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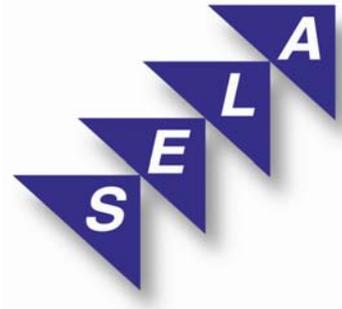
Sistema Econômico
Latino-Americano e do Caribe

Système Economique
Latinoaméricain et Caribéen

Border Integration in the Context of Convergence in Latin America and the Caribbean

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F O R E W O R D

As a result of the "Meeting of Regional and Subregional Integration Mechanisms in Latin America and the Caribbean," convened by the Chair of the Latin American and Caribbean Summit on Integration and Development (CALC) in Caracas on 25 and 26 October 2010, the Permanent Secretariat of SELA was entrusted to serve as facilitator for the analysis and identification of concrete proposals to coordinate "common and complementary projects for the productive integration of Latin America and the Caribbean (LAC)".

Based on this mandate, the Permanent Secretariat of SELA prepared this report in order to contribute to the discussions and recommendations of the Coordination Meeting of Regional Initiatives in the Areas of "Infrastructure for the Physical Integration of Transportation, Telecommunications and Border Integration," to be held in Mexico City, Mexico, on 24 and 25 March 2011.

The Permanent Secretariat of SELA seeks to contribute to a conceptual and analytical framework for the regional treatment of the issue of border and spatial integration among the 33 countries of the region, identify existing institutional and legal frameworks, highlight ongoing efforts on the subject, and propose a set of principles and actions to promote border integration as a policy of regional integration in Latin America and the Caribbean (LAC) with the purpose of correcting structural imbalances and fostering social cohesion, eliminating poverty and building a prosperous and ever growing regional space. As part of this process, the border regions must play an active role, since their problems and potentials can only be addressed within the framework of joint efforts by neighbouring states themselves, with the active support of the relevant subregional integration schemes.

The Permanent Secretariat of the Latin American and Caribbean Economic System (SELA) is grateful to Dr. Luis Alberto Oliveros, for his valuable work as a consultant for the preparation of this document.

EXECUTIVE SUMMARY

1. Land borders predominate in the Latin American and Caribbean Region (LAC) due to the large size of the continental landmass and the fact that it contains 20 of the 33 States in the region.
2. **Border integration** is the process agreed by two (occasionally three) States in their common land borders that aims to promote development on the basis of joint or complementary use of their potential, resources, characteristics and common needs, and shared costs and benefits. The dynamic situation that is configured with specific features in these contiguous areas of two different countries, and which prevails at a given time, may be called "**border situation.**"
3. Three typological sets of "border situations" can be defined in LAC, each of them having specific attributes which may make them more or less useful for the purpose of promoting interventions designed to foster and strengthen border integration in the region: i) **border situations according to their populations and socio-economic dynamics**, composed of eight subtypes based on the characteristics of human communities living along the borders from the perspective of their level of social and economic development, their access to or linkages with markets, and their urban or rural character; ii) **border situations according to the degree of consolidation of interrelation processes**, comprised of four subtypes that can provide criteria to facilitate the identification of priority geographical intervention areas in the socio-economic field; and iii) **border situations according to the geographical extension**, based on the territorial extent of each one of them and composed of the subtypes of local (border area), zone (border zone) and regional (border region) scales.
4. In the current international context, the borders in LAC take on renewed importance and priority for any country and integration scheme, at least in the following three dimensions:
 - **Overcoming imbalances in development in national border regions**, since it is essential to implement initiatives aimed at overcoming structural imbalances, achieving social cohesion and addressing the severe poverty situation that affects many sectors of the borders in the region.
 - **Strengthening of economic integration processes**, because the increasing flow of people and goods normally arising from integration processes tends to use the land transportation mode, which requires common borders to be equipped to effectively fulfil the role of points of coordination for the national economies by facilitating trade not only between the countries that are parties to a particular integration agreement, but also between these countries and other nations participating in other integration agreements in the LAC region.
 - **Alignment of LAC countries with the international context**, a context in which it is important to identify a role for the borders, including their active participation in the efforts to expand and diversify exports, so as to improve the terms of the participation of the region as a whole in the international economy in the context of economic globalization.
5. Many bilateral, trilateral and community-based border integration processes have been implemented in LAC, but with different levels of progress, orientation or

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emphasis not necessarily consistent with each other, and with information which has varying degrees of accessibility.

As regards bilateral border integration processes, by way of example, the following five can be mentioned:

- **Binational Plan for the Development of the Ecuador-Peru Border**, which includes a wide range of projects undertaken following the signing of peace between the two countries in 1998. The efforts of the Plan and the Binational Fund (the latter aimed at financing small and medium programmes and projects) have led to investments amounting to US \$3.16 billion, distributed almost equally between Ecuador and Peru. Because of its success, the validity of the Binational Plan was extended until 2014 by an agreement between both governments.
- **Cucuta/Villa del Rosario – San Antonio/Ureña Axes at the Colombian-Venezuelan Border**, site of one of the most intensive integration processes known in the South American subcontinent. Despite its potential and the intensive spontaneous integration, border integration as promoted by the governments of both countries have been affected and delayed in an environment characterized by the ups and downs that have marked bilateral relations between Colombia and Venezuela in recent years.
- **Trifinio Plan for El Salvador, Guatemala and Honduras**, which is a trinational border integration model based on sustainable management of natural resources shared by the three countries, particularly water and forest resources. Significant achievements have been made through these efforts.
- **Brazil-Uruguay Border Integration**, which is an example of a border integration process carried out by two countries of unequal economic and geographic sizes, in a region characterized by a dense urban area with a population that, on average, live in a less critical socio-economic situation than the one observed in other LAC borders, but where efforts currently underway still offer ample room to be deepened and diversified.
- **Costa Rica-Panama Border Integration**, recently structured around three pillars: mechanisms of participation and cross-border coordination; funding mechanisms; and policy and development decisions at the national and local levels. The impacts of this initiative are still to be clearly seen though.

Moreover, within the framework of subregional integration processes, only the Andean Community (CAN) and MERCOSUR have mechanisms or programmes which support border integration processes in their respective subregions.

- The **Andean Community** has a basic framework of rules that support the importance of borders and the role they play in the integration process (Decisions 459, 501 and 502), with the recognition of clear policy goals, a defined community institutional framework and the establishment of the "Border Integration Zones (ZIF)" as an essential tool. In the past three years, the

Andean Community has been able to raise funds of 4.2 million euros for the implementation of different border integration projects of its member countries. The management of these projects, however, faces technical and institutional constraints at the local level, as well as prioritization problems and difficulties to obtain counterpart funds from national budgets.

- Within **MERCOSUR**, there is an Ad Hoc Group on Border Integration (GAHIF), but their work has not made enough headway to produce specific actions or instruments. For its part, the Fund for Structural Convergence of MERCOSUR (FOCEM) has earmarked US\$ 2.6 million to projects clearly located at the border, both in Uruguay, which is equivalent to 1.87% of total resources invested by the Fund. Instead, the dynamics of the process is driven by initiatives which are not part of the central mechanisms of MERCOSUR, such as MERCOCIUDADES, a network of municipalities to promote horizontal exchange and cooperation between municipalities in the subregion – many of them located at the borders – on issues such as citizenship or tourism facilitation.
 - In **Central America**, SICA has no specific space for border integration within the six axes of action it addresses. However, border integration has been promoted indirectly by the International Network of Mesoamerican Highways (RICAM) and especially by the Pacific Corridor, which is the shortest route between Mexico and Panama and crosses 6 national borders and 7 countries. Additionally, the issue of border security is gaining importance through the Regional Border Security Programme in Central America, which introduces the concept of Integrated Border Management (GIF).
 - In the **Caribbean** subregion, given the insular characteristic of almost all countries that are part of the CARICOM scheme, there are very few land borders between countries. For these insular states, sea borders become of much greater importance in vital areas such as the development of their fisheries, for which the Caribbean Regional Fisheries Mechanism has been established with plans that are currently underway. Furthermore, a policy on air and maritime transport has been defined, and the Development Fund for Disadvantaged Countries, Regions and Sectors, similar to MERCOSUR's FOCEM, has been operating since 2009.
6. Border integration in LAC has proved to be, and continues to be, of great value for the development and integration processes being carried out by the countries and/or the subregional integration schemes. Reported successful experiences can be summarized as follows:
- Improved quality of life for the inhabitants of these areas through joint investments already made, or now being made, by neighbouring countries in social services, especially health, education, and basic sanitation.
 - Construction of electrification systems, roads, telecommunication networks and aqueducts, which have allowed to break the isolation of many border areas and has provided them with the basic conditions for the transformation of their economic base, promoting their integration in the circuits of

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production and distribution in an increasingly competitive manner, both domestically and internationally.

- Due to their strategic locations, many border points in LAC are international border crossings, with the installation, as part of the IIRSA Initiative or the Mesoamerica Project, of infrastructure and equipment for the facilitation of trade and tourism flow, which is a factor that should play in favour of border stabilization and economic growth, supporting their modernization and progress.
- The institutional framework for border integration shows progress in the region, with the implementation of technical and political mechanisms for analysis, promotion and monitoring of the agreed processes. However, some of them either have not become permanent mechanisms yet or are still to actively involve local border actors, a situation which should be corrected promptly.
- The “border regime” shows great progress. It has been agreed and implemented in almost all borders of the region enabling, for example, the movement of people with only their national identity cards. In Central America, this opening driven by the border regime has faced restrictions due to security problems generated by illegal activities.
- Border integration projects require consistent funding efforts for their implementation. However, the execution pace might be more active, which depends more heavily on increased technical and managerial capabilities to design and implement, as a design and implementation unit, projects that physically occupy land extensions of two countries, than on the availability of funds. In the Ecuador-Peru border, we can see a good example of a border project financing scheme which – via the Binational Plan and the Binational Fund – has made it possible to make investments of over US \$2,6 billion (US \$3,2 billion considering investments outside the Plan and the Fund) over the past decade.
- In the LAC region, there are two subregional financing funds which, although not specifically established to support border integration projects but mainly to help reduce structural asymmetries, may be adequate or may inspire the establishment of new subregional funds for border integration, namely: the “Fund for Structural Convergence of MERCOSUR (FOCEM)” and the newly created “Development Fund for Disadvantaged Countries, Regions and Sectors (CDF)” in CARICOM.
- Among all subregional integration processes, only the Andean Community provides a specific mechanism in its founding treaty which recognizes the role of border integration to help achieve the objectives of the Agreement. With this statutory reference, the Andean Community's General Secretariat in recent years has been making efforts to strengthen the common institutions as established by some Andean Decisions, particularly Decision 501 “Border Integration Zones (ZIF) in the Andean Community”, and has also been

successfully obtaining, though on a yet small scale, grant resources from organizations such as the EU and the AECID to run border integration projects that are a priority to its member countries. In the case of MERCOSUR, the Ad Hoc Group on Border Integration (GAHIF) was created in 2002 and studies have already been carried out to define lines of action for the design and management of border integration public policies, but the decision-making bodies of this subregional integration scheme have not yet taken any decisions on the subject. Meanwhile, border integration processes in countries that are part of the MERCOSUR, as well as those of SICA, are conducted essentially through bilateral or trilateral initiatives of their member countries.

- The countries of the region are also discovering the importance of border cities and the functional quality of their role as a major factor for strengthening bilateral integration and border integration processes. In this regard, several borders in LAC, and particularly in MERCOSUR through the MERCOCIUDADES network, have been generating initiatives on issues of citizenship, tourism facilitation and so on, with the advisability of "binational city" status being also suggested by several pairs of border cities in LAC.
7. The creation and implementation of border integration strategies in LAC should be aimed at ensuring social, economic, institutional and territorial-environmental sustainability, in a context in which the political sustainability is ensured by the fact that States in the region are engaged in the process, either bilaterally or with the support of their subregional integration and cooperation institutions. Some guidelines in this direction affect the need to:
- Initially focus efforts and resources on a few areas that have a high potential for integration.
 - Strengthen the institutional framework by deepening or improving existing institutional forums and mechanisms.
 - Establish border regimes as broad and flexible as possible.
 - Promote growth, modernization and diversification of border economies by making best use of mechanisms aimed at boosting integration and cooperation in the region and taking advantage of the strategic location of borders for the markets in the region and the world, with the support of the IIRSA and the Mesoamerica Project.
 - Strengthen the system of border cities, so that they become efficient cores of complementary and specialized services for the progress of border integration.
8. Border integration should be recognized as a policy for regional integration in LAC. In this connection, it is important to provide a space for an ongoing coordination of this topic in international forums and agreements involved in the establishment of the Community of Latin American and Caribbean States, supporting the following lines of action:

- Studies and analyses on the institutional framework of border integration in the various bilateral or subregional scenarios, aimed at offering alternatives to strengthen and promote opportunities for dialogue among them and with other complementary mechanisms in the region (physical integration territoriality, structural asymmetries, decentralization), which share, besides border integration, the feature of including a spatial point of view in the development and regional integration agenda.
- Regional events aimed at identifying gaps in the regulations on border integration in LAC, creating opportunities for them to be overcome.
- Design of support instruments for the preparation of plans and programmes on border integration, particularly as regards the strengthening of capacities of border integration project managers.¹
- Proposals for harmonized practices that give priority to border integration projects in public investment budgets.
- Studies and analyses that provide elements to determine the advisability and feasibility of establishing financial funds (at the binational, subregional, and regional levels) to implement plans, programmes, and projects for border integration.
- Studies and debates on results from the possible adoption of a model for the promotion of private investment along border areas.
- Supporting the IIRSA Sectoral Integration Process (PSI, its Spanish acronym) "Border Crossings" and the Mesoamerican International Transit of Goods (TIM) by formulating strategy proposals that promote the participation of border economies and those from other emerging areas in productive, commercial and service tracks to be configured as projects are implemented as part of each road axis.
- Development of a model of spatial structures that are currently in effect in LAC, in order to identify the relative scale spatial homogeneity of a certain category of territorial units (state, province, department, district, municipality, etc.) and facilitate the identification of areas on where programmes should be primarily focused in the context of physical integration, border integration, and other mechanisms of regional and subregional integration.
- Organizing events aimed at stimulating the replication of best practices in border integration in the region through horizontal cooperation model projects, internships, among others, which allow for sharing experiences.

¹ Border integration project managers are all organizations or agencies that have responsibility for carrying out the projects: they can be different in the pre-investment phase or execution of the project, as can also be a body with powers at the local, regional (national region) or national levels, or, in some cases, be specially created binational agencies (for example, the Binational Authority of Lake Titicaca, between Bolivia and Peru).

- Supporting the dissemination of border integration processes, their rules, institutions and developments, for positioning the subject at all levels, both regionally and internationally.
- Establish an observatory of border integration in LAC, in order to facilitate a meeting point and a channel for monitoring, analyzing, discussing and formulating proposals for better management of the issue in the region.

I. CONCEPTUAL FRAMEWORK AND APPROACH TO THE KNOWLEDGE OF BORDERS IN LATIN AMERICA AND THE CARIBBEAN

1. The concept of border

The term border, unlike what is commonly thought, does not refer only to the territorial basis of States (border crossing), but also air and sea space over which they exercise jurisdiction. However, while the land border is usually established according to specific physical data (the *divortium aquarum* of a mountain, the valley of a river), the establishment of air and maritime borders of modern States requires lines, which are visible only on maps, to be set by the geographic coordinate system.

Land borders predominate in the Latin American and Caribbean Region (LAC) due to the large size of its continental landmass and the fact that it contains 20 of the 33 States in the region. In contrast, in the Antillean island arc, maritime borders largely predominate. Despite their importance to establish the sovereign powers of States, regulate shipping, promote marine fisheries agreements, among others, they do not have the same connotation as land borders.

To understand the importance of land borders for border integration, it is necessary to refer to local policies. These are adopted by government institutions on the basis of understanding the territory as the concrete support of all relationship systems linked to development objectives. In this connection, territorial policies assume the territory as a “product” and not a “fixed data.” According to this perspective, elements of the physical environment, such as relief, climate, vegetation, etc., are processed and sorted by human societies that occupy it based on a number of distinctive features, such as their cultural heritage, forms of social and economic organization, technological level, density of population; a process that occurs over time (Oliveros 2005). Considering this concept in the context of relations among States, border integration is possible only between countries with common land borders, and that is the sense and scope given to the term “border integration” throughout this report.

In the analysis on the border phenomenon, two notions intertwine: “linearity” and “zonality.” Since their foundation, modern States are defined as sovereign spatial entities, and that is why the need for territorial expansion on which the State exercises its jurisdiction suggests the linearity: the precise knowledge of the limits of that portion of territory. Also for that reason, the notion of linearity or boundary line has a legal connotation, which becomes tangible with the signing of international treaties of limits and their subsequent implementation.

In the context of zonality, border is not a term with a legal meaning, but with a social and economic one. It is the expression – in a piece of land located within

the limits of a State – of organized forces acting on either side of a boundary and whose vectors are the population and other determining factors (for example, trails, roads or other means of communication; lines of power transmission; agriculture or livestock; industrial plants; health and education facilities, etc.), which stimulate a movement and exchange of people, goods and services, processes on which solidarity and common interests are built over time within certain spatial areas, “the border” (Oliveros 2002).

In short, the limit is a line, while the border is an area of variable extent. The limit indicates separation, while the border implies contact. The limit is a territorial separator, the envelope of a spatial structure. The border has rather an outward orientation, because it is a contact zone between two distinct entities (Foucher 1997).

However, beyond legal and geopolitical connotations, mainly in the context of efforts to achieve the consolidation of the integration process in Latin America and the Caribbean, it should be emphasized the social and economic meaning of the term border, which is the concrete expression of a deep relationship between actors who live and work on either side of the political boundary between two countries to a particular location. In other words, referring to the border in the context of initiatives for development and regional integration means recognizing the existence of close links of a human community to another which, being neighbours, belong to different national jurisdictions or competitions. In that sense, perceiving or “living” the border requires the limits of a territory of two countries with common boundaries to have a population basis, human communities that make clear the gregarious nature of human beings (Lison 1992).

Furthermore, the specific location where the border ends (or is perceived) from the political boundary between two countries is difficult to define and, in any case, is not fixed but variable. In general, it can be said that there is “more border” in those places where the daily relationship between social and economic actors operating on either side of the boundary is more intense; a process that, through specific policies or actions, both planned and spontaneous, can be promoted as well as unmotivated.

As a result, the border is a concept and a complex reality. It always represents a shared space, a scene of a dense web of economic, social and cultural rights, but also a space whose boundaries, in view of the dynamic relationship between bordering territories, can be established in a transient manner. It is characterized by the everyday nature of this relationship, a number of situations that take place along the border, a temporary balance and, consequently, an ongoing evolution in space and time.

In view of the above, if a time period were selected to provide a snapshot of all borders, a range of situations, based on their particular problems, would be found in the diversity of their component variables and the varying degrees of coordination and integration, both internally (within the country) and externally (with the neighbouring country). This dynamic situation, established according to specific features of each sector in contiguous territories of two countries, and which prevails at a given time, may be called “**border situation**” (Oliveros 2002).

In addition, a difference between “border development” and “border integration” should be determined. **Border development** can be defined as the

process to incorporate bordering territories into the active heritage of the country they are part through national development strategies. Border development becomes a reality through the implementation of public and private initiatives in the areas of social and economic infrastructure, provision of basic services, promotion of productive activities, and strengthening of local and regional management capacity; all this under criteria of sustainability.

For its part, **border integration** can be defined as the process agreed by both States in their adjacent border areas through specific agreements or treaties, which aim to encourage their development based on joint or complementary use of their potentials, resources, characteristics and needs, and shared costs and benefits. It is a process that, according to this definition, represents a central component of progress and strengthening of bilateral relationship as a whole.

According to one author, the concept of border integration refers to the situation in which neighbouring areas of countries with common borders are interrelated; this concept has two core elements: area and interrelation, whose nature and understanding allow us to define the scope of border integration as verifiable fact or proposal for bilateral or multilateral action (Iturriza 1986). Border integration is precisely the structural core of this report.

2. The extension of the border: area, zone, region

A question, and also a need, that frequently arises when studying the border phenomenon is to determine how such phenomenon becomes evident. In other words, from the borderline or international border, where does the border end? Is it possible for the perception of processes related to the notion of border to match the boundary lines of the circumscriptions into which the territory of a country has been divided for administrative purposes (departments, states, provinces, groupings, cantons, municipalities, districts, parishes, and many other denominations.)?

In fact, a border can hardly be delimited. The perception of the border does not necessarily imply the validity of an inversely proportional relationship between the border and the concept of geographic distance (the closer to the border, the broader the border area?) Nevertheless, in terms of the intensity in which the border is expressed or "lived", the aforementioned **everyday nature of this relationship**, and the varying degrees of coordination that can be established between the border and the bilateral cooperation and integration objectives, it is convenient to identify, at first, three territorial border scales (Oliveros 2002):

Border Area, a generally narrow territorial strip (a few square kilometres) that is functionally and closely linked to the notion of linearity. In the border area, the tangible expression of the border phenomenon occurs on a local scale and is evident through the operation of border crossings – some of them being equipped by agreement between States, while some others being informal – and the existence of infrastructure and services associated with their use (public services for bidirectional traffic control and registration installed at National or Binational Border Service Centres, NBSCs or BNBSCs, or at border control posts). The border area also offers some complementary services such as: currency exchange; telecommunications; police or military posts; and the local population intensively moving to provide themselves with goods or services from the adjoining locality

across the border in the framework of "survival strategies," commonly associated with trade in shoddy goods and smuggling.

Border Zone, a larger territory than the border area, where development actions can be organically carried out as long as there are border cities with more or less differentiated or complementary urban functions on either side of the border. These urban centres are usually provided with basic equipment, and most of them are considered to be urban centres of the third order within the urban hierarchy of each country. In the same way, border zones are provided with a certain transport, energy, and communications infrastructure, together with the organized presence of economic actors and other groups of civil society such as professional associations, chambers of commerce and production, and cultural associations. In this sense, it is possible to offer support to the border area from the border zone and to operate as the link between the border area and national regions.

Border Region.

From the national point of view, a region represents a sub-national domain for development planning and management, generally matching the boundaries of larger political-administrative units, which functions as a sub-national geo-economic entity. From the binational perspective, a border region would represent a privileged area for the bilateral relationship, in other words, a sort of "pilot-programme region" which could pave the way for achieving a bilateral integration capable of dealing with elements beyond the economic field. Currently, however, when most geo-economic and even administrative regions in Latin America and the Caribbean are just a collective ambition or an unfulfilled goal rather than reality, it is inevitable to assume that the functioning of binational border regions is a mere possibility in the future.

3. Types of "border situations" in Latin America

There are as many possibilities for establishing types of border situations as specific characteristics of the reality of those territories to be included and prioritized with a view to promoting or formally establishing border integration processes (geographic, political-administrative, social, demographic, cultural, and economic aspects, among others), options that are facilitated by the heterogeneous and complex character of the Latin American region. In the past, some authors have made proposals on this matter (Bolognesi-Drosdoff, 1988). In the following paragraphs, three types of border situations are explained, each of them with features that can make them more or less useful in terms of encouraging interventions to promote and strengthen border integration in the region (Andean Community's General Secretariat 2004).

3.1 Types of border situations according to their populations and socio-economic dynamics

The main criterion in this type of border situation is to characterize human communities inhabiting borders in terms of their level of social and economic development, their access to or links with the markets, and their urban or rural character.

3.1.1 Isolated indigenous populations

These ethnic groups, which inhabit the Amazon or the Orinoco region of the South American subcontinent, are very few in numbers and remain isolated or

with occasional contact with the outside world. In these groups, the sense of ethnic and cultural belonging prevails over national identity. Their social organization structures are ancient and their diet is based on hunting and harvesting. That transhumant nature may determine their temporary settlement in the territory of either border. Generally, they do not stay in contact with communities of different ethnics or perform monetary transactions with them.

These groups have their own identity, ancient cultural knowledge on health, and medicinal and healing practices. Due to their isolation, they are particularly vulnerable to infectious and contagious diseases caused by external pathogen agents that, in some cases, may even provoke epidemics resulting in the devastation of large contingents of their population.

3.1.2 Indigenous populations with varying degrees of coordination with the outside world

This type refers to the indigenous populations in the region that keep occasional or permanent relations with bodies or agents of the State, non-governmental organizations, merchants or "*regatones*" and farmers, among others. The social and cultural cohesion of these peoples, as well as their traditional methods of production, reflects a greatly varied cultural, social and historical heritage, which is evidenced, for instance, in their traditional medicine, which is based on the knowledge and use of the resources typically found in their habitat. These communities are being socially and culturally threatened, and, in many cases, are facing dissolution, resulting from their contacts with the outside world. Their health conditions are, in general, very precarious. Frequently, the space they inhabit trespasses the borderlines between States, and their interrelation with communities of the same ethnicity located in the neighbouring country may have different degrees of intensity or frequency; such relations are generally developed with the prevalence of the ethnic and cultural identity over nationality. This is the case of the *wayúu* population group along the Colombian-Venezuelan border, the *awajún* at the Ecuadorian-Peruvian borderline, or the *misquitos* on the Caribbean coast between Honduras and Nicaragua.

3.1.3 Rural communities with precarious agricultural resources and critical social features

This type encompasses rural populations and communities of the Andean slopes, valleys and plateaus, particularly those of Bolivia, Peru, Ecuador, Guatemala, and the southern states of Mexico, including the foothill areas. In general, these communities are far away from the main urban centres and main roads, located on low-productivity lands, because of poor soils, difficult topography, and rough climates, which, in many cases, are worsened by the high population density. Therefore the social and economic situation of these populations tends to be precarious. Basically, they produce only for self-consumption, using rudimentary techniques, while the little excess production is usually destined for barter or unequal trade with external agents.

Their social organization and culture are in a middle point between traditional and modern lifestyles, which usually leads to the loss of the ancient social capital, expressed through collective and supportive work, and the

weakening of their cultural identity, evidenced in the use of Spanish to establish contact with the outside world, instead of their native language –this is mostly seen among the young members of the community. The significant lack of infrastructure, public services, and social services determine the low living standards in most of these populations.

In this context, the development of relations with the neighbouring communities of the bordering country, based on ancient cultural identities or social relations, contributes to enhancing the local capabilities and supplementing certain gaps in terms of basic health care, education, or access to products of the family shopping basket. The rural populations of the Bolivian-Peruvian Highlands, around Titicaca Lake, far from main roads, may be considered as a representative example of this group. The same can be said about the Mayan communities located between Mexico and Guatemala, or between the latter and Honduras.

3.1.4 Rural communities with access to agricultural resources and moderate deficit in social services

This category encompasses rural populations settled in the mountains, coasts or foothills along the Andean region, closed to urban centres and main roads, which eases the contact with the outside world and access to markets.

Among these populations, the concept of community has seen its ancient essence being diluted by the development of the individual property of the lands. Although the members of these populations still associate to perform the transformation and trade tasks of production, most of them have not consolidated efficient production chains. Therefore, they usually rely on wholesalers or middlemen who monopolize the relations with the market and usually keep for themselves a substantial amount of the excess production.

There is a high deficit in social services, but it is not as marked as those affecting the afore-mentioned border population. Usually, the relations with border communities of the neighbouring country are intense and cover different spheres of life in the community (health care; elementary, secondary or technical education; purchase of basic and manufactured goods; social and family events, etc.). Such relations are fuelled by a common past and by social demands that are partly met by their own country. Some examples of this type of border situation can be seen in the populations of some municipalities of the State of Chiapas in Mexico with those of the Department of San Marcos in Guatemala, or among the municipalities of the Department of Nariño in Colombia with the municipalities of the Province of Carchi in Ecuador, in the Andean region.

3.1.5 New human settlements

This border situation generally refers to areas located at the foot of bordering mountain areas and forests in Central America or the Amazonian region, where rural population has settled in the search of better living conditions, after being displaced from other ecosystems or mountain plateaus, due to demographic pressure, soil degradation or political violence, a process favoured by the recent construction or improvement of roads.

These new human settlements transfer their practices and techniques for exploitation of natural resources from the ecosystems they ancestrally inhabited and know to their new settlements, affecting the physical and environmental world and the origin communities. This can sometimes result in conflict and also in the degradation of the ecosystem where the population settles, as consequence of an accelerated deforestation.

In addition, the lack of basic social services, energy, infrastructure or communications may become critical, worsened by the spatial dispersion of these new human settlements, where illegal activities are organized (human trafficking, drug smuggling, and wildlife trafficking) through informal or secret border crossings, often with the participation of external agents. Clear example of this border situation is the rural environment of the Amazonian border between Bolivia (Bolpebra), Brazil (Assis) and Peru (Iñapari) or between Brazil, Colombia and Peru (Tabatinga– Leticia–Santa Rosa). In the first case, the roads of the three countries converge, as a result of several years of construction that simultaneously led thousands of landless peasants to settle along such roads. In the second case, the Amazon River is the natural way favouring the emergence of these new settlements, encouraged by the trinational border, a hub for relations and a source of income, sometimes of dubious origin.

3.1.6 Urban centres with local functions

It is a border situation characterized by the presence of population centres, located at the base of the urban hierarchy of the countries in the region. Therefore, the urban functions of these population centres are very modest. In most cases, these little urban centres are extremely apart from more dynamic cities and thus function as basic service centres for a rural environment of a certain size.

Based on all this, the social situation of their population is likely to be critical, determined by job scarcity, high migration rate among young people, precarious public services, and basic social services with insufficient coverage and poor quality.

Frequently, the relations with the border communities of the neighbouring country are intense and many times fuelled by feelings of shared ethnic and cultural sense of belonging. Examples of this type of border situation is observed in the cities of Zumba (Ecuador) and Namballe (Peru); Porto Murthino (Brazil) and Carmelo Peralta (Paraguay) in the Chaquean region, along the border formed by the Paraguay River; the towns of Leimus – both with the same name – at the border between Honduras and Nicaragua.

3.1.7 Intermediate urban centres located on binational or trinational roads

These are cities with intermediate population and functional complexity located on both sides of the international border, some sort of “twin cities” which often are near an official border crossing and occasionally function as binational conurbations. These cities play more diversified roles than those of the urban populations described in the previous section, with the prevalence of the commercial function, which should consider economic and political fluctuations and situation. Unemployment rate is often high and an important

sector of the employed population is frequently engaged in informal or even illegal activities (such smuggling or drug trafficking.)

Generally, there is an intensive binational movement of people (pendular population), but also an increasing migration of displaced population, as a result of poverty or violence in rural areas.

The social needs are likely to be accentuated, mostly due to the complexity of the prevailing situations, the difficulty for central governments to properly seize them and the lack of available resources from local government institutions. Examples of this border situation are often in the region: Foz de Iguazú (Brazil) – Ciudad del Este (Paraguay); La Quiaca (Argentina) – Villazón (Bolivia); Santa Ana do Livramento (Brazil) – Rivera (Uruguay); Arica (Chile) – Tacna (Peru); Ayutla (Guatemala) – Ciudad Hidalgo (Mexico), the latter being a case of great importance, since, besides the official and unofficial local and international trade involved, these populations operate as an important migration passage from Central and South America to North America.

3.1.8 Regional metropolises

Regional metropolises are not seen very often along the borders between the countries in the region, because they imply the presence, on both sides of the borders, of privileged cities within the national urban hierarchy with multiple and complex functions. Although trade continues to be the prevailing role in these cities, they have a modern industrial and services base.

In these urban centres, social problems are quite diverse and complex, and the way they are managed resembles that of other important urban centres in the national territory. They are characterized by the presence of migrating populations coming from the neighbouring country, which generally reflects the social and cultural interdependence typically sprouting in border communities; however, in some cases, mostly in recent times, they can be represented by displaced populations requesting special treatment from the neighbouring country within the framework of a binational agreement. The urban axis formed by the cities of Cucuta-Villa del Rosario in Colombia and San Antonio-Ureña-San Cristóbal in Venezuela may be considered a case of this border situation.

3.2 Types of border situations according to the degree of consolidation of interrelation processes

The aforementioned typology comprising eight different border situations can be excessively complex for certain purposes. On the contrary, the following typology only proposes four types of border situations and can provide government authorities and social actors of the different countries in the region with a set of criteria that might facilitate the identification of priority geographic areas for socio-economic intervention. This task might then lead to more elaborated propositions for achieving border integration, following a more detailed typology, as the one presented above. The four suggested types of border situations are:

3.2.1 The absent border

Although it might sound contradictory, this denomination refers to empty border spaces, not occupied or incorporated to the national economy or society and thus lacking in even the most basic socio-economic dynamics. This is certainly a non-priority border in terms of border integration, but would eventually be a fertile scenario for some actions aimed at **border cooperation**. Such actions are initiatives developed by the neighbouring countries in their contiguous low-populated border territories, which are also unarticulated between them and with the rest of the territory in each country. These actions seek to lay the foundations for the future development and integration of those spaces through actions and projects in areas such as basic studies on the natural resources, protection of the common ecosystems, reciprocal security and mutual trust, attention to native communities, among others.

3.2.2 The embryonic border

Although this is an active border, primitive interconnection processes still prevail, spontaneously occurring without a significant intervention or regulation by the States. This is an increasingly uncommon type of border, since in most Latin American borders in the early years of the XXI century the neighbouring States have been applying agreements or treaties to at least establish regulatory measures and promote border relations, as will be explained in the next chapter.

3.2.3. Border under construction

This is also an active border, where an intensive cooperation scenario between the two States is already being developed towards channelling border relations, improving the operation of border crossings, and providing infrastructure and services to meet the needs of the population, among other initiatives. The integration processes being developed in this context are better organized and of high quality.

3.2.4. The consolidated border

In this type border, there are urban centres with specialized functions, trade hubs and a high degree of formalization in the interrelation processes. This is the "target border," the type of border the countries in the region may hope to attain in the medium and long term.

3.3. Types of border situations according to the geographical extension

Finally, it is convenient to offer a clear vision on the possible intervention levels based on the territorial extension and individual features of each border reality; such vision is associated with section 2 of this chapter dealing with the extension of the border. The following considerations on the different geographic levels involved in each border situation might help understand this aspect of the problem.

3.3.1 Local level

This refers to the notion of BORDER AREA and may include the strip of land closest to the boundaries between two or three countries. The local level may

be identified and delimited through the use of basic administrative-territorial categories (border municipalities, parishes, cantons and districts) within the zones listed in section 3.2 as “embryonic border” or “border under construction.” These zones include urban centres and roads that extend from one side to the other of the political boundary and operate as border crossings or trade and tourism hubs of a certain formality. In the rural sectors, the border area is less precise and the exchanges performed are mostly informal and of small volume.

3.3.2 Zone level

This is the territory comprised in the notion of BORDER ZONE. This territory includes the border area plus a broader territorial strip on both sides of the political boundary between the two States, in terms of provinces, departments or the grouping of several municipalities. The zone level encloses cities with differentiated and even specialized urban functions, infrastructure, and an organized presence of economic actors and civil society. A border zone is a primary geo-economic entity conceived by some countries in the region such as the Member States of the Andean Community that is being binationally instrumented under the denomination of BORDER INTEGRATION ZONE (BIZ).

3.3.3 Regional level

It may be called BORDER REGION or FRONTIER REGION, which is conceived as a larger geo-economic unit, characterized by the existence of strong links among their inhabitants, a high density of social networks, trade and services, the organization of regional activities around a centre (a city on each side of the border) and functionality of each of its national parts in a larger national group.

While there are currently no binational border regions in LAC and it is unclear whether any pair of countries have formal commitments to build them, this sort of geographic intervention may become relevant in the future in the context of regional initiatives with a high priority in physical integration issues, such as the Mesoamerica Project or the IIRSA initiative. Potentially, the Integration and Development Axes (IDA) of the IIRSA, whose settings will promote these physical integration projects in South America, are expected to build large areas of geo-economic integration and sustainable development from the territory “frame” they will create. Each IDA will serve to socially and economically link and coordinate several countries in the region through their common borders. This should result, from the dynamics they promote, in the gradual overcoming of asymmetries, regional development imbalances and improvement of the population’s quality of life.

In the short term, local (border area) and zone (border zone or border integration zone) levels are, without doubt, the most important levels of intervention because of its relatively accessible and manageable geographical dimension and because of the type of differentiated processes taking place in each one of them. With a properly managed joint intervention, the inhabitants of these border areas or zones can significantly benefit from the social, infrastructure, productive and other programmes and

projects that the involved countries agreed to implement at their common borders.

4. The meaning and management of borders in other regions: the European Union

While the social, economic and political situation of the European Union Member Countries and their border regions is quite different from their counterparts in Latin American and Caribbean countries, it is important, for the purposes of this report, to take a look at the initiative that has been implemented by this integration scheme in order to help develop the border regions, under circumstances in which they also face development and competitiveness problems in the European context.

Currently, in the Europe of the single market, the euro and the common foreign policy, regional development cannot be conceived within a strictly national framework. To ensure their future, regions take into account not only their neighbours but also other more distant regions with which they cooperate in the border, transnational and interregional areas. Transportation policies, environmental management and natural resources, as well as the availability of services of general interest and technologies, have an impact far beyond the borders and have obvious effects on regional (or spatial) development.

Before 2004 – when other 10 countries, mainly from Eastern Europe, were added to the previous 15 Member States of the Union – border regions represented 40% of the territory and 25% of its population (European Communities 2002). Their development is a key factor for the European integration, economic and social cohesion and progress. In recent years, this progress has been accomplished under the influence of the single market and EMU, as well as **regional development programmes** and **cross-border cooperation**.

To implement programmes on regional development and cross-border cooperation, the EU relies on the Structural Funds, which are financial instruments aimed at reducing economic and social disparities. Structural Funds include grants of private or national origin for the implementation of major programmes that involve a long list of local, regional or national actions. One of them is the **European Regional Development Fund (ERDF)**, which supports the implementation of infrastructure, productive and employment-generating investments, local development projects and support for small and medium-size enterprises (SMEs) in the less prosperous regions.

Regarding **regional development programmes**, the priority areas are the so-called Objective 1 regions of the Structural Funds, such as, for example, areas of low population density in northern Sweden and Finland or the rural areas of the southern border between Spain and Portugal. Also included in this category are urban areas with traditional industries that require restructuring to remain competitive, located on the border between the Benelux countries (Belgium, Netherlands and Luxembourg) and between them and Germany.

For its part, **cross-border cooperation** occurs in areas with a lower relative development that are located along the external borders of the European Union. This process is important, because European integration is in constant growth, adding new members and larger geographic areas, all of which have a lower

relative development than the current Member States. Therefore, the bloc's external borders must be strengthened so that these development differences do not become a source of weakness or vulnerability for the entire Union. These European border regions face other specific problems arising from its outlying location, such as low population density, natural barriers (mountain or coastal areas), more limited transportation infrastructure, and management inconsistencies in cross-border ecosystems, among others. As an example of this lower relative development it can be noted that, before 2004, the unemployment rate in some parts of the German (formerly GDR)/Polish border area was twice the European average.

Regions that did not belong to the European Community half a decade ago have currently joined the single market and still show major development gaps compared with the regions of the previous 15 EU countries. From that moment on, and now with 27 Member Countries, there are new and even less favoured outermost regions along the enlarged EU borders.

For such regions, the EU has created the **INTERREG** initiative, which aims to strengthen European economic and social cohesion by promoting cross-border, transnational and interregional cooperation as well as a balanced regional development. This initiative pays special attention to remote regions and those regions located in the EU's external borders with candidate countries. The budgetary allocation for the INTERREG III Initiative, in effect for the period 2002-2006, amounted to €5,180 million, jointly financed with funds from the Commission (Structural Funds, ERDF) and the Member States. The contribution of the ERDF to these funds accounts for a maximum of 75% of the total cost of a specific programme in the Objective No. 1 regions, and 50% in other regions².

In INTERREG there is an indicative financial allocation by Member State, which is essentially based on population rates of internal border zones of the European Union, the outermost regions and even the areas bordering European countries that are not part of the EU (Eastern Europe).

Projects that are eligible for the support of INTERREG are drafted by cross-border or transnational committees or other bodies constituted by the relevant regional or local and national authorities and, where appropriate, by the relevant non-governmental partners. Once approved, projects are subject to a coordinated monitoring for their implementation through the executive committee, in which a European Commission representative could take part as an observer.

5. Importance and contribution of border integration to regional integration

In an international context marked by an increasing interdependence between countries and economic blocs, as a result of the impressive contemporary technological progress and the booming international trade as an engine for development, but also marked by the persistent structural imbalances and poverty affecting large areas and a significant part of the population in Latin America and the Caribbean, borders, and specifically border integration processes, have acquired new importance and priority for any country and integration scheme, at least in the following three dimensions (Oliveros 2002):

² Information obtained from the web site: http://ec.europa.eu/regional_policy/interreg3/finan/finan_es.htm

5.1 Overcoming imbalances in development in national border regions

In the countries of the region, it is well known that borders are, in many cases, marginal, peripheral areas that are poorly integrated or not integrated into the economy and the society of each country. This occurs as a result of the implementation of centralized models of development, under which borders have been considered, in an implicit and sometimes also in an explicit way, as "reserve areas" likely to be incorporated at some time in the future to the active national space.

The low demographic weight still distinctive of many border areas, the lack of local organizations that are able to properly communicate the social and economic demands of the population to central decision makers, and the distance and poor accessibility that exists between these outlying territories and the "centre" are evidenced in the fact that the social and economic situation in many borders is ultimately as much or more critical than that of many rural areas or "pockets of poverty" existing within the countries of the region. In Peru, for example, a country whose economy has grown at high rates over the last decade, above 8% annually in some years, borders are still, in general, territories where poverty and marginalization prevail. In 2006, 42 of the 81 districts of the country's borderline, populated by almost 1.3 million, were rated as "extremely poor" and 36 were rated as "very poor," meaning that 86% of them are affected by severe poverty (Ministry of Foreign Affairs of Peru 2009).

In such scenario, it is a priority to create initiatives to overcome structural imbalances, achieve social cohesion and address the severe poverty affecting many sectors of the borders in the region³. In this sense, while borders are a field of joint action by two neighbouring states and a field for the integration processes of which they are part, there is no doubt that the border integration processes that they promote and materialize will contribute to this end and also to a smoother flow of bilateral relations as a whole, which will consider borders as a fertile ground for their development and strengthening as they become a catalyst for them.

5.2 Strengthening of economic integration processes

As it was mentioned before, LAC countries participate in several subregional integration processes that, according to the review carried out in the first chapter of this report, share the purpose of improving the living conditions of their population through the implementation of various policies and concerted mechanisms in the economic, social and infrastructure development fields, among others. Another recurrent objective is the need to build an expanded economic space that makes a sustained process last to enlarge the capacity of these subregions to produce, exchange and use goods and services within an efficient and competitive context, and incorporating an increasing number of actors and new geographic areas.

Since much of the increased flow of people and goods taking place in integration processes use overland transportation, common borders must be fitted out to

³ Borders are recognized by various integration and cooperation agencies in the region as relevant scenarios for the implementation of policies to deal with structural asymmetries. For information about this topic, see: a) SGCAN-MERCOSUR ALADI-SELA-ACTO-ECLAC-CAF. "A new treatment of asymmetries in South American integration." Discussion forum. La Paz, Bolivia, 2005; b) General Secretariat of the Andean Community. "Dealing with asymmetries in the Andean Community." SG/dt349, 2006.

effectively act as coordination points of national economies, so that they operate as “hinges” that facilitate one-to-one trade between countries that are part of a particular integration agreement and also between these and other countries conforming other integration agreements in Latin America.

However, this adaptation of border regions should take into account their current economic and social reality in order not to aggravate their precarious socio-economic balance, which is largely the result of changes in the lifestyle of their populations and the orientation of their economic activities caused by the meeting or “clashing” of two systems (political, administrative, economic) that takes place in such spaces.

For centuries, such modifications have been the result of differences in foreign, security, monetary, fiscal, labour, migration, and other policies adopted by each State in an autonomous and sovereign way, with little regard to their impact on the borders. However, in practice, they are “confronted” at the border with the policies established by the neighbouring State. By the late 1960s and with greater force from 1970, the aforementioned “clash” was also favoured by the implementation of the various subregional integration mechanisms (trade liberalization; some components of the agricultural policy, especially in agricultural sanitation; deregulation of transport and authorization of the formal option to make land freight transport under the international customs transit system, among others). In general, these mechanisms, which are beneficial to subregional integration, have a negative effect on the lifestyle and income level of border populations since they reduce the “margin of preference” they were laboriously building as part of their survival strategies by capitalizing on the border, in a more or less confrontational way, the respective national economic policies (from opposition to the implementation of transit and border trade regulations to informal activities and some others that are openly outside the law) (Oliveros 2003).

Therefore, the aforementioned necessary fitting out of borders should include measures and projects to ease administrative processes, simplify and harmonize documentation, build or improve road and rail infrastructure where appropriate, establish equipped locations at border crossings (border complexes for traffic registration and control, construction of stores or warehouses, provision of equipment for loading and unloading, services for vehicle passengers and crews). But it is important that all these measures and projects, aimed at promoting and easing subregional integration, consider not only a “metropolitan” vision of the borders – in the sense that they only take into account the priorities and interests of trade, tourism and other economic activities whose origin and destination are the main development poles that are external to them – but also that they are implemented in a way that helps overcome the asymmetries and distortions in the latter.

It is highly important that subregional integration also leads to the generation of productive employment opportunities, the increase and diversification of the range of services from the area and the incorporation of local production and services into bilateral, community and international trade flows. Only then it is possible to acknowledge a role of the borders in the construction of an extended economic space and, conversely, a contribution of subregional integration processes in the modernization, diversification and growth of the economic base of their common borders.

5.3 Alignment of LAC countries with the international context

In this dimension, it is important to identify a role for the borders that involves their active participation in the efforts to expand and diversify their exports, so as to improve the terms in which the region participates as a whole in the international economy within the context of economic globalization.

In this opening to the world, some commercial corridors and development axes that increasingly link inner regions of the countries with the ports located on the Atlantic and Pacific Oceans through their border territories should encourage the consolidation of the latter as true **intersection-spaces**, a projection in which their privileged geographical location is an important asset. In this macro scenario, the realization of the physical integration projects and specifically the road, rail or multimodal corridors, oil and gas pipelines and electrical transmission lines, identified and prioritized by governments, financial institutions and regional integration (since the year 2000 through the IIRSA initiative; the Puebla-Panama Plan started in 2007 and continued since 2008 by the Mesoamerica Project), some of which have already been implemented while others are still under construction, are of fundamental importance for the projection of the regional economy at the global level.

We must consider, however, that this infrastructure will be implemented in very heterogeneous territories: some of them are nowadays large demographic gaps; others are populated by large segments of the traditional society (those of the Andean Mountain Range, for example), and certain territories, mainly in the Amazon Basin, exhibit a high environmental fragility. In other words, not all regions have the same opportunities or advantages to meet the challenges of globalization. Thus, care should be taken to avoid that these initiatives eventually contribute to widening the gap between developed and backward regions.

That is why it is necessary to design strategies to promote the participation of regional, internal and emerging economies, as well as the border areas, in productive, commercial and service centres as infrastructure is built on these development axes. This will boost the gradual evolution of these territories to "active regions," i.e., will promote a qualitative leap in these regional economies that will contribute to its modernization, growth and the achievement of international competitive standards. Moreover, it will support and strengthen the current decentralization processes carried out by national governments⁴.

In the case of the border regions, it is important to stress the need that these physical continental integration projects also contribute to their economic revival. To that end, the requirements for their operation should involve the use of local factors, mainly labour and services at the border, and also the offer of options for the gradual incorporation of production in border regions into cross-border trade flows.

⁴ In this respect, see the Andean Reflection Workshop on "Physical Integration and Decentralized Development," preparatory to the XVI Andean Presidential Council. General Secretariat of the Andean Community, SG / di 742, June 2005.

II. THE STATUS OF BORDER INTEGRATION IN THE REGION

In this chapter, a review is made of the status of border integration at two levels. On the one hand, there is the importance of common borders between or among countries as a scenario to implement cooperation mechanisms; set up common institutions; develop joint projects, and undertake sectoral or comprehensive development plans. All of this in order to jointly meet the demands of border towns; stabilize and/or reinforce bilateral or trilateral relations and contribute to subregional integration. At this level, it should be recognized that neighbouring States are primarily liable for the progress made in border integration.

On the other hand, borders are also important as part of subregional integration processes. Against this backdrop, it should be noted that in the region attention has been paid to borders, sometimes not as an "inward" starting response of said processes, but to mirror the attention paid to related bilateral strides by integration technical organizations. At a certain time, such organizations have acknowledged border integration as a far-reaching mechanism to fulfil the objectives and attain the goals of integration agreements executed through them. In this regard, it is possible and even appropriate that integration agreements and organizations are able to support border integration processes between member countries with common borders. But this cannot occur without the approval and active participation of the countries that are parties to a treaty. In this regard, generally, border integration encouraged by subregional integration organizations backs bilateral or trilateral agreements. In some cases, such a support is very relevant, particularly in terms of institutions and funding of priority programmes and projects.

There are multiple border integration processes in the region, at the bilateral, trilateral and community levels, with different trends or emphases and different access to information.

Since there are 33 common land borders in the region (see Annex), each with different border situations, a representative selection of ongoing integration processes should be made. Prior to this, it should be noted that in all land borders there are integration processes, but many of them are informal, some others are based on agreements prompted by mere neighbourhood, led by mayors or other local authorities without much knowledge or record by national governments. There are also formally agreed integration processes between two States, generally under promising conditions for bilateral relations. However, for one or several reasons, such processes have come to a standstill without making significant strides to attain their goals. This is a stumbling block to the attempt at listing current initiatives of border integration in the Latin American and Caribbean region.

In the first part of this chapter, bilateral or trilateral experiences formally agreed by States are presented: three ongoing processes in South America and two in Central America. They are characterized by various situations on the borders involved; current institutions; mechanisms and instruments; their performance, and variety and importance of potential achievements.

In the second part, a review will be made of subregional integration agreements, in order to ascertain whether they have set up border integration among the mechanisms which support their objectives, established institutions, specific related instruments, as well as their strengths and weaknesses.

1. Bilateral or trilateral border integration

The concern or interest of countries in the region in taking cooperation initiatives involving their common borders is not recent. A review of bilateral treaties executed by border States proves that, with different orientations and intensity, the issue was always present.

In the past, particularly in the early 20th Century, most treaties were aimed at relaxing the stiffness imposed by borders on the relations between neighbouring communities. Since these communities were in the outermost parts of two bordering States, they needed some instruments to facilitate their citizens' local passage; trade of products difficult to get in their own territories or use of public services by either party lacking them. The Safe-Conduct System for Traffic across the Bordering Zone Adjacent to Lake Titicaca or the Border System Agreement, both of them entered into by and between Bolivia and Peru in 1940, is an example of such undertakings. The latter could be deemed a forerunner of the Border Committees which spread over the region as early as in the 1980s, particularly in MERCOSUR Member States (Calderón and Oliveros 1991).

Nevertheless, the issue of passage across the border helps illustrate various situations on the border. In the case of Costa Rica and Nicaragua, a quite different socio-economic situation is still witnessed on each side of the common border. Nicaraguan citizens should hold a passport if they are to enter Costa Rica. In December 2009, for instance, newspapers reported that Nicaraguan citizens who wished to return to their countries to celebrate Christmas with their relatives had to wait up to six hours to have their passports sealed in leaving Costa Rica. Instead, to enter Nicaragua, the entry step would take about 20 minutes. During those days, up to 10,000 Nicaraguan immigrants who work in Costa Rica provisionally returned to their country of origin, with this number being expected to exceed 100,000 people.⁵

Such a reference to passage across the border and the issues of regulation and intensity both in space and time inside the region are very illustrative of a wide array of situations in the context of border relations between countries, as follows.

1.1 Binational Development Plan of the Ecuador-Peru Border

Between Ecuador and Peru, by reason of territorial disputes which marked the bilateral relation in almost one and a half century of republican life, nothing relevant happened in the field of border integration until 1969. That year, based on the recommendations of the Economic Delegations of Peru and Ecuador which regularly met to enforce the mechanisms set forth in the Cartagena Agreement (the treaty which gave rise to the Andean Community), both countries agreed to establish in July 1971 the "Ecuadorian-Peruvian Economic Standing Committee" (CEPEP or CEPPE). Its purpose, as stated in article 1 of its charter, was "*...examining everything related to economic and trade relations of both countries, specially aimed at planning the process of border integration, which relations shall include identification and study of any related development projects.*"

This institutional framework was enlarged, on the issue of border integration, upon the establishment, following CEPEP, of the Peruvian-Ecuadorian Joint Committee for Utilization of Binational Hydrographical Basins Puyango-Tumbes and Catamayo-Chira. In this way, two initiatives were taken, both of them for the

⁵ El País daily newspaper, Costa Rica. 20 December 2010.

Ecuadorian provinces of El Oro and Loja and the Peruvian departments of Piura and Tumbes, on the western part of the common border.

In the context of the CEPEP, since 1971 progress was made to set and implement a border system based on agreements on passage of people and vehicles and the organization of border fairs. Shortly afterwards, it had to be revised and adapted to the border dynamics to make it more flexible and add new interrelation clusters.

The second Committee focused its task on the works needed to implement the Puyango-Tumbes irrigation and electric power generation project. It pondered on the possibility of increasing the irrigated agricultural area by approximately 70,000 hectares on each side of the border, in addition to generating hydroelectric power for a 220 MW installed capacity. CAF funding was even raised for feasibility studies (Oliveros 1991).

These bilateral mechanisms ran somewhat smoothly in most of the 1970s. CEPEP even established joint taskforces based on the technical expertise of the subjects tackled and the need to make concrete headway in each of them. One such taskforce was the Programming Taskforce, primary responsible for *"Making a comprehensive diagnosis of the area of border integration to lay the foundations of a regional development program in said area."* This was never done because of insurmountable differences between the Peruvian and Ecuadorian expert teams, to such an extent that by 1977, works came to a halt.

To sum up, while CEPEP successfully encouraged Peruvian-Ecuadorian cooperation at the outset, particularly in the areas of economy and trade and border integration, this institutional model fitted in an elementary stage of bilateral cooperation. Indeed, given the situation of border dispute, breaking the way for talks to deal with these subject matters in a rather political than technical context was in the interest of both governments (Oliveros 2000).

In October 1998, peace between Ecuador and Peru materialized at long last, upon the execution in Brasilia of a set of agreements. The agreement in furtherance of border integration is called "Ecuadorian-Peruvian Comprehensive Agreement on Border Integration, Development and Neighbourhood." Its salient constituent elements are as follows:

The Neighbourhood Committee: a political organ on top of an institutional scheme comprising other bilateral mechanisms and *ad-hoc* bodies.

Binational Technical Committees: mechanisms for promotion of programmes, projects and activities in the common interest of both countries in sectoral or otherwise specific subjects that should be further addressed in addition to the Neighbourhood Committee.

The Binational Technical Committee on Border Regime (CTBRF) and Border Committees have been specifically established to bolster and manage the "Convention on Passage of People, Vehicles, River and Sea Ships and Aircrafts," ancillary to the Comprehensive Agreement. This Convention is a key component to give long-term viability to smooth, continuously increasing bilateral relations, both qualitatively and quantitatively, as it sets appropriate conditions to foster the free movement of people, vehicles and goods in preset but expandable border ambits. The CTBRF jurisdiction is not of a "sectoral" nature, where management

falls to one institution or authority only, but of a “horizontal” character, where public service utilities which manage cross-border flows and with authority in the field of migration, customs, health, transportation and safety are represented.

As ancillaries to the CTBRF and to locally boost and enforce the Convention on Transit, Border Committees have been established. There is one Border Committee every two major border political-administrative circuits; they are headed by the top political authority in the circuit and, in most cases, do a laudable work in the interest of the local community to make headway with Ecuadorian-Peruvian border integration faster than central governments.

The Binational Plan and the Binational Development Fund of the Ecuador-Peru Border Region, has been established under article 18 of the Comprehensive Agreement “in order to raise the living standard of peoples in north and northeast Peru and south and west Ecuador” for ten years. The decision-making body is the Assembly, composed of the members of the Peruvian-Ecuadorian Neighbourhood Committee. Therefore, in the practice, the Neighbourhood Committee and the Assembly of the Binational Plan play the same role. The Binational Executive Board completes the institutions of the Plan. It is the result of two National Executive Boards, each composed of four representatives: one from the public sector, one from the private sector and one for the border region. The fourth representative is the Executive Director of each national chapter of the Plan.

The Binational Plan and the Binational Development Fund of the Ecuador-Peru Border Region have been set up to encourage and sponsor small and medium-sized programmes envisaged in the Binational Plan. They are fed by contributions from the governments of both countries, fellow countries, multilateral institutions, non-governmental organizations and private agencies.

The experience in border integration between Ecuador and Peru will be focused in this report on the implementation of the Plan and the Binational Development Fund of the Ecuador-Peru Border Region. These instruments have turned peace between these countries into a development opportunity for territorial segments at the common border, along a borderline of more than 1,500 km², covering approximately 132,592 km² off territory and about 1.7 million inhabitants on the Ecuadorian side and 288,063 km² and 3.1 million inhabitants on the Peruvian side.

The Binational Plan acts as a mechanism which promotes and links development on the border involving the public sector (national, state and local governments of Ecuador and Peru), fellow countries, cooperative entities and local communities. All of them join efforts to direct and channel resources into binational and national projects, in a context where peace has materialized for 10 years (1998-2008), able to increase six-fold bilateral trade with 100% free of taxes; raise fourfold the passage of people; double the amount of air passengers; lift fivefold the annual volume of vehicles over the Huaquillas – Aguas Verdes International Bridge, the main border passage between the two countries, and increase fourfold the number of businesses which are members of the Peru-Ecuador Chamber of Commerce (Arróspide 2010).

In implementing the four programmes of the Binational Plan (social and productive infrastructure; building and improvement of social infrastructure and environmental issues and encouragement of private investment), both countries have materialized until December 2010 investments of up to US\$ 2.56 billion, with

45.8% of national funds (both public and private investment); 36.1% for concession of works in the Peruvian case and 18.1% of non-reimbursable cooperation, amounting to US\$ 324 million. Under these items, 75.4% of the investment has been made on the Peruvian side of the common border and 24.6% on the Ecuadorian side. Except for the investment via concessions on the Peruvian side only, as said before, investments amount to US\$ 1.33 billion, including 61.5 % on the Peruvian side and 38.5 % on the Ecuadorian side (Arróspide 2010) (Ecuador - Peru 2009).

Note, however, that said investments are channelled through public agencies of national or state competent jurisdiction, private investment or, in the case of non-reimbursable cooperation they are generally executed by contributors themselves. The common denominator is that all of them are within the framework of the guidelines and priorities of said Plan.

The Binational Plan involves a wide array of projects in the sectors of transport, cleaning and others of a multi-sectoral content. As regards their impact on development and integration, some of them have a higher clout in bilateral integration as compared to border integration. This is the case of projects on transport infrastructure, such as the five priority road hubs identified in Annex 5 to the Comprehensive Peruvian-Ecuadorian Agreement on Border Integration, Development and Neighborhood.

For its part, the Binational Fund for Peace and Development operates in the practice under the umbrella of the Binational Plan, as it is aimed at funding small and medium-sized programmes envisaged therein. The Fund raises non-reimbursable financial resources to back projects in priority areas of electrification, roads, health and education, water supply and cleaning, and others (productive choices for self-consumption, small irrigation systems and wells used for irrigation, among others), that is, high-impact projects to improve the quality of life of local communities on the border. Under no circumstances whatsoever, the Binational Fund implements projects or directly sponsors final recipients.

The Binational Fund co-sponsors the above-mentioned projects as follows: up to US\$ 60,000 or 80% of the total cost of the Project, whichever lower. A valuable consideration of at least 20% of the total amount of the work and up to US\$ 200,000 or 60% of the total cost of the project, whichever lower, is required. In the latter case, valuable consideration for 40% of the total cost of the project is requested (Peru, Binational Fund 2009).

Entities eligible to bring forward and implement projects with the financial resources of the Binational Fund are public agencies and institutions representative of the private sector with an active involvement on the Ecuadorian-Peruvian border able to prove their technical, administrative and financial expertise in project management. Likewise, they should produce evidence that their corporate purpose is consistent with the purposes of the Binational Plan, namely: helping increase the living standard of local residents on the border; demonstrating that their activity is akin to the nature of the proposed project; having administrative facilities as needed for the effective execution of the project and having previous experience in project management, monitoring and assessment.

By the end of 2010, the Binational Fund had executed on the Peruvian border 458 projects of a high social impact which account for a total investment of

US\$ 50,331,990; US\$ 17,105,055 (34%) come from the Fund resources and US\$ 33,226,935 (66%) from other contributions, including counterpart funds of recipients.

To sum up, the Binational Fund has paid attention to the requirements of local residents on the border in areas such as cleaning up, health and education, accounting for 62.6% of the investment made, in addition to areas such as energy, agriculture, transport and communications. This is premised on the need to help bridge the social and infrastructure gap of local residents, instead of fostering development projects per se or projects on border integration (Arróspide 2010).

Finally, it is worth mentioning that the endeavor of the Plan and Binational Fund has prompted additional investments on the border by national governments through ministries and other state agencies, state governments (in Peru) and other public funds, for US\$ 3.16 billion in the aggregate, apportioned virtually on equal proportions between Ecuador and Peru.

In view of the undeniable success of the Binational Development Plan of the Ecuador-Peru Border in achieving its objectives, the parties agreed to extend the effective term to 15 years until 2014 under the Presidential Declaration of Tumbes, in June 2007, entered into by and between Ecuadorian President Rafael Correa and Peruvian President Alan García.

1.2 Cúcuta/Villa del Rosario – San Antonio/Ureña hubs at the Colombia-Venezuela border

Colombia and Venezuela share an extensive border of more than 2,000 kilometers. There are three major sectors. Firstly, the Guajira Peninsula, up to the north, is a desert environment inhabited by the Wayuu indigenous people. It is presently a stronghold of trade exchange between the western Venezuelan sector and the Colombian Atlantic coast. Secondly, Norte de Santander (Colombia) – Táchira (Venezuela), in the central-western part, covers an area where the soft relief of the Andean Massif and continental hydrography has set natural conditions which favour an intense relation between the two countries. Thirdly, there are the eastern plains, where the human settlement and economy are more recent and less intense. The border relation is around several roads and river navigation ways, with the Arauca (Colombia) – Guasdalito (Venezuela) hub, on both banks of River Apure, being the most dynamic.

In 1941, upon signing the “Treaty of Frontiers and Navigation across Common Rivers between Colombia and Venezuela,” the two countries embarked upon regulating border activities. In 1942, the Border Regime Statute was executed, whereby a border strip was outlined on both sides of the international limit. This would allow for easier relations and border activities. This legal instrument provided for the creation of an identity paper locally valid, which vested in local authorities on the border “powers to act in the issue of educational, sanitary, police and environmental cooperation.” (Otalvora, 2003)

Undoubtedly, the most interesting border sector is the second one, which administratively comprises the Norte de Santander Department in Colombia and Táchira State in Venezuela. One of the most intense border integration processes in South America takes place there. It has been prompted and spurred by the aforementioned cities which pool about two million inhabitants. They have

become the driving forces of the regional-border economy and turned into one of the most important cross-border trade hubs in Latin America, with both binational and international repercussions. However, such dynamics is also the base of a number of problems that have not been solved yet: intense deforestation on the binational basins; contamination of rivers with solid and liquid waste, and lack of functional logistic platforms able to make local trade more efficient, among others.

In the Norte de Santander – Táchira State hub, agriculture is uppermost in the regional economy. It is led by coffee, sugar cane and vegetables. In the 1970s and 1980s, the CAF sponsored in that area a comprehensive industrial project based on a sugar compound modeled on the Andean Multinational Company (AZURCA E.M.A.) which operated for some years. However, Colombian President Virgilio Barco and Venezuelan President Carlos Andrés Pérez ordered its winding-up in 1989 due to the troubles in implementing the system of Andean Multinational Company. In this border sector there is almost total predominance of the capitalist relations of production in the countryside, but there is still land ownership. Livestock is less important, yet dual purpose cattle breed is fairly developed.

The industrial activity is composed of small and medium-sized enterprises which manufacture consumer goods. There is high production of food, apparel and footwear. There is a dynamic linkage between the companies located on both sides of the border. However, it is an informal relationship in the absence of a binational official support system.

Exploitation of large reserves of phosphates and coal on the border could, according to some studies and statements, transform the basis of regional accumulation and determine the passage from agricultural and trade economy to another basically mining economy. Nevertheless, this requires making huge investments; reopening the port of Maracaibo for non-oil activities and enabling the Apure-Orinoco river axis for international navigation in order to carry the coal to the potential major buyer of raw materials -the industrial complex located in Ciudad Guayana, in east Venezuela.

In this context, the existing border system is very old and rather discourages border relations. In the Cúcuta – San Antonio urban hub, Colombian citizens may be in Venezuelan territory without holding passport and a visa until the post of Peracal, only eight kilometers from the international limit. Both States, Colombia and Venezuela, have established in the past for their common border important binational institutions.

The Presidential Commission for Integration and Colombian-Venezuelan Border Issues (COPIAF) was organized by Presidents Virgilio Barco and Carlos Andrés Pérez in 1989. It was entrusted with the task of studying and drafting specific agreements on economic and social development of border areas. Earlier, in March 1987, the Andean Parliament organized, under Decision 184, the Border Regional Assembly (ARF), gathering the legislatures of the Colombian Department of Norte de Santander and Venezuela's Táchira State around topics in the common interest. Also, as evidence of their willingness to advance towards superior goals in Colombian-Venezuelan border integration, proposals were made in the 1980s to approve a system of Multinational Companies for Border Integration (EMIF) and establish a Council of Planning and Development of the Colombian-Venezuelan Border.

In 2005, the authority of the border area proposed the establishment of a Border Integration Zone (ZIF) under the regime contained in Decision 501 of the Andean Community,⁶ when Venezuela was still a party thereto. The Andean Community also recommended, based on a widely participatory consultation work involving border entities, the establishment of said zone including several municipalities of both countries. Nevertheless, such proposal has not been implemented by the governments in a context where the important border institutions established in the past are seriously affected by the ups and downs of bilateral relations over the past few years.

1.3 Trifinio Plan among Salvador, Guatemala and Honduras

The governments of Salvador, Guatemala and Honduras signed, on 12 November 1986, an Agreement on Technical Cooperation with the General Secretariat of the Organization of American States (OAS), the Inter-American Institute for Cooperation on Agriculture (IICA) and the financial contribution of the European Economic Community, in order to make a comprehensive development plan for the site where the borders of the three countries meet: the Trifinio Region. The general objective of this agreement was to contribute to Central American integration through the joint efforts of Guatemala, Salvador and Honduras, towards comprehensive, smooth and balanced development in the border region of the three countries (OAS – IICA 1993).

The Trifinio Region covers approximately 7,541 km², including 46.5% for Guatemala; 15.6% for Salvador and 37.9% for Honduras. Present population is approximately 700,000 inhabitants or 3% of the total population of all three countries. This region is the headwaters of the most important rivers in Central America – Úlua, Motagua and Lempa. The basin of the latter is 17,919 Km² in length, including 55.1% for Salvador; 30.6% for Honduras and 14.3% for Guatemala. It is the main cross-border basin with a spring into the Pacific Ocean of the Central American Region. The region targeted by the Plan is composed by 45 municipalities, including 15 of Guatemala, 22 of Honduras and eight of El Salvador (Salvador, Plan Trifinio National Executive Office, 2010). It is located around the Montecristo Massif, where there is an ecological zone highly appreciated for its species of plants and wildlife. It also has important cultural world attractions, such as the Archeological Site of the Copán Ruins and the Black Christ Basilica in Esquipulas.

The Plan pursues the development of this trinational region through the national utilization of its natural resources with an emphasis on conservation of the cloudy forest around the Montecristo Massif and its surroundings. This was called “The Brotherhood” Biosphere Reserve.

The implemented strategy deemed it of the utmost importance the development of the local population in the sphere of influence of the Project and delimitation of areas with different kinds of management: a core area for forest preservation; a buffer area for management of forest resources, and a multiple-use area for cultural practices of agriculture and grazing or agriculture and forestry. The latter

⁶ Andes University (Venezuela), Free University Corporation of Colombia and Francisco de Paula Santander University (Colombia). Proposal on definition and delimitation of the Border Integration Zone: Norte de Santander (Colombia) – Táchira (Venezuela) Area. 2005

was premised on the fact that for the development of the towns adjoining the core area and the buffer area, these towns should have a wide choice of activities and resources to take care of their families (agricultural, small-scale, industrial, trade and services development) without the need to resort to forest extraction as the only alternative to survival.

Another indispensable requirement to ensure sustainable development of the region was the addition of the component of environmental education to any proposal for development. Therefore, Trifinio Plan, besides being based on conservation needs, included or served economic, social and political-integrationist purposes (OAS – IICA 1993).

In the middle of 1992, Trifinio Plan had some ongoing projects and some others at the stage of pre-investment or preparation of the respective feasibility studies.

Among the former, the Pilot Project for Regional Development is worth mentioning. Its ultimate goal was contributing to integration and physical, social and economic development of the border regions of the three countries through the support to agriculture, forestry, infrastructure, and environment conservation, for a total cost of ECU⁷ 8.6 million. Other goals included reforestation of 7,500 hectares; agricultural expansion of almost 2,000 households and construction of around 75 km of rural roads.

Likewise, the Project on Reasonable Use of Energy and Environmental Protection is aimed at arresting the deforestation trend through production of energy trees to be reasonable exploited and dissemination of the use of house stoves with a better design to save firewood, with the support of crash courses on environment education and preservation of natural resources.

As for the projects at the stage of pre-investment, there is an irrigation project intended to build the necessary infrastructure to supply a total irrigation area of 20,000 hectares and train users in management and efficient use of irrigation systems. There is also the project on Management of "The Brotherhood" Biosphere Reserve, including an outline of the Reserve management plan; staff training; awareness strategy; promotion and support of the institution; starting operations, and works on management, conservation and control over an area and for a period of time which can be used as pilot project.

In October 1997, the Trifinio Plan Treaty was entered into. Article III defines the region as *"an area in the special interest of the three countries, which represents an indivisible unit, where only the joint and several, coordinated action of the three countries will be able to bring a satisfactory solution to their peoples' problems and lead to sustainable management of natural resources."* (Salvador – Guatemala - Honduras 1997). The Trifinio Plan Trinational Committee (CTPT) is the body responsible for the implementation and continuous update of the Plan. As evidence of the importance given by El Salvador, Guatemala and Honduras, the Plan is presided over by the Vice-Presidents of the three countries. Also, a Trinational Executive Secretariat was established and seated in El Salvador. It is the standing executive organ of the Committee. Its fundamental goal is contributing to achieve the objectives of the Treaty. Its operations are financed by regular national contributions.

⁷ ECU = European Currency Unit.

A number of trinational programmes, projects and initiatives have been lately implemented more specifically than any prior projects. They have turned into tangible facts for local residents and also highlight the importance of the works carried out.

The Sustainable Development Programme on the Upper Basin of River Lempa (PTCARL); the Regional Programme on Participatory Implementation of Comprehensive Management of Pests (MIP) and Agriculture-Forestry (AF) with small and medium-sized growers in the Trifinio area have been implemented over the past few years, in addition to recent actions through the following projects:

- Comprehensive Management of the Montecristo Trinational Protected Area (APTM).
- Water Management as a Regional Public Asset (BPR).
- Synchronizing Information for Local-National Participatory Natural Resources Management (SINREM).
- Sustainable Development Project for the Environment and Water Resources on the Upper Basin of River Lempa.
- Sustainable Trinational Coffee Project.

At the present time, the Trifinio Plan Trinational Committee is implementing the Management Plan 2006-2022 based on "Water without Borders." Such a strategy entails networking of public and private institutions, local governments, organized community and other local, national, regional and extra-regional stockholders. The purpose is reinforcing alliances and boosting actions and processes in four development programmes and four strategic hubs. Water is envisaged in four dimensions: social asset, economic asset, environmental asset and regional asset. Against this backdrop, the following initiatives have been added to the Plan:

- Planning and Development Programme of Sustainable Tourism in the Trifinio Region (PROTUR-Trifinio), funded by FOMIN/IABD.
- Programme on Forests Forever and Water for Everybody, funded by KfW of Germany, and
- Forests and Water Programme, to be implemented under the aegis of the German Technical Cooperation Agency (GTZ).

Trifinio Plan is an important challenge to join the efforts of central and local governments, all the sectors of civil society and international cooperation organizations with the sole aim of bringing progress and development to local residents in a region where integration is effected through tangible actions.

For more than 20 years of development, it could be said that the Plan has had major accomplishments as the result of specific endeavors to materialize Central American integration through an alternative such as border regional development based on sustainable management of the natural resources shared by Guatemala, El Salvador and Honduras, particularly water and forests. While the objectives of border integration are modest compared with prior attempts, this new down-to-earth approach is bearing fruit as it is meant to solve problems which directly affect the target population.

1.4 Brazil-Uruguay border integration

Modern initiatives at border integration between Brazil and Uruguay date back to 1963. At that time, a Joint Taskforce was organized to probe the use of Merín

lagoon, based on a joint regional project to recover flooded lands for the purposes of agriculture, livestock and hydroelectric generation. Significant strides were also made in electric power grids. The oldest grids date back to 1965 and are located on the border towns of Artigas-Quaraí, Rivera-Santana do Livramento, River Branco-Yaguarón and Chuy-Santa Vitoria do Palmar (Bolognesi-Drosdoff 1986).

The Brazil-Uruguay border stretches across a line of 1,068 km. It is an important area both for bilateral and MERCOSUR trade. It is a scarcely populated, yet very developed border, including six twin cities, namely: Barra do Quaraí – Bella Unión, Quaraí – Artigas, Santana do Livramento – Rivera, Acegua – Aceguá, Yaguarón (Jaguarão) – Rio Branco, and Chuí – Chuy. Most of these small cities barely have more than 10,000 inhabitants, except for Santana do Livramento – Rivera. This is likely the most representative binational city in the Latin American region. It has a shared population of approximately 150,000 inhabitants. Its economy is based on trade, agriculture, cattle breeding and vine growing (Moreira 2005). Notwithstanding, the percentage of households with unmet basic needs is higher than the national average.

At the Brazil-Uruguay border, the Brazilian policy of border development based on the definition of a border strip of 150 km from the international limit intertwines with a new agenda on Brazilian-Uruguayan cooperation. Such an agenda has been discussed by both governments since 2002 and has delved into specific agreements turning the region into a social laboratory for integration.

Some projects as part of the border policy implemented by the Federal Government of Brazil have made quite an impact on the border. These projects address a wide array of needs, namely: agriculture and livestock research programme into characterization of plagues and diseases in vineyards; plans for a Milk Technological Center; plan for sustainable and comprehensive tourism development including initiatives on tourist education; citizen's security through regional training in public security; Guaraní water-bearing pilot project; strengthening of the Border Committee, and implementation of the Border Citizen's Document (Navarrete 2006).

A "New Agenda of Brazilian-Uruguayan cooperation towards development of the common border region" has been introduced as an uppermost paper to solve the problems of around 720,000 residents of the border. The ultimate goal is a Border Statute in form of a framework agreement encompassing all integration levels and set to give border communities, particularly the authorities of the twin cities on the Brazil-Uruguay border, some autonomy for decision making.

The works of the New Agenda are channeled through four working groups: Health, Environment and Cleaning up, Police and Judicial Cooperation, and Comprehensive Development. The latter includes education and professional training, and supply of services. However, this also means the establishment, strengthening and reactivation of the Border Committees led by the consuls of both parties and local authorities. In the 1990s, Border Committees convened only prefects, governors and national and department authorities. Nowadays, they promote shared local actions in search for legal, binational formalization.

Evidence of this and of the spirit boosting the New Agenda is the "Agreement on Residence, Study and Work Permits on the Border." Effective in April 2005, the legal

instrument enables Brazilians and Uruguayans to live, work and study, and have access to social security and other benefits across a 20-km strip on the other side of either country in the sites listed in the Agreement. This innovative formula overcame the old problem of “illegal citizens” who used to live, work or study in an irregular migration status in the neighbouring country (Navarrete 2006).

Finally, other two areas for border cooperation between Brazil and Uruguay are, on the one hand, the use of natural resources and development of the basin of River Cuareim/Quaraí. To that aim, the “Uruguayan-Brazilian Joint Taskforce for Development of the Basin of River Cuareim” has operated since 1998. On the other hand, there is the development of Merim lagoon, involving a Bilateral Committee.

In the former area, joint actions are being taken for oversight and monitoring of hydraulic works and local development programmes in the areas of tourism, irrigation systems, erosion control, early alert systems on potential floods; fishery; waste management, etc. (Gussoni 2009).

The taskforce for development of Merim lagoon has jurisdiction over such a huge water mirror of more than 3,500 km² shared by both countries. Barely salty and one of the largest food reservoirs in the world, it was declared World Drinking Water Reserve by the FAO. Joint efforts of Brazil and Uruguay point to conservation and sustainable use of the lagoon resources, as well as completing the waterway project for lower commodity transport costs.

Beginning 2011, electric power grid; the construction of a deep-water port and railroad integration are top in the bilateral agenda tracked down by the presidents of both countries and closely related to a lively border. According to spokespersons of a business association, the electricity grid has been approved already. It is endorsed by the MERCOSUR Fund of Structural Convergence⁸.

Brazil-Uruguay border integration exemplifies a process undertaken by two different countries as to geographical size and economic development, but in an urban area with people who face a less critical situation compared with the rest of Latin America. In this scenario, notwithstanding the progress made, established institutions and ongoing initiatives make plenty of room for deepening and diversification.

1.5 Costa Rica – Panama border integration

Border areas between Costa Rica and Panama, like most Central American border areas, contain least developed municipalities with the highest percentages of poverty; poor provision of basic services; deteriorated roads and houses, and little coverage of public utility services in general.

For over a century, on the Costa Rica-Panama border agriculture and livestock prevailed, focused on a plantation economy under transnational control (banana enclave), cattle farms and producers of basic grains, together with large estate and idle mountains. Nevertheless, in the 1970s mining-energy and agribusiness projects emerged to energize local economic and social relations in a political context where, on the side of Costa Rica, the State encouraged the involvement of domestic capital in the banana activity, whereas in Panama the “strategy for

⁸ Source: <http://federasur.org.br>

national development" claimed, or better said, advocated sovereignty and national utilization of natural resources.

The banana activity was carried out in Costa Rican cantons near the borderline (Golfito, Corredores and Talamanca). In Panama, it took place in several districts of the provinces of Bocas del Toro and Chiriquí. Both cases pointed to the Atlantic and Pacific Oceans through roads, railroads and communications with the main ports on the Pacific (Golfito in Costa Rica and Puerto Armuelles in Panama) and the Atlantic Oceans (Limón in Costa Rica and Almirante in Panama).

However, as early as in those years, uppermost projects with a high profile on the border were, on the Panamanian side, copper mining in Cerro Colorado and hydroelectric grids in Fortuna and Los Valles; on the Costa Rican side, coal mining and oil drilling in Talamanca, and Boruca hydroelectric grid. In developing these projects, the trans-isthmus oil pipeline has been operating since 1982, with significant economic, environmental and social implications. The latter case is related to Guaymi indigenous peoples (Smith 1986).

In this context, a proposal emerged to organize a Binational Corporation for Development of the Costa Rica-Panama border. It would be focused on the analysis and development of distilled sugar cane products; production of basic grains; coffee roasting, and finding a niche in beef markets. In 1984, the Convention on Border Cooperation was executed. The ministerial members of the respective Committee were appointed, namely: Chiefs of Staff of Costa Rica and Panama; Costa Rican minister of Planning and minister of Information and Communications; Panama's minister of Trade and Industries, in close coordination with the ministers of Foreign Affairs. The first, specific action was taken in 1984 under the Health Convention, establishing a coordinated programme of epidemiological surveillance of transmissible diseases, reservoirs, vectors and common problems. Later, that same year, the Friendship Park was created and talks were held on electrical interconnection, processing of meat and edible oil, and mining development.

In May 1992, both countries signed the Convention on Costa Rica-Panama Border Development. The first article set the objective of "*widening, improving and deepening cooperation relations in all fields, to significantly contribute to development and social, economic, trade, environmental and political development in general of the border region and strengthen the integration process between the parties.*"

*To that end, the High Contracting Parties, in accordance with the provisions set forth herein, shall jointly implement programs, projects or activities of pre-investment, investment and technical assistance in the border region in the sectors of agriculture and livestock; public works and transport; health; natural resources; tourism; planning and integrated rural development; and any other ambit mutually agreed in the future through the appropriate exchange of diplomatic notices."*⁹

However, as late as in July 2007, the First Meeting of the Binational Committee at the political level was held, as well as the First Meeting of the Binational Sectoral Technical Committees established under the Convention. The latter provides for the adoption of inter-institutional measures in both countries to address issues of a

⁹ Article 1 of the Convention on Costa Rica – Panama Border Development. May 1992.

consular nature; labour and social security; customs monitoring; cross-border passage; housing and tourism; environmental control; animal and plant health; police and security.

Main actions taken as of 2008 include (Méndez 2009):

- Diagnosis of national and binational participatory planning of the border area. It helped set a strategy on binational development both for the Caribbean and the Pacific regions.
- Approval of the project "Management of the Basin of River Sixaola," backed by the GEF/IADB funding of US\$ 3.5 million. Implementation of the project on "Sustainable Development of the Basin of River Sixaola" on the Costa Rican side, backed by a IABD loan for US\$ 11 million.
- Binational participation to build a provisional bridge over River Sixaola and joint talks at the CAF requesting a loan to build the new, final bridge.

To sum up, the results of the process of border cooperation between the two countries cannot be measured yet. Notwithstanding, border cooperation rests on three foundations: mechanisms of participation and border coordination; funding mechanisms, and political decisions and decisions for development at the national and local levels. The impact of such an initiative taken by Costa Rica and Panama is not very visible yet.

2. Border integration and its role in subregional integration

2.1 Little consideration of the subject matter in agreements

The oldest reference to the importance of "the border issue" for regional integration is contained in Resolution 10 of the LAFTA, of 1960. Reference is made to "border passage," defined as *"the passage between border towns, for local consumption of a residential nature, in reduced value and volume operations."*

For its part, Article 45 of the Montevideo Treaty of 1980, which established the ALADI, referred to border passage as follows: *"Advantages, favors, franchises, immunities and privileges already granted or to be granted by virtue of agreements among member countries or between member and non-member countries, in order to facilitate border passage, shall exclusively govern in the countries that are parties thereto."*

Both legal instruments mirror a perception and concern about "the border issue" linked, in the first case, only to easier trade for the sake of border towns, and, in the second case, to the fact that such powers may not be granted to third parties.

In the course of time, after the establishment of the LAFTA and then ALADI, some subregional integration agreements have set standards, mechanisms and specific instruments to promote border integration among member countries. They have even implemented or are implementing programmes and projects for tangible results.

It should be noted that in some cases, such as SICA, support to the process is rather formal, because border integration neither plays a role in the six hubs tackled by Central American integration (politics, security, economy, society, environment, and education and culture) nor is included in the 42 topics listed as

part of the process. The SICA Web site includes the portal of Trifinio Plan under the environmental hub. Therefore, it is an initiative for Central American integration, but involving only three countries – El Salvador, Guatemala and Honduras – as stated in point 1.3 of this chapter.

As for CARICOM countries, except for Guyana and Suriname, they are island states. Therefore, they have no land borders. Interestingly, Belize, a CARICOM and SICA member country, is located in Central America. Therefore, it adjoins non CARICOM countries, such as Guatemala.

For their part, Guyana and Suriname have taken selected initiatives on cooperation on the common border. Thus, in his visit to Guyana in September 2010, the Surinamese president and his Guyana's counterpart cherished the possibility of building a bridge over River Corentyene for easier flow of people, goods and services. They also agreed to raise funds for the project, but no deadline was set for the construction. They also agreed to fully support ongoing cooperation and consultations between the respective ministers responsible for public security. River Corentyene is the venue of illicit traffic of arms, drugs and other criminal activities¹⁰.

The Andean Community and MERCOSUR, as integration processes, are amenable to a thorough assessment of border integration from a subregional standpoint.

Accordingly, in this sub-chapter a review is made of integration mechanisms which could imply interest or concern about allocating border territories some role in sub-regional integration processes. Having these agreements several government agencies as decision makers, implemented mechanisms and instruments, as well as successes, certainly have the blessing of the countries parties thereto.

2.2 Border integration inside the Andean Community

2.1.1 Considerations about the Andean regulations

Almost two decades after the execution of the Cartagena Agreement of 1969, border integration was officially added as a mechanism thereof. As a matter of fact, in May 1987, under the Quito Protocol whereby the Cartagena Agreement was amended, border integration was set up as a standalone mechanism. *“Member countries shall take action to bolster comprehensive development of border regions and effectively include them in Andean national and sub-regional economies.”*

In 1990, as evidence of the growing importance of some bilateral initiatives among Andean countries to foster development and integration on their common borders, then Board of the Cartagena Agreement got funds from the IDB which helped it make proposals on border integration for each of the Colombia-Venezuela, Colombia-Ecuador, Ecuador-Peru and Bolivia-Peru borders.

Between 1991 and 1997, treatment of borders and border integration as part of the concerns of the Board of the Cartagena Agreement and, since 1996, of the Andean Community General Secretariat, was virtually limited to understanding and recommending member countries a solution to the issue

¹⁰ Source: <http://www.caricomnewsnetwork.com/>

of land transportation across the border. In 1998, Ecuador and Peru discussed the Peace Final Agreement, finally executed that year in October. It included the “Ecuadorian-Peruvian Comprehensive Agreement on Border Integration, Development and Neighborhood.” This helped renew the issue of border integration in the Andean subregion not only because two member countries would finally settle their border disputes under these agreements, but also because the latter involved, as stated in item 1.1 of this chapter, the implementation of a “Binational Development Plan of the Ecuador-Peru Border.” The plan was split into four programmes with an investment target of US\$ 3 billion in the ensuing 10 years, aimed at recovering a border torn by the long strife between the two countries.

In this context, the Andean Community endorsed Decisions 459, 501 and 502, which are the body of the Andean regulations on integration and border development.

Decision 459, “Community Policy on Integration and Border Development,” was approved in May 1999. It set as the objective of the community policy *“improving the quality of life of peoples and development of their institutions within the border territorial ambit among member countries of the sub-region.”* In addition, as part of the general guidelines, the second article provides for design and enforcement of Border Integration Zones (ZIF) as *“fundamental scenarios where the programs and projects agreed upon to meet the specific needs of each territorial ambit shall be implemented.”*

Finally, article 5 states the institutional character of the community policy and recognizes the Andean Council of Foreign Ministers as the leading body. It also establishes the High-Level Working Group for Integration and Border Development, known afterwards by its acronym GANIDF.

Decision 501, “Border Integration Zones (ZIF) in the Andean Community,” was approved in June 2001. While Decision 459 set the framework of community policy on the subject, Decision 459 is the specific tool for said policy. There, the ZIF is defined as *“adjacent border territorial ambits... for which policies shall be made and plans, programs and projects shall be outlined to bolster sustainable development and border integration in a joint, shared, coordinated manner aimed at obtaining mutual benefits.”* (Article 1) To that end, it binds member countries to *“establish, through relevant bilateral mechanisms, Border Integration Zones (ZIF) among them and, as deemed appropriate, with third countries.”* (Article 2)

The third Andean standard within the framework of the Community Policy for Integration and Border Development is **Decision 502, “Bi-national Service Centers on the Border (CEBAF) in the Andean Community,”** also approved in June 2011. Such standard mirrors the interest of Andean integration in implementing integrated monitoring systems of the flow of people, baggage, goods and vehicles across the border. Its objective is *“furthering the establishment of Bi-national Service Centers on the Border (CEBAF)... and approving a framework of general rules on their development and operation towards the implementation of integrated monitoring in said centers.”* (Article 2). However, these centers would be established by means of ad-hoc agreements among member countries.

Following these three Decisions, only the Andean Plan for Health on the Border (PASAFRO), enacted in March 2003 under Decision 541, and the Integrated Plan for Social Development (PIDS), endorsed in September 2004 under Decision 601, make reference to Andean borders.

2.2.2 Enforcement of enabled legal instruments

In the first three decades of the integration process, and insofar as trade mechanisms helped form a free trade area in the territory of Andean countries, borders became somewhat important, but basically to join efforts to surmount hurdles to the flow of goods and people. The Quito Protocol of 1987 introduced several reforms into the Cartagena Agreement, basically to make emphasis on the social aspects of integration. Note the addition of Article 126, regarding the need to undertake comprehensive development of the border regions. However, such actions were not committed at all. In the context of Andean integration, borders continued facing administrative and logistical barriers to trade. Then, overcoming such troubles was a priority because of time-consuming operations of international intra-community transport on the Andean borders, taking 42%-68% out of the total time of transport (IADB 2001).

Note the following with regard to the implementation of dedicated standards (Decisions) on integration and border development:

Decision 459 has been the political and conceptual background against which the issue of border integration has made room among member countries, as part of the agenda of the General Secretariat.

Institutions set up under said Decision include the Andean Council of Foreign Ministers, which leads the Community Policy of Integration and Border Development, and the High-Level Working Group for Integration and Border Development (GANIDF). The latter is composed of representatives of several government sectors headed by the Foreign Affairs Offices. This body is responsible for promotion, coordination and enforcement of the community policy by means of the initiatives taken.

Decision 501, for its part, has helped implement the main tool available to the Community Policy of Integration and Border Development: Border Integration Zones (ZIF). It is worth mentioning that member countries, except for Colombia and Venezuela, set up at least one ZIF on their common borders, in accordance with the first transitory provision of this Decision, in 2002-2003.

However, several ZIF were outlined akin to the established zones in order to implement other bilateral initiatives undertaken by member countries prior to the enactment of Decision 501. This is clearly the case of the ZIF between Ecuador and Peru and between Colombia and Ecuador. There, the bilateral initiatives on their common borders were of a macro-regional scope.

Delimitation of the ZIF between Bolivia and Peru and between Colombia and Peru also adopted a macro-regional status, to such an extent that, in some cases, they cover territorial circuits that are not even on the border. This is the case of administrative circuits (Statistical Territorial Units) at tier 2 (UTE 2), under Decision 534, "Nomenclature of Andean Statistical Territorial Units."

In most territories which form part of the ZIF, interrelation processes as relevant as to operate as suitable contexts to enforce the respective community policy and as catalysts of the border integration process can hardly be identified. Therefore, the ZIF plans, where they have been implemented, mirror the outcome of a work so far strictly based on bilateral capacities. There is a gap between the provisions set forth in Decision 501 and the progress actually made.

Since 2008, however, these plans have been energized by the fruitful endeavours made by the General Secretariat before international cooperation agencies and fellow countries for fund-raising in order to meet some demands of the plans, programmes and projects for Andean border integration. In this way, the General Secretariat has obtained and made available to the initiatives on Andean integration and border development 4.2 million Euros from the European Union within the framework of the CAN-EU Project, "Support to Economic and Social Cohesion in the Andean Community – CESCAN I and II." Hence, the following projects are either in the stage of pre-investment or in process (Tello, 2010):

Projects implemented with financial resources from CESCAN I:

- Comprehensive Plan on Environmental Management of Solid Waste (PIGARS) in the city of Desaguadero, Bolivia and Peru.
- Zumba – San Ignacio Health Network, Ecuador and Peru.
- Tele-medicine Network for the Basin of River Putumayo, Colombia and Peru.
- Utilization of Residues in the Border Integration Zone of Ipiales – Tulcán, Colombia and Ecuador.

Projects implemented with financial resources from CESCAN II:

- Utilization of banks in the ring of Lake Titicaca, Bolivia and Peru.
- Practical models of fish breeding for human consumption and ornamental use towards development of the Border Integration Zone of Peru and Colombia.
- Programme for better health and environmental conditions at the Pacific, Andean and Amazonian borders of Colombia and Ecuador.
- Cross-culture bilingual education in contexts of cultural diversity at the Ecuador-Peru border.
- Model of border coordination for conservation and sustainable development on the LaPaya (Colombia) – Cuyabeno (Ecuador) – Güeppí (Peru) corridor.
- Programme on management and improvement of irrigation facilities in micro-basins on the Bolivia-Peru border.

There have been troubles to implement the provisions which, under Article 12 of Decision 501, ought to be adopted by member countries in order to include in their respective national development plans, public investment budgets and as part of their national policies on borders, the plans, programmes and projects to be agreed for the ZIF. This is mainly the case of the National Public Investment Systems (SNIP), adamant in their refusal to itemize the "border" concept, both in national project banks and the

structure of public investment budgets by including “border integration” as component or item.

Finally, Decision 502, “Bi-national Service Centers on the Border (CEBAF) in the Andean Community” has been the focus of attention by member countries and the General Secretariat itself, in recognition of the importance of consolidating a system which facilitates community trade and flow of people and services across the border. Generally, while no CEBAF is still operating between Andean countries, some of them are in the last stage of pre-investment studies, with the technical record being completed or in process.

2.2.3 Achievements and problems in Andean border integration

Focused on its community dimension, border integration among Andean countries shows some significant achievements. Among them, there is undoubtedly the availability of a regulatory framework which introduces a relevant notion of the significance and role of borders in the process of integration; clear political goals; well-defined community institutions and a fundamental tool: Border Integration Zones.¹¹

Accomplishments include the political, institutional and financial model developed at the Ecuador-Peru border to implement the Binational Development Plan of the Ecuador-Peru Border, the geographical scope of which is the ZIF between the two countries. However, as a matter of fact, such strides cannot be fully attributed to the mechanisms and instruments created by the community policy; instead, they have inspired such mechanisms and instruments. In any event, given the context where the Binational Plan has emerged, its autonomy relative to other mechanisms for Andean border integration and the geographical, social and economic state of affairs on the border, this experience can be hardly replicated in other Andean borders.

In addition to these achievements, which are important but not enough, over the past three years the General Secretariat has, as stated above, sought funds at international cooperation organizations and has succeeded in raising capital in favour of initiatives of Andean border integration. Besides the funds raised by member countries through their governments or bilateral mechanisms, this time 4.2 million Euros were granted by the European Union to be spent forthwith at the stages of pre-investment and execution of projects. Furthermore, the Spanish Agency of International Development Cooperation (AECID) has offered US\$ 1,200,000 for four projects, one of which has started.

Also under the aegis of AECID, technical assistance has been provided to Foreign Offices (one expert per Ministry of Foreign Affairs) and to the parties involved in development of established ZIF on the cycle of projects. One of such projects, Comprehensive Treatment of Solid Waste in the cities of Ipiales and Tulcán, at the Colombia-Ecuador border, is fully operating by using the cooperation funds. This, in addition to be noteworthy, will have an illustrative

¹¹ The model of Border Integration Zones (ZIF) is also being implemented between Andean and non-Andean countries. Thus, in December 2009, Brazil and Peru entered into a “Framework Agreement for the establishment of the Brazil-Peru Border Integration Zone.” It mainly comprises Amazonian areas in both countries. Its performance has been entrusted to the Vice-Ministerial Committee of Brazil-Peru Border Integration, which held its second meeting in November 2010.

effect likely to be replicated elsewhere in Andean borders (General Secretariat of the Andean Community 2010).

Furthermore, persistent problems to manage border integration projects are far from being overcome. In addition to technical and institutional constraints, there are problems to prioritize said border integration projects and raise funds from national institutions of each member country (national planning agencies, national project banks, national public investment systems).

In this regard, these bodies seem to be reluctant to bear in mind the requirements made by representatives of each country at the GANDIF or any local government agencies.

Nor has private investment arrived in the volumes or as needed at Andean borders. The main hurdle to investment is the unstable situation brought in the border economy by different laws and regulations from the two countries which have competent jurisdiction over the territory in a wide variety of subjects, such as corporate, exchange, tax, labour and migration regulations, among others. All of this hampers, to the extent of making almost unviable, legally established entrepreneurship based on capital, labour, input, know-how and skills, from either side of the border. In the past, national governments have tried to offset such a situation of scarcity and instability in border economies by taking unilateral measures to establish exception systems through tax incentives; encourage employment; subsidize certain services, among others ("duty-free zones," "special economic zones"). The move is intended to attract productive investments to settle the account payable and acknowledged by States to their border regions.

However, generally such measures do not suffice. To the contrary, they have just enhanced the differences in the "rules of the game" between the border sides, making the local economy more precarious.

To sum up, after more than a decade since the enactment of the Community Policy for Integration and Border Development, social, economic and political conditions prevailing in Andean borders place a barrier to development of these territories and prevent them from bettering the quality of life of local residents and taking benefit from integration. In a context characterized by widespread poverty, a low profile of the State and State agencies, and lack of productive investments, Andean borders continue being, despite the endeavours and strides noted in this sub-chapter, outlying, unstable territories barely prioritized by public policies and barely attractive for public and private investment.

2.3 Border integration inside MERCOSUR

In the process of MERCOSUR integration, dealing with asymmetries is top in the agenda. This is closely linked to the development of border integration among States Parties. Since 2006, Member States have upheld the priority status of dealing with asymmetries. To that end, they have established the MERCOSUR Fund for Structural Convergence (FOCEM). It is aimed at financing programmes to spur structural convergence; stimulate competitiveness and prompt social cohesion, particularly of lesser economies and least developed locales. It is also aimed at backing the operation of institutions and strengthening the integration process.

The tool, effective for at least ten years, intends to give more structural, long-term responses in dealing with asymmetries.

The “MERCOSUR Programme on Productive Integration” is also linked to the plans of border integration. Its main objective is reinforcing the productive complementarity of MERCOSUR businesses, particularly, integration in the production chains of SMEs and the businesses of economically smaller countries. This is in order to deepen the bloc integration process, consolidating competitiveness in productive sectors of States Parties and providing them with additional tools to improve their foreign insertion. Special attention has been also paid lately to the issue of regional energy cooperation with an emphasis on bio-fuels.

MERCOSUR has attached great importance to the social aspects of the process, considering that widening the current size of its national markets through integration is a must to speed up economic development with social equity. Accordingly, MERCOSUR has established the MERCOSUR Social Institute (ISM), aimed at tighter integration and further human comprehensive development.

Physical integration of MERCOSUR and the rest of South America has been boosted since 2000 by the Initiative for Integration of Regional Infrastructure in South America (IIRSA). It gathers the twelve South American countries in order to help develop the transport, energy and communications infrastructure with a regional vision.

For 18 years since its establishment, no great importance has been afforded to the issue of border integration in MERCOSUR except for recent years. Related institutions can be found as late as in 2002, upon the establishment of the Ad-Hoc Group on Border Integration (GAHIF) under the Decision of the Council of the Common Market (CMC Nº 05/02). The purpose is *“creating instruments for further integration of border communities, thus helping to improve the quality of life of local residents.”* This Group was the result of Brazil's failed attempt at securing the free flow of people across the border under a “MERCOSUR Border Statute.”

Among major proposals inside the GAHIF, a proposal was made in 2005 to establish intertwined border communities to better the quality of life of local residents in the fields of economy, transit, labour and ready access to public utility services and education. The nationals of either Party, residing inside the limits set in the Agreement, might request the competent authorities of the other Party, a “border local transit card.”

Card holders would have the following rights: labour practice in accordance with laws for the nationals of the party where the activity is carried out, including the requirements of training and professional practice, with the same labour, social security and tax rights and duties; access to free, reciprocal public education; health care in public hospitals; access to the system of border trade of commodities or bare essentials and any other right to be agreed upon by the parties. However, this proposal has not been approved.

In 2004, the CMC set up the “Advisory Forum of Municipalities, Federal States, Provinces and Departments of MERCOSUR,” FCCR. In August 2007, it formed an ad-hoc taskforce to set up a Working Group and an agenda on border integration (GTIF). Against this backdrop, the project on “Border Integration in

MERCOSUR" (IFM) was completed in 2008 under the AECID aegis. The IFM seeks to set guidelines on public policy making and management for border integration, probing into problems on the borders and being an input to MERCOSUR agencies, particularly to FCCR. Specific objectives are, on the one hand, standardized diagnosis and research into the issues of border integration and, on the other hand, seeking advice from local stockholders to make proposals on border subjects, with a priority to productive integration, social inclusiveness and treatment of regional asymmetries. (Rhi and Odone 2010).

A tool established and effective in MERCOSUR, FOCEM, could have – and has indeed – an impact on MERCOSUR border regions. It is divided into four concurrent programmes aimed at supporting lesser economies and least developed locales, namely:

- a) Structural Convergence, which will contribute to development and structural adjustment of lesser economies and least developed locales, including better border integration systems and communications in general.
- b) Competitiveness Development for growing competitiveness of MERCOSUR production, including industrial rationalization and retraining which enable intra-MERCOSUR trade, and projects to intertwine production chains and strengthen public and private institutions in relation to high-quality production.
- c) Social Cohesion in furtherance of social development, particularly on the border, including community projects in the fields of human health, reduction of poverty and unemployment.
- d) Institutional Reinforcement to improve MERCOSUR institutional structure and its ensuing development.

From 2007 to 2009, FOCEM has approved ongoing projects for US\$ 138.9 million, including US\$ 110.9 million for Paraguay; US\$ 13.9 million for a multiple-state Project; US\$ 13.7 million for Uruguay and US\$ 171,000 for the MERCOSUR Secretariat. Argentina and Brazil have received no funds from FOCEM. Paraguay is the main recipient with 80% of allocations.

With regard to the allocation of funds under the four programmes, 64.1%, that is, two thirds, has gone to the projects of the Structural Convergence Programme, basically construction and improvement of roads; 18.2% for the Social Cohesion Programme; 17.6% for the Programme on Competitiveness Development; 10% for multiple-state projects and 0.1% for the Programme on Institutional Reinforcement, at the level of the MERCOSUR Secretariat.¹²

Ascertaining whether any projects for development or border integration have been the recipients of funding through FOCEM is uppermost.

In the case of Paraguay, a search of the records of approved projects found no related project. In Paraguay, most funds granted by FOCEM (over 72%) have been used to improve the access of potentially productive areas, and enhance road interconnection inside the country and with the MERCOSUR region (Structural

¹² Source: <http://www.mercosur.int/focem/index.php?id=proyectos1>

Convergence Programme). A smaller amount (26%) has been spent in projects of the Social Cohesion Programme, to support people in poverty nationwide.

In Uruguay, two projects are meant to "border development." Both of them are contained in the Social Cohesion Programme. One is set to strengthen the local communities of border departments with social economy projects, including training, micro-credits, first-job promotion and profit in supportive activities. The second project entails specific actions to improve the living conditions of people in extreme poverty in border territories. They face serious environmental problems for being located in floodable areas. FOCEM has allocated US\$ 2.6 million for the two projects on border development. This accounts for 19% of the funds received by Uruguay and 18.7% out of total funds granted by FOCEM.

Finally, reference is made to some initiatives outside MERCOSUR central mechanisms. They are addressed through the bodies established under the Asunción Treaty. However, they mirror the process performance through local governments and other managements which are not parties to the central government.

One such initiative is MERCOCITIES, a major network of MERCOSUR municipalities established in 1995 at the initiative of mayors, governors and prefects in order to favour municipality involvement in regional integration; encourage an institutional framework for MERCOSUR cities and develop exchange and horizontal cooperation among municipalities in the subregion. The network presently has 228 associate cities of Argentina, Brazil, Paraguay, Uruguay, Venezuela, Chile, Bolivia and Peru, with more than 80 million people. In MERCOCITIES, several initiatives at border integration have been taken with the leading role of local parties and emphasis on subject matters such as citizenship and tourist facilitation. Nonetheless, there is the need to continue working on institutionalization of the initiative.¹³

An initiative has been taken by the Brazilian Service in Support of Micro and Small Enterprises (SEBRAE) on its borders with other MERCOSUR countries in order to encourage cross-border production linkage (production potential, geographical and environmental conditions, among others). SEBRAE has recently boosted the Technology Development Centre for Cross-Border Integration of Micro and Small Enterprises (CDT/IT) on the Brazil-MERCOSUR border, advanced by SEBRAE Paraná. It seeks to generate and enlarge production integration and inter-institutional cooperation between support organizations and small and medium-sized enterprises of Brazil and MERCOSUR; take active part in technology creation, adaptation, development and transfer; back the development of projects to prompt cooperation and business in the towns located on the Brazil-MERCOSUR border.

SEBRAE action lines include, among others, networking and technology creation, adaptation, development and transfer; availability and transfer of SEBRAE products and methods; training of experts, entrepreneurs, businesspersons, multipliers and public and private managers in the activities carried out on the border, and support and/or development of across-the-border business cooperation projects focused on small and medium-sized enterprises. SEBRAE has developed and implemented the CDT/IT in the city of Foz de Iguazú, at the ITAIPU

¹³ Source: <http://www.mercociudades.org>

Technological Park (on the left side of Brazil) inside the geographical area of Usina de Itaipú. (Oddone, 2009).

2.4. Border integration in Central America

Central American integration boils down to six hubs: politics, security, economy, social issues, education and culture, containing in turn a total of 42 working subjects. Institutionally, in addition to the System Secretariat based in El Salvador, there are eight secretariats, committees or councils for the following subject matters: environment and development; social integration; economic integration; education and culture; agriculture and livestock; maritime transport, and monetary affairs.

In relation to physical integration, there is a Regional Technical Committee of Central American Telecommunications (COMTELCA) and a Central American Committee for Maritime Transport (COCATRAM). The Mesoamerican Project, a high-level forum which interlinks the efforts at cooperation, development and integration of SICA member countries, in addition to Colombia and Mexico, has given momentum to these projects. Hence, the International Network of Mesoamerican Roads (RICAM) has emerged as an emblematic transportation programme. Stretched across 13,132 km of roads distributed into five corridors, it breaks new ground for integration due to a smoother flow of goods and people. By the same token, under the Electricity Grid for Central America (SIEPAC), 1,800 of electric grids have been laid as part of the Mexico-Guatemala and Colombia-Panama interconnection. Finally, the Mesoamerican Information Highway (AMI) entails the construction – including private investment – of broadband telecommunications facilities (fiber optic) interconnecting Mesoamerican countries. The main trunk line is expected to start operations by the first half of 2011 (Mesoamerica Project 2010).

In item 2.1 of this chapter, reference was made to the low profile of border integration in subregional integration agreements. It was said that in the context of SICA, border integration is neither listed in the six hubs on Central American integration nor it is one of the 42 themes addressed in this process.

However, this has not prevented the southern border of Mexico and the northern border of Central America from being regarded as an integration space since the early 2000s. In this context, the Mexican government launched the Plan Puebla Panama. The initiative failed to materialize as a whole. Projects were eventually promoted as individual initiatives by the IDB until they were retaken by the Mesoamerica Project from the standpoint of Central American integration in 2008.

With the aim of joining efforts at cooperation, development and integration of the ten member countries, Mesoamerica Project furthers multiple projects to improve the quality of life of the Central American people. These projects are grouped in two hubs: Economic Hub for Infrastructure and Competitiveness and Social Hub for Human Development and Environment. Many of such projects are already having a substantial, positive impact on Central American border integration.

Thus, within the framework of the Economic Hub, the emblematic project is the International Network of Mesoamerican Roads (RICAM). It encompasses 13,132 km of roads, distributed into five corridors. Like the EID of the IIRSA initiative for South America, it breaks new ground for integration by facilitating the flow of goods and

people; connecting towns, productive areas, and the main sites of distribution, and shipment of goods, including construction of facilities for passage across the border.

Undoubtedly, the major road is the “Pacific Corridor.” It is the shortest way between Mexico and Panama; 3,160 km in length; crosses six borders and seven countries, and carries 95% of the goods marketed in the region. Once completed in 2015, the Pacific Corridor will be the main logistic corridor for integrated transport and trade in Mesoamerica.

Likewise, in 2010 important works on refurbishment of crossings and border passages were completed: the River Hondo International Bridge (Mexico-Belize); “El Ceibo” Border Crossing (Mexico-Guatemala) and “La Amistad” Border Bridge. Also, a funding source was tracked down to build the International Bridge over River Sixaola (Costa Rica-Panama) and headway was made in the studies for restoration and construction of a new international bridge in the border post of Anguiatú (Salvador) – La Ermita (Guatemala). In addition to ongoing projects, such as the Mesoamerican Procedure for International Transit of Commodities (TIM), which will reduce the costs related to the transit of commodities through easier administrative steps, these projects not only will pave the way to better trade and tourism in the Central American region, but also will give border communities the opportunity both of capitalizing on increasing trade and tourism, and of better social and economic complementation.

In the context of the Social Hub, which comprises projects in the fields of health, sustainable development, natural disasters and housing, no substantial results can be shown because works began after the addition of PPP to the Mesoamerica Project in 2008. However, progress has been made to set the guidelines of each of these topics; set specific strategies and contact potential financial sources, particularly international cooperation agencies and regional development banks. In this regard, Central American borders, which, like elsewhere in the LAC region, are lagged behind the rest of the country as to social development, should be among the first recipients of the social projects expected to be implemented.

In contrast with the momentum given to Central American integration by the Mesoamerica Project, in the field of trade and investment, Central America-Mexico exchange through Guatemala is relatively stagnated. Out of over 1,000 Mexican companies established in Central America in past decades, only two dozen of the largest ones have remained. Further, Central America-Mexico trade attests to unequal exchange: over the past few years, in 2005-2009, Mexico exported to Central American countries fivefold its imports from them. After peaking in 2008, Central American exports to Mexico in 2009 were lower than 2007 exports¹⁴. It looks like, economically, there is no balance between exchange and investment. As explained in a recent forum on border integration in LAC, the issue of security would be top in the agenda of border relations, running the risk of favouring this instead of border integration.

Such a perception could be confirmed upon launching, in October 2010, the Regional Programme on Border Security in Central America (SEFRO), the specific objective of which is reinforcing border security (inner and outlying borders) in the region with the institutional, technical and technological support of the European

¹⁴ Source: <http://estadisticas.sieca.int>

Union. This would foster better connections and comprehensive, shared information management in border sectors, coordinated by all key parties.

This programme introduces the concept of Border Integrated Management (GIF), involving first-tier parties, namely: police, migration and customs, among others, to boost coordination and create national and subregional synergies able to facilitate the fight against international organized crime in border crossings. (European Union Delegation in Salvador 2010).

2.5. Spatial integration in the Caribbean

The objectives of the Caribbean Community (CARICOM), set forth in article 6 of the Treaty of Chaguaramas establishing the Caribbean Community, are: Improve standards of living and work; full employment of labour and other factors of production; accelerated, coordinated and sustained economic development and convergence; expansion of trade and economic relations with third States; enhanced levels of international competitiveness; organization for increased production and productivity; achievement of a greater measure of economic leverage and effectiveness of Member States in dealing with third States, groups of States and entities of any description.

In addition to the mechanisms aimed at a single economy and market, including a common external tariff, and regulation of the trade policy, CARICOM has certain mechanisms for topics consistent with a spatial view of development: a policy for air and maritime transportation services (Protocol VI), and another policy to improve the status of disadvantaged countries, regions and sectors. (Protocol VII).

The Caribbean Sea is the second largest sea in the world; it is characterized by a complex bio-geography and diverse marine wildlife. Thirty-three states belong to it, including CARICOM 15 full members and five associate members.

In the absence of land borders in most Caribbean States, the maritime domain is relevant, not only as a background to exercise the sovereignty of these island states, but also as livelihood, related to economic activities such as tourism or fishery, for many of them their main source of income.

Upon the enactment of the United Nations Convention on the Law of the Sea, by the end of 1994, which enables coastal States to claim 200 miles of Exclusive Economic Zone (EEZ), both an opportunity and a challenge emerged for Caribbean countries. On the one hand, most of them cannot fully extend their EEZ without meeting with the maritime limit of another, nearby State. On the other hand, in exercising the right over the sea by these countries, foreign fishing fleets that used to fish at leisure in Caribbean waters were expelled. (Lovell 2008).

In order to enhance development of their fisheries, CARICOM has established the Caribbean Regional Fisheries Mechanism (RFM). It is an inter-government organization aimed at promoting and facilitating responsible use of fisheries and other water resources, translated into economic and social benefits for the present and future people in the sub-region. The medium-term plan 2008 – 2011¹⁵ is set to develop 15 projects, including the following: Development and Implementation of a Follow-Up, Monitoring and Surveillance (FMS) Programme; Development and

¹⁵ Taken from <http://www.caricom-fisheries.com>

Implementation of Policies and Plans for Organized Fishing; Development and Implementation of Mechanisms for Management of Shared Resources; Establishment of a Regional Information System on Fishing, and Development and Promotion of Mechanisms for Dispute Prevention and Settlement.

For Caribbean countries, the issue of air and maritime transport is important as well. As regulation, CARICOM has the Protocol VI, which sets the policy of services of these means of transportation. The purpose is rendering adequate, safe and competitive services at the international level towards development and consolidation of a Single Market and Economy. In these countries, most of them islands, which seek an advanced economic integration and where tourism is top in their economies; fast, safe and efficient transport among them and with the rest of the world is uppermost.

Protocol VII of CARICOM sets the policy to heighten the status of disadvantaged countries, regions and sectors. Accordingly, the meeting of Heads of Government of November 2004 agreed on the establishment and implementation of the Development Fund for Disadvantaged Countries, Regions and Sectors – CDF. It started operations in August 2009 with an initial capital of US\$ 79.9 million provided by CARICOM member countries, expected to go up to additional US\$ 130 million with the help of donors and fellow countries. CDF uses the forms of grants and loans. The ceiling for loans is initially US\$ 4 million.

CDF gives technical and financial assistance to attract investments and new industries to disadvantaged countries, regions and sectors. It also supplies funds for better industrial efficiency and competitiveness; structural diversification and development of infrastructure.

All CDF member countries may apply for said funds. However, at the outset, only less developed countries – LDC, members of CARICOM, are eligible. Reference is made to Antigua and Barbuda, Belize, Dominica, Grenada, Montserrat, Saint Kitts and Nevis, Saint Lucia and Saint Vincent and the Grenadines, in addition to Guyana, given its status of highly indebted country¹⁶. Briefly, CDF objectives and structure are similar to those of FOCEM among MERCOSUR member countries.

3. Regional cooperation for integration

In this report, “cooperation initiatives” in the region means regional or subregional agreements and their institutions, mechanisms and instruments. Rather than economic, social or political integration as a principal objective, they pave the way to the attainment of such objectives and goals. There are several initiatives with different specific objectives and a wide array of mechanisms. However, reference will be made to two initiatives with a high potential to back border integration in Latin America and the Caribbean: the Mesoamerica Project and the IIRSA Initiative.

The Mesoamerica Project will undoubtedly play a key role in border integration of member countries. This dialogue and coordination mechanism pools the endeavours at cooperation, development and integration among the nine countries in the subregion (Belize, Costa Rica, Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama and Colombia) with a view to improving their peoples’ quality of life. It is split into two strategic hubs, covering nine main sets of activities: 1. Economic Hub for Infrastructure and Competitiveness: Transport, Energy, Telecommunications, Trade

¹⁶ Source: http://www.caricom.org/jsp/pressreleases/pres422_09.jsp

Facilitation, Competitiveness and SMEs; 2. Social Hub for Human Development and Environment: Health, Sustainable Development, Natural Disasters and Housing.

The projects which form part of the first Hub started to be implemented under the Plan Puebla Panama (PPP), followed by the Mesoamerica Project in 2008. They substantially contribute to physical integration and development of the subregion by making headway with the construction of electricity, telecommunications and transport infrastructure. Its materialization is needed to develop more ambitious programmes and projects in the social field. The International Network of Mesoamerican Roads (RICAM), a constituent element of this Hub, is a pivotal project which is significantly advanced at this stage.

It also should be noted the role played by the IIRSA Initiative to facilitate and develop border projects in the South American sub-continent. The initiative seeks to improve South American infrastructure for an integrated geo-economic space; get markets together in support of trade and investment opening, and enhance competitiveness. It also seeks standardization and convergence of regulations. The Initiative is premised on two action lines: Integration and Development Hubs (EID) and Integration Sectoral Processes (PSI).

EID – a total of 10 – are multinational strips that concentrate people, production and actual and potential trade flows. Among them, IIRSA triggers projects on transport, energy and communications, as well as development processes by prompting productive systems, environmental programmes, training, institutional and technology capacity building, among others. EID are suitable to implement a number of initiatives to revalue the territory. In turn, these initiatives will help solve serious social problems in South America, and support competitiveness of the region as a whole.

For their part, PSIs pursue the convergence of standards and institutional mechanisms to remove barriers and regulatory, legal, operational and institutional restrictions to the efficient use of infrastructure, thus allowing for free trade of goods and services inside the region. IIRSA has been working on seven Sectoral Processes: Financing Instruments of Regional Physical Infrastructure; Energy Integration; Facilitation of Border Crossings; Information and Communications Technology (ICT); Air Transport Operational Systems; Maritime Transport Operational Systems and Multimodal Transport Operational Systems.

Initiatives on investment in infrastructure represented by the Mesoamerica Project and IIRSA should trigger the possibility of better quality of life and economic growth of LAC border sites. Some borders in the region are already cashing in on the possibility of counting on infrastructure connecting large LAC inner regions with ports and export markets, in view of increasing flow and demand of more and more diversified markets. In addition, such infrastructure will get borders closer to the region and world markets. Likewise, it will spur efficient, related services on the border and productive job creation. In this new scenario, it could be inferred that many constraints characteristic of borders in the region will be overcome relying on the infrastructures of the Mesoamerica Project and IIRSA as a main trigger.

Finally, it is worth mentioning that integration and cooperation processes in the region have been since 1986 politically bound by the Group of Rio.

In this connection, in February 2010, the Second Latin American and Caribbean Summit on Integration and Development (LCSID) was held in Cancun, Mexico. On that occasion, the 32 Heads of State resolved to establish the Community of Latin American

and Caribbean States (CLCS), which continues the work of the Group of Rio, including Caribbean countries and totalling all the Americas, except the United States and Canada. Therefore, it is a dedicated regional forum. This Community is an essential step in the target of strengthening all of Latin America and the Caribbean as a more united and better coordinated regional entity, able to speak up and stand up in relation to the items top in the world agenda. (Zabalgoitia 2010).

The negotiation process to be undertaken from this decision will be certainly complex and require the political willingness of all States to overcome differences, as well as ingenuity to work on a smooth, dynamic and efficient mechanism able to effectively advance Latin American and Caribbean interests. Some issues agreed in the Cancun Declaration refer to the need, with the agendas of the Group of Rio and CLACS as the starting point, for CLACS to focus on taking actions for Latin American and Caribbean cooperation, as well as setting strategies for sustainable development in the region.

Likewise, CLACS ought to be the most representative spokesperson of the region before major world stockholders, other groups of countries and other regional organizations.

In this regard, CLACS will become a forum for concerted action and convergence of the whole region; firstly because it pools the multiple endeavours of LAC countries to have a higher profile in decision making in topics in the global interest; secondly, in order not to be lagged behind other regions which act as a bloc. Sure enough, nowadays talks are increasingly held from regional stances.

IV. GUIDELINES FOR THE CREATION AND IMPLEMENTATION OF BORDER INTEGRATION STRATEGIES IN THE REGION

The two preceding sections assessed border integration in Latin America and the Caribbean in terms of its conceptual dimension, as well as some of the various bilateral or trilateral experiences currently under way, within the framework of the subregional integration mechanisms.

The situations found are quite heterogeneous. Each border, and even more each "border-related situation," involves a particular scenario that is hard to compare to another, even in the case of two geographically adjacent borders.

However, borders in countries in the region share a number of common characteristics, namely instability, fragility and vulnerability. This is particularly so from the social and economic standpoint. This is the consequence, on the one hand, of the weak role the borders have played in the process of construction of the modern State-Nations, and on the other hand, contemporarily, of the pressures and changes that are fostered by a political, economic and social environment increasingly marked by globalization. Yet the measures required to counter the potential effects of such uncontrolled evolution on the elements listed below are not reckoned.

- **Border towns**, their culture and forms of social organization and relations, particularly among low-income urban communities and indigenous and peasant communities;
- **Border economy**, with no or poor infrastructure, equipment, skilled labour, etc., and, therefore, rarely prepared to compete in an open economy with goods and services produced by or coming from other regions with a "modern" economy;

- **Border ecosystems** (flora and fauna, climate, watersheds, forests, moors). As a result of new processes of incorporation of border areas to the active areas of countries, border ecosystems are subject to pressures from harmful environmental impacts, particularly on fragile ecosystems, and from pollution (air, water, untreated solid waste), particularly in metropolis and other border towns;
- **Border institutions**, which have become weaker amidst heightened political and economic centralism, thus hindering both governance and the strengthening of local abilities; and
- **Public security**, for the land borders have become transit points that are attractive for those involved in activities outside the law, usually from other regions (smuggling of illegal aliens, weapons, drugs, and species of fauna and flora).

Therefore, any border integration strategies to be implemented by the countries in the region, either bilaterally or by means of the various integration and cooperation mechanisms where they play a role, should be primarily intended to ensure:

Social sustainability, by proposing options to provide equal opportunities to all residents of border territories and paving the way to improve their living standards, yet preserving their cultural values and basic forms of social organization and relationship.

Economic sustainability, by encouraging capitalization processes where local stakeholders play a major role and which progressively replace the “livelihood” model that currently characterizes both economy and people in most border areas in the region, so as to bolster profitable, competitive, and economic activities contributing to wealth creation.

Institutional sustainability, through proposals, plans, programmes and projects fostering development and suitable for organized groups and public and private organizations in border regions, thus ensuring their active participation in the formulation and management thereof; and

Territorial and environmental sustainability, through adequate ecological-economic zoning, and use of the land and the natural benefits of border areas, among others, so that development and border integration strategies are focused on adequate management of natural and environmental resources.

The following draft guidelines may help design border integration strategies in the region, upon definition of clear targets for border integration and courses of actions to address the different ways in which border integration helps foster regional integration, and having in mind the major goal of consolidating borders in the LAC region within a reasonable period of time.

1. The geographical scopes

“To focus border integration efforts on a few areas that have a great potential for integration and where the benefits for bilateral relations and regional integration can come to fruition at the lowest cost and within reasonable periods of time.”

a) To this end, it is necessary to complete or update the assessments of the territories that bordering states have prioritized in their border integration initiatives, in order to gather sufficient knowledge about their potential and limitations, thus providing a reliable baseline for the promotion of border integration processes.

b) It is necessary to perfect the agreements intended to establish Border Integration Zones (BIZs) or any such mechanisms as the countries involved may agree upon. Such zones or mechanisms shall be considered as the preferred scenarios and special treatment areas for enforcement of border integration agreements among the countries concerned. It is noteworthy, however, that the experience gained in this area in the Andean Community and among some of its member countries and neighbouring states suggests that the "everyday life" of border relations, as explained in paragraph 1, chapter II of this report, should be used as a reference for dimensioning of such zones. In this way, they shall not comprise territories where the perception of the typical processes of border areas is very weak or still lacks a clear manifestation, which could lead to less visible or even dilute the expected impacts of these agreements. Decision 501 of the Andean Community, "Border Integration Zones (BIZs) in the Andean Community" can be a useful reference for this purpose: (<http://www.comunidadandina.org/ingles/normativa/D501e.htm>).

c) Further, it is also necessary to review the prioritization of the axes of border integration on a regular basis and to promote the creation of BIZs or equivalent mechanisms in border areas having a meaningful potential for integration.

2. The institutional framework for border integration

"To improve the institutional framework of border integration processes by creating or strengthening permanent mechanisms and entities to consolidate an adequate framework for action."

a) To this end, both a permanent status and the minimum human and budgetary resources should be provided to the existing bilateral or subregional institutional mechanisms of border integration. This will strengthen and enable such bodies to design, (approve) and assess their work programmes. Thus, the courses of action of border integration initiatives will not depend on the changing bilateral relations between governments, but will be founded on long-term efforts which LAC may recognize as catalyzing regional integration expectations in general.

b) Since the civil society in border areas is the target of border integration initiatives, the above mechanisms should include leaders of the civil society, as well as regional and local government entities or authorities for border areas. Additionally, specific and specialized entities should be established among border stakeholders (business associations, mayors / civil authorities), where central government agencies are not involved, as is the case in MERCOSUR.

3. Agreements on border regimes

"To streamline border regimes by loosening and liberalizing regulations on transit in those borders where restrictions still remain in place."

a) Stakeholders should sign and enforce bilateral agreements deepening and refining specific aspects of the border regime, aimed at improving the relationship and exchange terms in bilateral priority areas (agreements on transit of persons; commercial and tourism transport regulation, promotion of border trade, labour migration, etc.).

b) Additionally, stakeholders could determine the advisability of regulating border trade to galvanize border economies and gradually increase interdependence, without violating trade and economic integration agreements or mechanisms. In this scenario, priority should be given to avoiding the unilateral measures that some countries have

adopted in the past, namely the creation in border areas of "duty-free trade zones" or similar mechanisms, as such moves may encourage economic activities favouring border populations, but they actually distort the precarious trade balance at the border.

c) Specific entities to manage the border regime and resolve operational issues arising from its enforcement should be established or strengthened when in place. These mechanisms – called Border Committees in the Southern Cone countries where they have been operating from mid-1980 – are intended to solve or submit to higher decision-making levels the different issues and immediate needs related to the border relationship, including transit of persons, goods and vehicles, communications, cooperation in services, project management and cultural and social manifestations on the border (Valenciano 1990). Thus, direct stakeholders would also strengthen the institutional framework of border integration.

4. The border economy and the implementation of border integration projects

"To promote growth, modernization and diversification of production and services in border regions, taking advantage of the opportunities resulting from the integration and cooperation mechanisms, as well as the advantages of the location of the border areas vis-à-vis some of the most dynamic sub-regional and international markets."

a) To undertake the construction of basic infrastructure in land border crossings (Binational Border Service Centers (CEBAF), Unified Border Centers, international bridges, beltways or ring roads) and services (telecommunications, banking and currency exchange, tourist information, transport connections, etc.) required to provide fluid two-way transit through borders. These efforts should take into account the needs of the border population and economic stakeholders, thus complementing the infrastructure projects that are constructed within the framework of the IIRSA Initiative (PSI Border Crossings) or RICAM. The resulting efficient services provided to people in transit will help formalize and streamline local border economies.

b) To include the "border integration" variable in national development plans, even though this is quite complex, as the preparation thereof involves bilateral negotiations to attain consensus on the priority border integration issues to be outlined in such plans, not to mention the methodological hardships, the role of bodies with dissimilar skills and often limited technical skills.

First, the criteria for the selection of priority border integration projects should be agreed upon, including a guide to ranking indicators. In this regard, see an informative document prepared by the Andean Community in 2002 at <http://intranet.comunidadandina.org/Documentos/DInformativos/SGdi440.doc>.

c) Subsequently, it is necessary to strengthen the capacities of border integration project managers so that they can successfully face the challenge of starting the wheels of the projects in the pre-investment, execution and follow-up stages. One alternative that should be assessed is the establishment of "project incubators" – an initiative that has already been implemented on some borders in the region. This calls for state-run and private bodies (business associations, private universities) to make their contributions to this process. Another option – which is not opposed to the above initiative – is the implementation of project management units, considering that projects will use, in whole or in part, public resources, on both sides of the border and under the tutelage of national agencies responsible for border.

d) Public border integration projects need to be prioritized from the technical and budgetary standpoint. Therefore, such projects have to be approved by the relevant national public investment systems that are usually attached to the Treasury or Finance Ministry. In this regard, two countries with common borders are strongly advised to prepare training programmes on project development, evaluation and management, which the public investment system shall teach to project planners and managers on the border. This is the best way for the latter to become knowledgeable with the principles and dynamics of such projects, and to understand the singular challenges behind the implementation thereof. Further, they will be enabled to find balanced and complementary technical solutions for implementing border integration projects.

e) The creation of mechanisms for technical assistance and financing of infrastructure and public services, businesses, crafts and industries on border regions must be differentiated from the funding from donors, regional banks and public resources.

- As regards the former, these resources continue to arrive in the LAC region despite political and institutional difficulties. This shows that international cooperation continues to trust in borders as important spaces for materialization of regional integration, and continues to promote them (e.g. the European Union structural funds). However, such cooperation must be governed by clear rules and mechanisms, so that there is no collision with national legislation or bilateral or multilateral agreements related to the implementation of border projects.

- Regional development banks (IDB and CAF) many a time have shown interest in meeting the financial demands of border integration projects and, in fact, they have provided grant funds to a number of such projects in the pre-investment stage. Even in 2008, CAF established a Fund for Border Cooperation and Integration (COPIF) amounting to four million dollars whose purpose is "*to support and fund the timely identification, preparation and execution of high impact projects that promote sustainable human development in border regions.*" Support from this fund is part of the Programme to Support Border Development and Integration (PADIF), an initiative designed by CAF for the purpose of strengthening its mission and strategic presence in regional integration. Through the PADIF, CAF currently promotes more than 12 bilateral and multilateral initiatives. However, note that CAF being a bank, COPIF funds may finance only the pre-investment phase of projects.

- The national agencies that manage public investment budgets face a number of difficulties in their commitment to support border integration projects. The fact that the Treasury offices or Finance ministries require that such projects are registered with the national public investment system entails a hardship. Most border integration projects have a *sui generis* nature. They are important as long as they involve a comprehensive view of the borders, yet they should not be viewed as two parties without a close interdependence on each other.

In order to overcome these pitfalls, public investment budgets need to include "border integration project" as an item. This will provide a practical formula for executing a joint project between two territorial border areas that belong to two different States. This prevents the project from being executed as two parallel projects – one for each country – which would involve a lack of sense of unity, cost overruns and the consequent inefficient use of scarce resources. In some cases, this barrier has been overcome by

resorting to institutions that have international legal personality and to which the governments of the two neighbouring countries are a party.¹⁷

f) Attracting private investment to border areas is important as it helps create jobs, thus improving living conditions for their population. However, it is necessary to create the adequate conditions to stabilize border economies, by minimizing their exposure to the changing economic circumstances of each pair of neighbouring countries, which will make investment more secure. In order to face this complex issue, harmonization of some elements of the economic policies and/or creation of incentives to private investment may be required in these areas. This should be a binational effort and not a unilateral decision of one country; otherwise, the mechanisms to be created are likely to deepen the differences and instability in border economic relations.

Stakeholders should consider the possibility of undertaking well-oriented investment promotion efforts in the border, highlighting the fact that goods and services produced in such areas will be given full access to the subregional and regional markets or, by taking advantage of their strategic location, to international markets.

g) The establishment of community funding mechanisms in each subregional integration organization to finance border integration projects seems hard to attain at the present time in a successful manner, yet it should not be dismissed outright. If such mechanisms are subject to the likely contributions of the Governments of the Member Countries, they may be very difficult to establish both because of the little understanding and interest about the issue, particularly among the Treasuries and Ministries or Departments of Finance, and because of the scarce resources available in the countries of the region. However, note that MERCOSUR countries have created and implemented the FOCEM and the CARICOM countries have created and implemented the *Development Fund for Disadvantaged Countries, Regions and Sectors (CDF)*. But both mechanisms are intended to meet requirements that are not directly related to border integration projects (<http://www.mercosur.int/focem/index.php?id=proyectos1> and http://www.caricom.org/jsp/pressreleases/pres321_09.jsp). Given this possibility, and based on consultations made by the Andean Community countries in the past, the regional development banks are unlikely to be interested in participating, except as trustees, in these potential community funds.

h) A significant amount of fresh resources may be allocated to LAC border areas, particularly to those described in the first chapter as "absent border", as long as the countries they belong to properly promote the environmental services they may be capable to provide to countries that, like those included in Annex A of the Kyoto Protocol, are obliged to (and will remain so after 2012, when the Kyoto commitments are completed and this instrument is replaced by another) reduce their greenhouse gases (GHG) emissions. This option may be particularly attractive to national, regional and local and indigenous communities that manage protected natural areas or indigenous territories in areas of the tropical rainforest in the region, that operate natural carbon sinks – an operation that can be valued and paid for by historically polluting countries responsible for climate change.

4. The urban system and border regulations

¹⁷ This is the case of some projects promoted in the Bolivian-Peruvian border. There, the implementation of the solid waste management project in the two border cities of Desaguadero had to be entrusted to the Autonomous Binational Authority of Lake Titicaca (ALT), an independent binational organization that promotes and develops programmes and projects related to management, control and protection of water and hydro-biological resources of the TDPS System: Lake Titicaca, Desaguadero River, Lake Poopó and Coipasa Salt Mine.

“To set up a regional urban structure that promotes growth and diversification of the functional effects of border cities, providing adequate support to the consolidation of border integration initiatives.”

It is appropriate to encourage joint regional urban planning with neighbouring or "twin" border cities, in order to foster the creation, enhancement or specialization of urban functions, as well as the complementarity in services among neighbouring towns. It is worth recalling that urban systems are of the essence, not only because of their functional capacity – as they comprise ancillary activities and services – but also because they are the scaffolding or "skeleton" of the national space systems and, consequently, of land use for development. In fact, on borders areas in LAC, some "twin" towns that are set up on both sides of the border operate as "binational towns" (e.g., Santana do Livramento and Rivera on the Brazil-Uruguay border, and Cúcuta and Villa del Rosario and San Antonio-Ureña on the Colombia-Venezuela border). Therefore, these towns could cash in on the advantages of their geographical proximity for planning together their urban development, including functional complementation. The prospects of such an endeavour, if properly developed, are substantial and could have a decisive impact on the society and economy of the common border region.

Some other aspects that could be addressed in a bilateral agreement that enables a system of "binational town" include the following:

- The formulation and implementation of a joint urban land use plan, including environmental sustainability components.
- The amplest flexibilization of the border regime: no restrictions or requirements that may limit free transit of persons, vehicles and goods in the area to be defined.
- Urban services that would be addressed jointly include urban waste collection and treatment, inter-city transport, regulation and reorganization of local trade, storage and warehousing activities and, in general, border services to international trade (transfer centers, dry ports).
- To strengthen the existing social services in both cities – health, education, recreation – and provide their inhabitants with free access to such services.
- Definition of social and economic infrastructure projects required to strengthen economic development of both areas: electricity, telecommunications, water supply, border land transportation terminals, among others.

Additionally, the sovereignty issues of the States involved need to be clearly defined and could be settled under the same agreement creating the regime of the binational town. Such issues include the following:

- Full sovereignty, which shall be exercised by each Party in their respective territories through national authorities: the armed forces, national utilities (chief civil authority, customs, police), as well as the validity of the national legal framework.
- The real estate regime within the area defined in the concept of "binational town."
- The treatment of investments in the areas of trade, industry and services and the related aspects, such as taxes, labour issues, among others.

Two other issues should also be considered for purposes of urban development under the binational conurbation model. First, stakeholders should undertake to properly equip air terminals in border cities so as to have one with the appropriate characteristics and size to meet trade and tourism needs in the binational conurbation border area in general. Second, they should consider special treatment areas (tax, labour, customs) that combine the need to foster the development of border areas and improved marketing conditions for their products in third markets. From a purely national standpoint, this creates economic distortions in the economic balance at the border, if viewed as a joint project of the two neighbouring countries. However, it can play an important role in overcoming the peripheral nature of these spaces.

IV. FINAL CONSIDERATIONS

1. Latin America and the Caribbean is a regional individualized space, rich in natural resources, with social and cultural diversity. In recent years, it has been the centre of an intense process of economic growth against the backdrop of globalization. However, the region has neither overcome its deep structural asymmetries nor achieved significant progress in social cohesion, including the situation of internal borders. Further, poverty reduction remains the great challenge of development for the region.
2. Regional integration, with its successes and failures over half a century, is now more necessary than ever, in the political, economic, social and cultural fields in order to face successfully the impacts of globalization and for the region to gain ground and a leading role in the new world. In this regard, the establishment of CELAC early in 2010 was a landmark that gave the subregional integration processes the required political support to achieve consolidation of the common market, substantial reduction of structural asymmetries, particularly poverty reduction, and to ensure a place for the region in the world scenario. In this way, the region has gained ground and speaks with great authority about the most important topics of the global agenda.
3. As part of that process, the internal borders of the region must play an active role, as they are the setting for the expression of common interests and cross-application of mechanisms and instruments that contribute to greater cohesion and achievements of regional integration. In the perspective of LAC integration, borders can only be understood in a binational way and their problems and potentials can be better addressed within the framework of a joint effort between neighbouring States and an active support from subregional integration schemes, wherever their intervention is possible and desirable.
4. LAC has a vast territory that comprises 33 States with their particular physical, biological, demographic, social, and cultural characteristics, as well as various degrees of human settlement. This explains the heterogeneous "border situations" in the region. However, with some exceptions, many border areas have something in common: they are marginal areas in relation to other active zones of the countries they belong to and their population and social and economic stakeholders are hit by poverty and marginalization.
5. Border integration, as a bilaterally agreed process (or agreed trilaterally in some cases), has different levels of progress and importance in all the land borders of the region. However, the underlying "spontaneous border integration" is an everyday reality stemming from the gregarious nature inherent to human beings, and the

prevailing social, economic, political and institutional conditions. Many of these conditions have been brought about by neighbouring States themselves as they have adopted political and economic decisions that may or may not have taken into account the needs in border areas, but they always have a direct impact on the lives of border communities (e.g., creation of new administrative territorial units, rules governing migration issues, taxation, customs, etc.)

6. Border integration is a process that has proven and continues to prove valuable for the countries in the region, as it has made significant contributions to a) overcome the structural asymmetries and social cohesion issues in common borders; b) strengthen subregional integration processes and, c) more recently, to boost LAC economy in the international arena. Some highlights of the successful experiences listed in this report are the following:

Improved people's quality of life thanks to the investments that the pairs of neighbouring countries have implemented or will implement in social services, particularly health, education and sanitation.

The construction of power plants, roads, telecommunications facilities and aqueducts has both put an end to the isolation of many border areas and provided them with the basic conditions for the transformation of their economic base. With this contribution, many of the borders of the region are moving from the subsistence economy that prevailed for centuries, to modern economy, which favours an increasingly competitive insertion into the production and distribution centres, both domestically and internationally.

Due to their strategic location, many border points in LAC are also international border crossings, where major infrastructure works and equipment efforts have been undertaken to facilitate the transit of tourism and trade, within the framework of the IIRSA initiative or as part of the RICAM. This should foster stabilization and economic growth in the borders. Border areas will gradually find opportunities to offer goods and services to complement tourism and trade, thus providing an additional key factor driving their modernization and progress.

The institutional framework for border integration shows significant progress in the region, as virtually all countries have established technical and political mechanisms for analysis, promotion and follow-up of the agreed processes. However, many of such processes lack a permanent character or actively involved local stakeholders, a situation that should be corrected promptly.

The "border regime" – the agreements providing for a system that facilitates the transit of persons, goods, transportation, and use of legal services in both sides of the border, in areas predetermined by the governments of neighbouring States – shows significant progress. In almost all borders of the region these regimes have been agreed upon and their implementation is under way. They have facilitated, for example, the transit of people bearing their national identity document only. At some borders, such as those in Central America, the opening of the border regime faces certain restrictions due to security issues related to illegal activities.

Consistent efforts are under way to finance border integration projects. In fact, some important projects have been executed, while others are being implemented in various borders of the region. While the pace of implementation could be faster, this does not depend substantially on the availability of financial resources, but on the

technical and administrative capacity to design and implement projects that are physically outlined in the territory of two countries, as a unity of design and execution. On the Ecuador-Peru border, there is a good example of border project funding scheme via the Binational Plan or the Border Binational Fund. Using public resources from either countries or funds provided by donors and cooperation mechanisms, investment over the last decade exceeded US\$ 2.6 billion.

Noteworthy is the operation of two subregional financing funds that were not specifically designed to address border integration projects. The Fund for Structural Convergence of MERCOSUR (FOCEM) and the newly started "Development Fund for Disadvantaged Countries, Regions and Sectors" in CARICOM are funds that meet needs similar to those found in border regions. Therefore, if their objectives and execution mechanisms are expanded they may be appropriate to address border integration projects or serve as an inspiration for the establishment of subregional border integration funds.

Among the subregional integration processes, only the Andean Community, in its founding treaty, established a specific mechanism that recognizes the importance of border integration to achieve the objectives of the agreement. Meanwhile, border integration processes in member countries of MERCOSUR, as well SICA member countries, are conducted essentially through bilateral or trilateral initiatives of their member countries.

Countries in the region are also discovering the importance of border towns and the functional quality, as they play a major role in strengthening bilateral and border integration processes. Therefore, several LAC borders, and particularly in MERCOSUR, through the MERCOCIUDADES network, have launched initiatives to address issues of citizenship and favour tourism, among others. Several pairs of border towns in LAC believe that it is advisable to adopt the status of "binational town", including joint planning of urban land use, provision of services (energy, water, transport, telecommunications), indiscriminate use of social services (health, recreation, education), or solid waste management, to name just a few possible areas of joint management.

7. It is important to promote opportunities for cooperation among mainland and island countries in LAC. Given the geographical features of the latter, such cooperation should take place on the waters of the territorial sea adjacent to the continental equivalent of the mainland riparian States, i.e. on their maritime borders. Development of ocean resources, including sea beds, may be one of the opportunities for cooperation and could be channelled through horizontal cooperation agreements to assess and develop the resources of the continental shelf (e.g. hydrocarbons, mineral deposits) or hydro-biological resources, both in neritic and pelagic zones. Another important area is maritime safety, in terms of better control of poaching or illegal fishing, illegal trade and other unlawful activities that may harm the interests and sovereignty of the shared maritime borders of the States. In this regard, the experience of the member countries of CARICOM through the RFM mechanism may be a good reference to establish cooperation agreements with the mainland countries of the Caribbean subregion.
8. Addressing border integration in the region has little in common with the efforts that may be advisable in other regions, such as the European Union, for example. In this region, borders are peripheral to the whole territory of the Union, thus bordering with third countries. In LAC, almost by definition, border areas not only are less developed

regions, but they are also areas that are located in the heart of the continent, whose population is hit, in many cases or significantly, by acute poverty. Thus, the EU bloc cooperation efforts to favour border integration processes in LAC, particularly in the Andean Community, in Central America, where it is already playing a role, and to a lesser extent in MERCOSUR, should take into account such difference in borders. Cooperation should materialize through technical assistance (e.g., functionality of border crossings, binational town regime), and financial assistance, as part of the EU bloc existing structural funds. In this regard, the EU is showing that its political institutional structure adapts to the needs of each border dynamics in LAC.

9. In a region such as Latin America and the Caribbean which has several sub-regional integration and regional and subregional cooperation processes in progress, the recent emergence of a body for consensus and convergence, the CELAC, should represent an opportunity for vigorous growth. CELAC geographical and political nature, above the thematic or sectoral issues, turns the body into a strategic tool that cuts across all issues of concern for regional integration among the internal borders of the countries in the region.
10. Border integration, whether it takes shape under bilateral agreements or within the framework of subregional integration schemes, should be recognized as a regional integration policy in Latin America and the Caribbean. Therefore, border integration should be given a permanent role of coordination in international forums and agreements leading to the formation of the Community of Latin American and Caribbean States, with the following potential courses of action:
 - Research and analysis of the institutionalization of border integration in the different bilateral or subregional scenarios, designed to offer alternatives for their strengthening and for promotion of opportunities for dialogue, among them and with other complementary mechanisms in the region. The latter include those related to physical integration, territoriality, structural asymmetries, decentralization and other issues that, similarly to border integration, are characterized by introducing a spatial viewpoint in the agenda of regional development and integration.
 - Regional events aimed at identifying gaps in the legislation on border integration in LAC, with a view to creating opportunities for them to be overcome, complementing and helping to streamline the bilateral or subregional integration policies in this regard.
 - Preparation of draft mechanisms to support the formulation of plans and programmes on border integration, particularly with regard to strengthening the capacities of border integration project managers, in order to help them successfully meet the challenge of setting the wheels in motion to ensure the progress of the projects prioritized in the pre-investment stage, and during execution and follow-up.
 - A call upon the representatives of the ministries or departments of Finance, Treasury or Planning in countries in the region to consider the possibility of defining a set of harmonized practices under which priority is given to public investment budgets for border integration projects, probably by favouring the introduction of the concept of "border integration project" in budget items of these entities. This would provide a practical formula for executing a joint project between two territorial border areas that belong to two different States. This prevents the project from being executed as

two parallel projects – one for each country –, which would involve a lack of sense of unity, cost overruns and the consequent inefficient use of scarce resources.

- Studies and review meetings with government delegates, heads of border institutions, regional development banks, international cooperation agencies and friendly countries for purposes of identifying elements to define the desirability and feasibility of establishing binational subregional, or regional financial funds to implement plans, programmes and projects for border integration.
- Studies and discussion of results concerning the possible adoption of a model regime for the promotion of private investment in border areas, highlighting the strategic location of these spaces in terms of trade and tourism, as favoured by the execution of regional infrastructure projects (IIRSA projects, RICAM). Such regime should focus on providing stability for investment and promote legitimization of existing informal business ventures that produce goods and services across borders in the region.
- Support to the Sectoral Integration Process (PSI) "Border Crossings" of the IIRSA initiative and equivalent processes in the RICAM, by formulating proposals for promoting the participation of border economies and other emerging areas in the production, trade and services centers to be developed in parallel with the projects of each road axis. As regards the IIRSA initiative, it would deepen the so-called "business vision", by emphasizing the specific reality of borders areas, and preparing an agenda to foster productivity and competitiveness in these regions.
- With the active involvement of national statistical systems, to develop a model of spatial structures that are currently valid in LAC, to help identify the relative spatial homogeneity of a certain category of territorial units (state, province, department, district and municipality, etc.) within the heterogeneity of social, cultural and economic situations in the region. This model, translated into a regional atlas, can become a key tool for integrated land management, while facilitating the identification of areas where to direct or focus programmes for physical integration, border integration and other mechanisms of the regional and subregional integration processes of. The types of "boundary situations" contained in Section 3.1 of Chapter I of this report may be used as a baseline for border spatial structures.
- Organization of events aimed at stimulating the replication of good practices of border integration in the region through horizontal cooperation model projects, internships, among others, for sharing experiences.
- Support to the dissemination of border integration processes, their rules, institutions and progress, for positioning the subject at all levels, both regionally and internationally.

SELA's representation as a regional cooperation body comprising 28 Latin American and Caribbean States that are engaged in the construction of the Community of Latin American and Caribbean States, leads us to suggest the formation, under SELA coordination, of an Observatory on the border integration processes in LAC. This mechanism would operate as a meeting point and centre for monitoring, analysis, discussion and formulation of proposals for better management of the issue in the region.

To this effect, representatives of governments (national and local), researchers from renowned organizations, integration and subregional cooperation bodies, the Academy, regional development banks, and leaders of the civil society border from border areas would be convened. This would help to solve the lack of a forum for joint analysis of border integration in the region, a role that was somehow played by the Institute for Latin American Integration (INTAL) of the IDB in the second half of the decade of the 1980s and early in the 1990s, before the IIRSA initiative gained momentum in 2000.

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**LIST OF LAND BORDERS IN LATIN AMERICA AND THE CARIBBEAN
(From south to north)**

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(From south to north)**

1. Argentina – Chile
2. Argentina – Uruguay
3. Brazil - Uruguay
4. Argentina - Brazil
5. Argentina – Paraguay
6. Brazil - Paraguay
7. Argentina – Bolivia
8. Bolivia – Chile
9. Bolivia – Brazil
10. Bolivia - Paraguay
11. Chile - Peru
12. Bolivia – Peru
13. Brazil – Peru
14. Brazil – Colombia
15. Colombia - Peru
16. Ecuador – Peru
17. Colombia – Ecuador
18. Brazil – Venezuela
19. Brazil - Guyana
20. Colombia – Venezuela
21. Brazil – France (French Guiana)
22. Brazil – Suriname
23. Guyana – Venezuela
24. Colombia – Panama
25. Costa Rica – Panama
26. Costa Rica – Nicaragua
27. Honduras – Nicaragua
28. El Salvador – Honduras
29. El Salvador – Guatemala
30. Guatemala – Honduras
31. Belize – Guatemala
32. Belize – México
33. Haiti – Dominican Republic

XXXVII REGULAR MEETING OF THE LATIN AMERICAN COUNCIL

Caracas, 19 to 21 October 2011
Torre Europa Fifth floor
Av. Francisco de Miranda-Campo Alegre

PROVISIONAL AGENDA

- I Organization of Work
- II Forum: "Towards productive integration in Latin America and the Caribbean"
- III Annual Report of the Permanent Secretariat
- IV Work Programme for the year 2012
- V Budget of the Permanent Secretariat for the year 2012 and Administrative Matters
- VI Institutional Issues
- VII Election of the Permanent Secretary of SELA*
- VIII Other Matters

* Attachment: Letter by the Chairman of the Latin American Council