

**THE REGIONAL
COOPERATION AND
INTEGRATION (RCI)
TECHNICAL ASSISTANCE
PROGRAMS**

GENERAL
OVERVIEW

1

RCI

INTRODUCTION

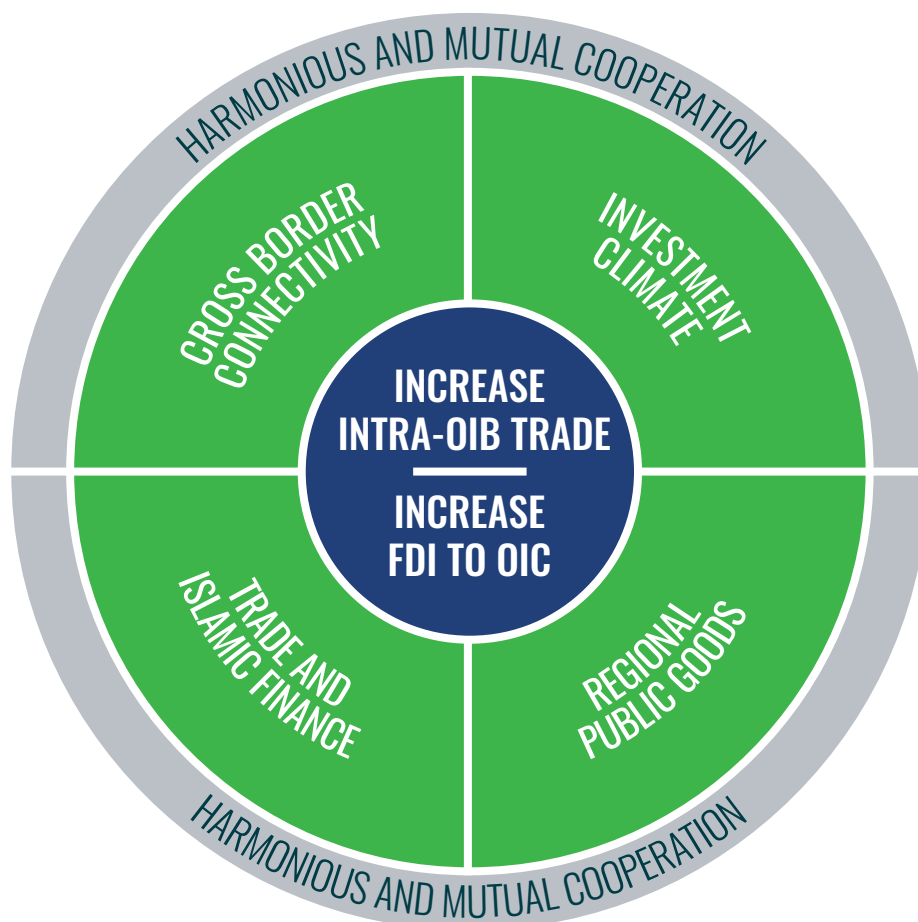
The IsDB dedicates concerted attention and focus on regional cooperation and integration (RCI) and aims to become a connecting platform for member countries to cooperate with one another and with the rest of the world. In fact, connectivity and cooperation among member countries are a core strategic objective of the current 10-year strategy of the IsDBG. IsDB Group has made significant contributions to RCI since its inception in 1974.

Under its RCI policy, the IsDB aims to become a primary connecting platform for member countries, regional cooperation organizations (RCOs), and relevant communities to cooperate. Under this policy, the IsDB focuses its efforts on RCI toward supporting the bank's large infrastructure activities and complementing them with soft capacity development efforts aimed at (i) enhancing cross-border connectivity, (ii) improving the investment climate and competitiveness, (iii) mainstreaming trade and Islamic finance, and (iv) and facilitating cooperation in providing regional public goods.

BACKGROUND

RCI is a process by which countries coordinate, collaborate, and invest to strengthen the integration of their economies. It aims at narrowing development gaps between and within countries by improving market access and sharing resources, building closer trade and investment integration across sectors and industries, connecting isolated areas to more economically vibrant regions, and establishing stronger financial links. Various international assessments of country and regional trade and investment performance highlight the successes and weaknesses of IsDB member countries; however, they also clearly point to the considerable potential for strengthening regional trade and investment performance and positively affecting both economic and broader human development. For instance, the trading across border index measures the time and cost (excluding tariffs) within the overall process of exporting/importing a shipment of goods (the Distance to Frontier (DTF) score shows how far, on average, an economy is from the best performance achieved by any economy on trading across borders indicators). In 2018, the DTF for Organisation for Economic Co-operation and Development (OECD) high-income countries was close to the frontier, whereas that for IsDB countries was slightly above 50%. This underlines the importance of facilitating trade.

IsDBG Regional Cooperation and Integration (RCI) Strategic Framework



As a part of its efforts to enhance regional connectivity, the IsDB also focuses on supporting the development of inter-country corridors by aligning “hard” infrastructure with the “soft” aspects of regional integration. In this context, priority is given to capacity building efforts to facilitate the connection of landlocked member countries to international ports and maritime routes. To enable member countries to reap their investments in these corridors, the IsDB regularly embarks upon regional studies on the commercialization of these corridors under a dedicated RCI Grant operations program.



KTI inception meeting, Tehran, October 2019

OBJECTIVES OF THE PROGRAM

The main objectives of the RCI grant program are as follows:

- Supporting the economy of IsDB member countries by improving their systems, regulations, and procedures, especially at border areas, to facilitate cross-border movement
- Aligning member countries’ policies and procedures to achieve trade and investment liberalization within and between groupings of member countries, simplification of export and import processes, and greater private sector-focused cross-border investment and trade, including public–private partnership operations
- Contributing to improve regional policy dialogues on trade, investment, and monetary and financial cooperation, cooperation on regional public goods, alignment of domestic policy reforms with cross-border objectives, and research and knowledge transfer and utilization

QUICK TIMELINE OF THE HISTORY OF INTERVENTIONS UNDER THE PROGRAM



The IsDB geographic information system (GIS) of regional infrastructure networks launched in 2017.



The commercialization study of the Kazakhstan, Turkmenistan, and Iran (KTI) railroad corridor launched in 2018.



The commercialization study of the Trans-Saharan Road (TSR) corridor launched in 2019.



EXAMPLES OF AREAS SUPPORTED BY THE PROGRAM

- **The GIS of regional infrastructure networks:** The IsDB will explore the creation of the GIS of regional infrastructure networks. The GIS application will provide the IsDB and partner institutions with a modern and strong instrument for digital analysis, dissemination

and visualization of data/information on transport infrastructure, international transit operations, and trade flows in the OIC region.

- **Enhancing regional connectivity through the development of inter-country corridor studies:** The main purpose of these interventions is to help commercialize transport corridors through the increased reliability of operations and the reduced time and cost of transportation and logistics services.

KEY PARTNERS



1 THE UNITED NATIONS
ECONOMIC COMMISSION
FOR EUROPE (UNECE)



2 UNCTAD



3 UNITED NATIONS ECONOMIC AND
SOCIAL COMMISSION FOR ASIA
AND THE PACIFIC (UNESCAP)



4 ECONOMIC
COOPERATION
ORGANIZATION (ECO)

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