






A decorative graphic consisting of several overlapping, semi-transparent spheres in shades of blue, green, and yellow, arranged in a cluster. The spheres have a glossy, 3D effect.

# ***Regional Economic Cooperation: Lessons for Central Asia***

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Brookings  
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# A review of experience

-  **Assessment of available information**
-  **Typology of regional economic organizations**
-  **Experience with regional cooperation world-wide (with more detail for Central Asia, Asia, Latin America and Europe)**
-  **Lessons**
-  **Implications for CAREC**

# The literature

- **Few systematic evaluations of specific organizations**
  - **GMS in progress by ADB OED**
  - **SPECA by its governing council**
- **Few cross-cutting evaluations**
  - **WB IEG review of support for regional cooperation**
  - **Reviews of selected regional cases**
  - **No comprehensive overview**
- **We pieced together from the evidence what can be gleaned; more systematic evaluations of individual agencies and or cross-cutting experience desirable**

# Typology of regional organizations

- Focus

- Regional integration
- Other

- Membership

- Function

- Security
- Political
- Trade
- Infrastructure
- Socio-economic
- Comprehensive

- Form of organization

- Formal, treaty based v. informal program
- Financial institution
- Summit, ministerial or senior official level

- Modalities

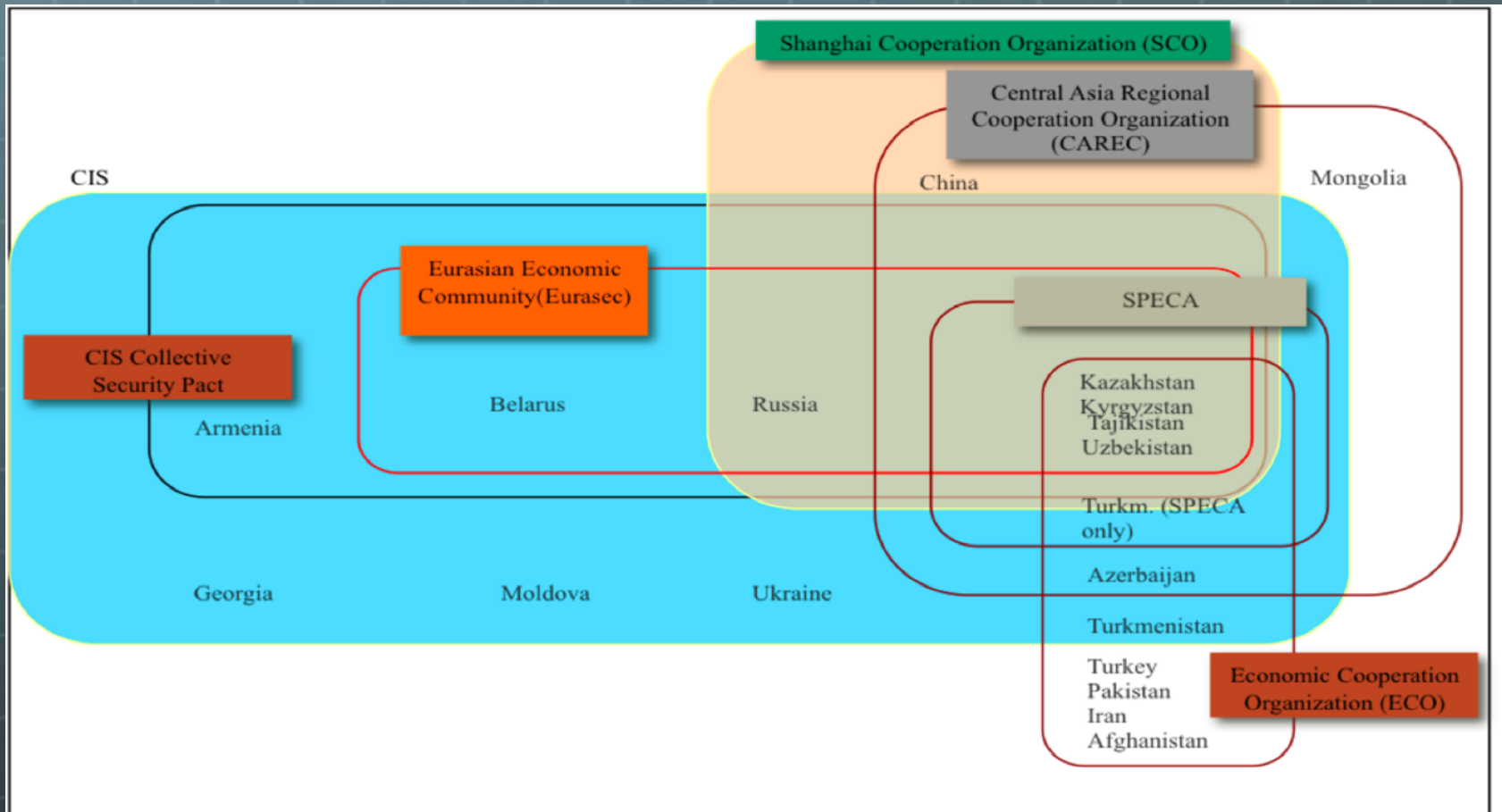
- Advisory
- Regulatory
- Financing
- Arbitration/enforcement

# Central Asian regional organizations

**Table 1: Key Dimensions of Regional Organizations Involving Central Asian Countries**

	Integrat- ion	Secur- ity	Trade	Finance	Infra- struct- ure	Socio- economic	Form of organizat- ion	Level	Modality	Arbitr./ Enforce- ment	Members, Particip- ants
CAREC	✓		✓		✓	(✓)	Informal	Ministerial	Advisory/ financing/ regulatory		8 regional countries, 6 multilat. institns.
SCO	(✓)	✓	(✓)		(✓)	(✓)	Treaty	Summit	Adv./(reg.)		6 regional countries
EurasEC	✓		✓		✓		Treaty	Summit	Adv./reg.	(✓?)	6 regional countries
EDB	(✓)			✓	✓		Treaty	Senior Off.	Financing		2 regional countries
ECO	✓		✓		(✓)		Treaty	Ministerial	Adv./reg.		10 region. countries
SPECA	✓		✓		✓	✓	Informal	Senior Off.	Adv./reg./(fin.)		5 regional countries, 2 UN agencies

# Country membership of Central Asian regional organizations





# Other regional organizations

**Table 2: Key Dimensions of Regional Organizations in Other Regions**

	Integra- tion	Secur- ity	Trade	Finance	Infra- struct.	Socio- economic	Form of Organiz.	Level	Modality	Enforce- ment	Members, particip- ants
<b>GMS</b>	✓		✓		✓	(✓)	Informal	Summit/ Ministerial	Adv./fin./reg.		6 regional countries, ADB
<b>MRC</b>	✓				Water	Environm.	Informal	Senior Off.	Adv./fin./reg.		4 regional countries
<b>ASEAN</b>	✓	(✓)	✓	✓	✓	(✓)	Treaty	Summit	Adv./reg.		10 reg. countries
<b>EU</b>	✓	✓	✓	✓	✓	✓	Treaty	Summit	Adv./fin./reg.	✓	27 region. countries
<b>Stab. Pact</b>	✓		✓		✓	✓	Informal	Ministerial	Adv./fin./reg.		9 regional countries, 31 countr./ intern. orgs
<b>IIRSA</b>	✓				✓		Informal	Senior Off.	Adv./fin.		12 regional countries
<b>MERCO SUR</b>	✓		✓				Treaty	Ministerial	Adv./fin./reg.		4 full , 6 assoc. reg. countries
<b>CAF</b>	✓				✓		Treaty	Senior Off.	Financing		16 reg., 1 non-reg. countries

# Summary evaluation of regional organizations

## Central Asia

 SCO

 EurasEC

 ECO

 SPECA

 CAREC

## Other

 EU

 Stability  
Pact

 GMS



 IIRSA

 CAF




 MERCOSUR





# Lessons 1 and 2

-  ***Lesson 1: Regional cooperation is not easy and implementation of stated intentions is frequently weak.***
-  ***Lesson 2: Effective regional cooperation and integration take time to develop, and require incremental, gradual and flexible implementation with visible payoffs.***

# Lessons 3, 4 and 5








-  ***Lesson 3: Successful cooperation requires leadership.***
-  ***Lesson 4: Keep the membership of the regional organization manageable, based on shared geography and common regional interests.***
-  ***Lesson 5: Avoid the “spaghetti bowl” effect, where possible.***

# Lessons 6 and 7








-  ***Lesson 6: For trade and transport, develop priority corridors and link transport investment with transport and trade facilitation.***
-  ***Lesson 7. Development of regional water and energy resources can be one of the most difficult areas in to make progress, while also creating great opportunities for win-win outcomes and the sharing of benefits among all parties.***

# Implications for CAREC

## CAREC's Strengths







-  Focus
-  Flexibility
-  Country engagement
-  IFI engagement and coordination
-  Action Plan
-  Sector strategies
-  Monitoring of progress

## CAREC's Challenges






-  No formal basis
-  Weak organizational capacity
-  Not at summit level
-  Limited recognition
-  Limited country ownership
-  Weak links with other regional organizations
-  Missing players

# The way forward for CAREC

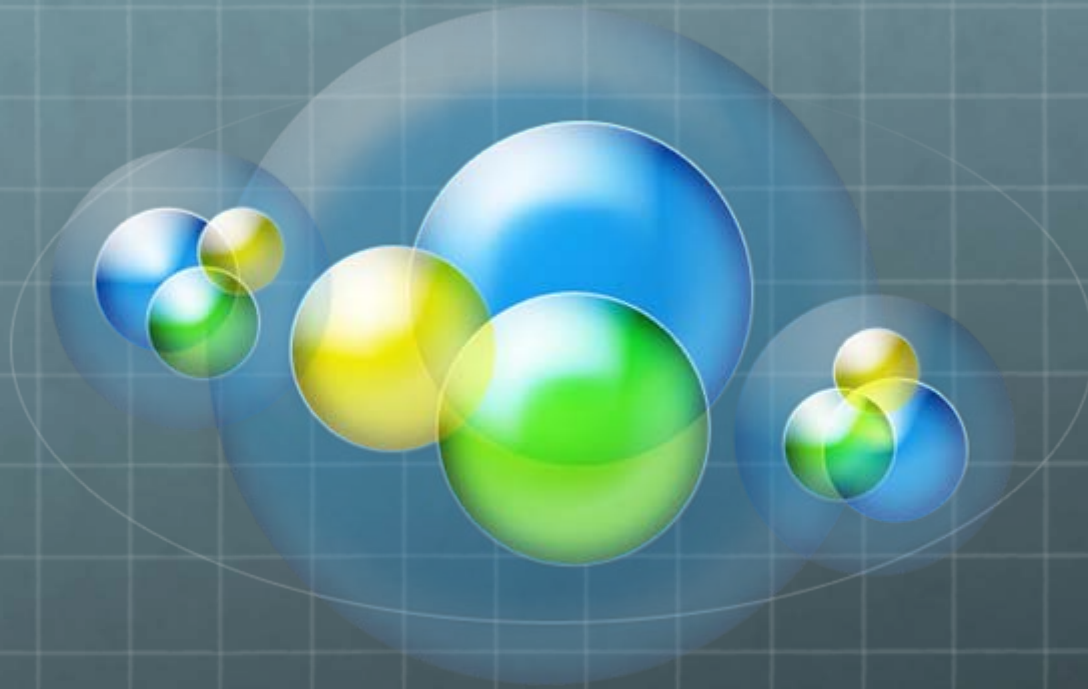
## Work in progress

-  Strong sector strategies and action plans
-  Monitoring of results
-  Strong secretariat
-  CAREC Institute
-  Stronger links with other regional organizations
-  Development Partners' Forum

## Food for thought

-  Focus now on regional water/energy/food crisis?
-  Summit (or PM) level meeting?
-  Formal link with SCO?
-  Merge with SPECA?
-  Add 1 or 2 key sectoral areas (water, disaster preparedness)





***Thank you!***