

REFERENCE

Cooperation of the PS IGC TRACECA with the “SILK ROAD”

Customs Cooperation Initiative (CCI)

The issue of cooperation between the PS IGC TRACECA and the “Silk Road” CCI was discussed at the PS IGC TRACECA Meeting held on 9 June 2011. The Meeting, having examined the documents prepared by the PS IGC TRACECA, recommended that the MLA Parties, which had not submitted proposals or comments to this initiative, should prepare and send them during 20 working days to the PS IGC TRACECA. The PS was recommended to follow up the draft documents on cooperation in view of the proposals and comments of the Parties and to submit this issue for discussion at the regular Meeting of the PS IGC TRACECA.

The PS IGC TRACECA coordinated this issue with the National Secretariats TRACECA in the MLA countries. The initiative found support among most countries which emphasized the necessity in intensification of the PS IGC TRACECA activities regarding the simplification of border crossings and customs procedures. The detailed information on the positions of TRACECA countries is presented in Attachment № 1.

Taking into consideration the provisions of some internal TRACECA regulatory documents, the Permanent Secretariat considers it necessary to adopt at the first phase the principal decision by the IGC TRACECA on establishing cooperation and partnership between the Permanent Secretariat and participants of the “Silk Road” CCI. In case of making a positive decision on this issue the IGC may authorize the Permanent Secretariat to conduct negotiations with the “Silk Road” CCI participants and to make the relevant documents of cooperation with them.

On 9 June 2011 during the PS IGC TRACECA Meeting the Permanent Secretariat submitted for discussion of the National Secretaries the Agreement on empowering the PS IGC TRACECA to exercise functions and authorities of the Secretariat (Coordinating body) of the “Silk Road” CCI. Some National Secretaries spoke on the necessity to revise the format of the cooperation document and to attach to it a milder character not requiring legal commitments. Particularly it was proposed to make a Memorandum of Cooperation between the PS IGC TRACECA and the “Silk Road” CCI instead of the proposed Agreement.

As is known, a Memorandum ensures certain flexibility to its participants not engaging them to legal or other commitments. Nevertheless, a Memorandum should clearly establish aims and areas of cooperation, scope and types of actions to be implemented within the framework of the Memorandum, a financing and reporting facility.

The budget and staff list of the PS IGC TRACECA are not designed nor they envisage execution by the PS IGC TRACECA of the secretarial functions of the “Silk Road” CCI. Thereby the Memorandum should contain certain financial provisions ensuring the required vacancies in the staff list of the PS IGC TRACECA and appropriate financing for the implementation of the secretarial functions.

In view of the fact that there is no common body of the “Silk Road” CCI acting on its behalf, the PS IGC TRACECA considers it feasible to make a multilateral Memorandum with each participant of the “Silk road” CCI. The PS IGC TRACECA considers it

appropriate to establish a certain number of signatures of the customs administrations of the "Silk Road" CCI participating countries which are necessary for launching the fulfillment by the PS of the secretarial functions.

The salaries of the Secretariat staff and other financial expenditures related to the organization of the "Silk Road" CCI activities should be covered at the expense of the "Silk Road" CCI participants not being the MLA TRACECA Parties, as well as at the expense of the contributions of the participants of the Annual Forum "Silk Road" CCI and other events to be collected by the PS IGC TRACECA acting in the capacity of an organizer.

On 27-28 October 2011 the TRACECA representative took part in the fourth CCI Forum which was held in Batumi, Georgia. Having heard the presentation on the TRACECA activities and the measures taken within TRACECA regarding the initiative of empowering the PS to exercise secretarial functions of the CCI, the Forum's participants expressed their appreciation of the TRACECA countries for their constructive position concerning this initiative and called the CCI members not being TRACECA members to support the initiative. The Forum also called its members to discuss the document of cooperation with TRACECA.

Positions of the TRACECA Countries on the Customs Cooperation Initiative “Silk Road”

Azerbaijan – initiating country. Azerbaijan fully supports the Initiative (Letter of the NS of Azerbaijan of 9 April 2011)

Armenia – no reply

Bulgaria – cannot participate in customs initiatives which may result in changes of the legislation in this field, since the customs issues are the EC prerogative. Bulgaria may only take part in the events related to best practices and experience exchange. Bulgaria will hold consultations with the relevant EC Directorates (Letter of the NS of Bulgaria of 27 April 2011)

Georgia – the MFA of Georgia adopted a note of the MFA of Azerbaijan on this issue. The Georgian Party supports this initiative emphasizing that it is the IGC which should make a decision on this issue (Letter of the NS of Georgia of 26 April 2011)

Iran – the Iranian side suggests to create a working group comprising the representatives of customs administrations of TRACECA member states and other interested non-member states as well as PS experts to discuss the initiative, revise the draft agreement or elaborate a new draft of the document of cooperation (Letter of the NS of Iran of 24 August 2011)

Kazakhstan – supports this Initiative (Letter of the Deputy Minister of the Ministry of Transport and Communications of Kazakhstan of Mr. Bekturov A. of 28 March 2011)

Kyrgyzstan – supports this Initiative (Letter of the NS of Kyrgyzstan of 26 August 2011)

Moldova – supports this Initiative (Letter of the NS of 22 March 2011)

Romania – no reply

Tajikistan – the Tajik Party, having studied the Note of the MFA of Azerbaijan on the realization of the “Silk Road” Cooperation Initiative, does not have comments or proposals (the Note of the MFA of Tajikistan of 13 June 2011)

Turkey – the Turkish Party supports the Initiative taking into consideration the fact that the CCI “Silk Road” does not have organizational structure. The Agreement should be signed with the representatives of the states being the participants of the CCI “Silk Road”. In accordance with Article 4 of the Agreement it is necessary to take into account the financial contribution of Russia, China and Mongolia which are not Parties to the MLA TRACECA, since the Agreement does not require the ratification, the title of the document should be changed to Protocol or Memorandum (Letter of the NS of Turkey of 6 July 2011)

Uzbekistan – after repeated presentation of the copy of the Note from the MFA of Azerbaijan to the NS of Uzbekistan it was given to the MFA of Uzbekistan. Presently the MFA together with the State Customs Committee is elaborating the possibility of coordinating activities on customs cooperation of the TRACECA countries (e-mail of the NS of Uzbekistan of 4 May 2011)

Ukraine – the State Customs Service of Ukraine reported of its support in full of the draft Agreement on execution by the PS IGC TRACECA of secretarial and coordinating functions of the “Silk Road” CCI and the readiness to participate in this initiative taking into account the fact that the solution of the issues of budgetary financing of projects is not within the competence of the State Customs Service. (E-mail of the NS of Ukraine of 15 June 2011)