Africa Regional Biosafety Project

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- Objective: To establish and implement a Regional Biosafety Regulatory Framework that will enable the beneficiary countries to meet their obligations under the Cartagena Protocol on Biosafety for the regulation of Living Modified Organisms, with an initial focus on transgenic cotton.



# Components

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- Adapt and disseminate regional methodologies to assess and manage risks
- Establish the Regional Biosafety Frameworks at the WAEMU level and Regional Observatory (to regionally monitor the impact of any LMO introduction in the cotton sector)
- Build capacity in IPRs





## Some information

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- Cost: US\$ 25.1 million
- Countries: Mali, Burkina Faso, Senegal, Benin, Togo, Cote D'Ivoire, Niger and Guinea Bissau

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