

Deepening Integration in Border Regions within CAREC

Towards the Asiaregio

Structure of presentation

- Background and characteristics of the study
- Euroregio: what is it and how it operates?
- Lessons from Europe's experience with Euroregio and their relevance for CAREC integration project
- Carec circumstances and the relevance of enhanced cross border cooperation in Central Asia
- Recommendations

Main messages

- The experience, accumulated over almost four decades, points to an important role of Euroregio in fostering EU integration and cooperation with EU neighbors
- Euroregio has brought benefits to its participants going beyond commerce and unleashed forces helping inter-state cooperation and stability
- Asiaregio would not only help put to productive use already observed efforts at cross-border cooperation but also pave the way for a deeper regional CAREC integration

Background and characteristics

- This paper responds to interests shown in past discussions within the Carec forum in the experience of European integration exploiting the synergy between integration efforts conducted at the governmental level and cross-border cooperation.
- It presents initial thinking on this question, responding to the request made by Carec representatives.
- It is informed by:
 - Discussions with officials in Kazakhstan, Kyrgyzstan and Tajikistan in 2008-09
 - An examination of legal acts pertaining to cross-border cooperation amongst these countries as well as Uzbekistan
 - And an analysis of the experience of European countries over the entire post-Second World War period in designing and implementing such wide-ranging cross-border arrangements – the Euroregio.
- Indirectly, the paper also draws on our experience derived from studies of cross-border trade and the role of bazaars in intra-Carec trade

What is Euroregio?

- Euroregio is a step beyond arrangements governing bilateral inter-state relations
- It is a preferential arrangement governing relations between contiguous regions setting a framework for enhanced cross-border cooperation
- It is an arrangement about special cooperation covering multiplicity of issues affecting welfare of people of contiguous regions
- This is also a legal instrument for cross-border cooperation that has evolved since the first agreement was signed in 1958 along German-Dutch border

What is Euroregio and what is its purpose?

- **It establishes a legal framework for cooperation** in areas ranging from commerce to culture, environment, tourism and education. The choice of areas reflects the nature of needs in specific border regions and their economic characteristics as well as the achieved level of integration at the level of states
- **It serves to remove barriers to cross-border cooperation:** It creates new economic opportunities going beyond commercial exchanges related , for instance, to the provision of services (often including health care), launching ventures exploiting economies of scale.

How does it operate?

- The organizational structures of Euroregions vary, but they share one feature:
 - multiplicity of areas of mutual interest to bordering regions is reflected in multiplicity of various organizational arrangements to manage across issue-areas supported by trans-national legal instruments allowing partners to link their activities.
- Euroregion is governed by a “steering committee” formed by regional and local authorities to promote local business and cultural initiatives, develop infrastructure, protect the environment, and facilitate movement of people and goods across borders.

... and what are its modalities of implementation?

- These may include establishing;
 - associations of chambers of commerce from neighboring participating regions;
 - and councils and working commissions focusing on joint trans-frontier projects.
- And such initiatives as environment, health care, trade fairs, cooperation between police departments and universities, and other professional associations, joint ventures among firms in the field buying, producing, and marketing.

European experience with cross-border cooperation

- Rapidly growing interest: from a single agreement in 1958 to cross-border cooperation initiatives embracing virtually **all local and regional authorities** across Europe.
- Euroregion **no longer limited to intra-EU** but also used as a tool of enhanced cross-border cooperation with regions bordering the EU
- **No one size fits all**: great diversity of forms and content but with a caveat—they all imply ‘preferential’ arrangements for bordering communities

Benefits: Euroregio as a tool of integration

- The benefits of cross-border cooperation vary from region to region, although they are some common features
 - Cross-border cooperation has proved to be especially beneficial to small and medium sized enterprises.
 - Infrastructural projects have yielded much larger returns than in absence of cooperation.
 - Tourism and environment have been among beneficiaries
- Euroregios have also helped mobilize political support in favor of deeper integration at a state level.
- They have become a vehicle for implementation of spatial and regional plans funded by the EU

Conditions are ripe for Asiaregio

- There is nothing “Euro” about “regio” as long as conditions are ripe for cross-border cooperation
- Several factors make turning to Asiaregio as a vehicle of cross-border cooperation a sensible political alternatives

Consider the following that point to potential benefits

- Geography favor cross-border cooperation.
 - CAREC members share immense borders and landlocked Central Asian CAREC members' trade pass mostly through other CAREC countries.
 - Central Asian CAREC members (excluding Mongolia) border just one of China's provinces (Xinjiang Uygur Autonomous Region), which has been one of the major drivers of China's CAREC-directed trade expansion over the last decade.
- Although trade and border trade with immediate neighbors has expanded greatly in the recent past with growing numbers of people, mostly residents of contiguous border areas, crossing BCPs (border crossing points) every day to exploit differences in prices, wages, and regulatory practices, the removal of barriers would further increase it and encourage local production.
- For communities in remote areas, lacking the advantages of a well-developed road network, contacts with similar communities across the border may be the only opportunity to move beyond subsistence farming and gain access to desired services that are not available locally.
- Cultural and ethnic affinities, common historical background, and existing functional interdependencies among former Soviet Central Asian republics continue to provide a strong impulse for cross-border cooperation. As for other CAREC countries, the development of functional interdependencies would be one of the points of departure for cross border cooperation.

Agreements and initiatives amongst Central Asian CAREC on cross-border cooperation fall short of being Asiaregio

- They are interstate agreements without reference to any particular bordering region
- They tend to be issue-specific focusing almost exclusively on commercial relations, without addressing other areas of mutual interest.
- They lack an organizational structure that would provide a permanent mechanism for supporting cross border cooperation, although some rudimentary forms are already in place.

Recommendations

- Taking stock of local initiatives of cross-border cooperation and encourage them to form 'twin associations' even though formal base may be lacking and their enforcement based on good will.
- Establishment a CAREC-wide fund, possibly with participation of international donors that would support cross border cooperation among bordering regions.
- Establishment of the Carec Inter-regional Committee

Responsibilities of Carec Inter-regional Committee

- devising a common legal framework (to be adopted by CAREC member states) that would eliminate legal obstacles and facilitate regional initiatives to intensify cross border cooperation;
- conducting an assessment of gains from closer cross border cooperation spanning over the issues going beyond trade in order to select candidates for implementing pilot projects;
- coordinating and encouraging the development of operational spatial development strategies on a transnational scale based on cooperation among bordering cities and between urban and rural areas in the context of sustainable development