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## SHORT CONSIDERATIONS ABOUT THE PROTOCOL ON THE CROSS-BORDER COOPERATION IN THE EUROREGION "SIRET-PRUT-NISTRU" BETWEEN ROMANIA AND REPUBLIC OF MOLDOVA

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# **SHORT CONSIDERATIONS ABOUT THE PROTOCOL ON THE CROSS-BORDER COOPERATION IN THE EUROREGION „SIRET-PRUT-NISTRU” BETWEEN ROMANIA AND REPUBLIC OF MOLDOVA**

## **Abstract**

The idea of a Europe of regions has appeared in Western Europe in the 60s. Also in the 60s the first cooperation between neighboring regions created on the borders of France, Switzerland and Germany. The opportunities of the economic development with future EU Member States should not be ignored, as prerequisites of good neighborly relations in the border territories, the coordination of policies of mutual interest, the solution to the specific problems of the people near border as taxation, social security, workers border and establish institutional structures for cooperation.

The purpose of this article is to identify the common interest points regarding foreign trade policy, quantitative restrictions and trade bans in the relationship with Moldova, as a starting point in establishing a new strategy to promote cross-border cooperation protocol Euro region „SIRET-PRUT-NISTRU”

**Keywords:** border cooperation, Euro region, regional development programs

**JELL Code:** F40; F36; K34; E62

## **1. Introduction**

Cross-border cooperation is one of the most important tools that require the mobilization of financial resources in joint projects. Through these projects, regarding on long term will result bilateral benefits, such as: the improvement of the economic and physical infrastructure, the development of human resources in the region, the development of the cultural and educational relations and environmental protection etc. Given that several counties from the Republic of Moldova participates with the Euro region counties from Romania, "Siret-Prut-Nistru", this new opportunities must be considered to be compelling and should be exploited.

The stable relations regarding the cooperation between border regions of Moldova, Romania and Ukraine have been established since the early 1975, but they can be characterized as having a more formal character. After 1989, with the new realities in Europe,

these relations have intensified, but they were hampered by the lack of stable external relations among states.

As a result of the Basic Romanian-Ukrainian Treaty from June 2, 1997, the cooperation between Romania and Ukraine became more intense in various fields, including cross-border cooperation. According to the art. 8 of the Treaty, the parties agreed to support the cooperation between territorial-administrative units in border areas. Moreover, the same article was expected to create the Euro regions: "Upper Prut" and "Lower Danube" in which some administrative territorial units from Moldova could participate. Euro regions being institutionalized forms of cross-border cooperation, they are an effective model to solve the development of the socio-economic problems of any neighboring country.

## **2. Euro region „Siret Prut Nistru”**

On October 18, 2002 was signed the establishing of the Euro-Moldovan-Romanian "Siret-Prut-Nistru." This Euro region includes the following counties from the Republic of Moldova – Ungheni, Lapusna and Chisinau and from Romania - Iasi and Vaslui (see table attached).

Although there is a legal framework for planning activities regarding the development of the Euro regions, the collaboration was delayed. The political problems between the state partners did not permit the signing of intergovernmental agreements to enlarge substantially the powers of local authorities in their Euro regions. The regime of the movement of goods, capital and labor from Euro regions is no different, with few exceptions, from the existing framework.

Initially Romania emphasized on the accession to the Euro-Atlantic bodies, and because of this Romania wasn't allowed to go too far in cooperation with eastern neighbors.

Also, by relaxing the control measures in border areas incorporated Euro regions, is very possible to appear factors and circumstances which would promote or enhance penetration phenomenon of terrorism, organized crime, mafia actions, economic crime, crime, traffic drugs, weapons, or could encourage illegal migration of people from countries with emigration trends.

The participation of Moldova within the Euro regions is of particular interest to Romania because of the arising economic benefits. The administrative territorial units of Romania and Ukraine have a much greater economic potential in comparison with districts of Moldova. Even in these conditions, the interest of Moldova in deepening the cross-border relations was dominated by a pronounced passivity at central, but also at local level, because

in Republic of Moldova does is not, first of all, a government structure to promote state and regional policy and support Euro regions interests in the central government structures.

Specifically, the participation from the Moldovan side in Euro regions could not be an evidence of regional integration strategies and concrete action plans to harness the benefits of cooperation for Moldovan border territories. Another reason is the insufficiency of financial resources from local budgets to finance the cooperation activities, low access to external financial sources and minor possibility to obtain them.

### **3. The establishment of fiscal facilities and financial-banking offered by local communities**

These are established by EU's and national legislations and they apply to the importation and exportation of certain goods. The trade policy also includes quantitative restrictions and trade bans foreign policy issues. Some of the embargoes and sanctions are covering all the aspects of trade relations, others only some specific products or product groups.

As an exception to the general rule of EU trade policy, the import and export takes place freely without being subject to quantitative limitations, the European Community has established:

- special schemes regarding the prior supervisory of the import of steel products from all the third countries;
- special schemes regarding the dual supervision or control of certain steel products from some third countries;
- special schemes regarding the supervision or control of a range of textile products some third countries.

The administration of these specific schemes for import or export it is realized through the authorized document issued by the competent national authority of each Member State.

Euro regions are necessary also because the competition is becoming increasingly difficult for the one who remains isolated. But the regions and the Euro regions cannot act in this porpoise without taking into account the internal rules, but also the rules of the international organizations.

The latter one has that power that the states have wanted to give them, so that the states don't loose an important part of their sovereignty.

While the rules stated regarding their foreign policy requires strict compliance, we believe that the attention should be directed to fiscal facilities which can be granted by the local communities, as one of the few alternatives for the development of the trade in the Euro “Siret-Prut-Nistru”.

For example, the drawback of the duty imposed on raw materials, imported materials or semi-fabricate imported that are due to be incorporated into the goods produced and delivered to export, directly or on a commission basis by the legal persons or family associations.

Then, the facilitate of the temporary import operations in order to process into outsourcing the re-exports of resulted, which could be made only with ensuring payment of customs duties, could be another way to develop the business cooperation. Also, local communities can subsidize the participation in domestic and international fairs and exhibitions by covering all or part of the specific costs.

An important role into the line of financial-banking incentives has the establishment of banks, having as object of activity: credit insurance and reinsurance, banking and financial facilities, credit guarantee operations with a specific purpose. The banking units can facilitate the obtaining of short-term loans only for production and export of manufactured products, the only one which meets the conditions in order to lead to the development of Euro-border trade “Siret-Prut-Nistru.”

If progress is made in the achievement of a decent trade relation, the current facilities can be improved, others fiscal facilities or measures of trade policy that does not contravene to the EU common commercial policy can be introduced.

#### **4. Conclusion:**

The assessment of the economical and social potential of Euro region identifies numerous opportunities in various fields, which will accelerate the economical cooperation and will boost the economical development of both countries parties. Regarding this, we mention:

- The correlation of the regional development programs of road and inland waterway navigation;
- The establishment of joint structures regarding the certification of goods, the development of the selling products markets, employment, exploit and develop the economical potential existent;
- Coordinate the efforts regarding the supply of drinking water and gas;

- The development and promotion of common tourist offers and tourist traffic;
- Organize festivals, exhibitions, cultural fairs and regional sporting competitions;
- Coordinate the environmental protection, the common implementation of the joint projects and joint monitoring of the pollution factors in the regions.

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Table – The profile of Euro region "Siret-Prut-Nistru"

Territorial units administered	Territory, Thousand km <sup>2</sup>	Share territory,%		Population- thousand	Share in population, %		Number inhabitants at 1 km <sup>2</sup>
		Country	Euro region		Country	Euro region	
County Chisinau	3,4	10,1	12,9	382,2	10,5	13,6	112
County Lapusna	3,5	10,4	13,3	282,2	7,8	10,0	81
County Orhei	3,2	9,5	12,1	303,4	8,4	10,8	95
County Ungheni	2,3	6,8	8,7	258,9	7,1	9,2	113
County Soroca	3,2	9,5	12,1	278	7,7	9,9	87
County Iasi	5,5	16,3	20,8	836,8	23,1	29,8	152
County Vaslui	5,3	15,7	20,1	466,7	12,9	16,6	88
Total	26,4		100	2808,2		100	106