

RESOURCE CENTERS ON ASSISTANCE TO CROSS BORDER TRADE

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Realization of project financed by OSCE in Dushanbe

BADAKHSHAN REGION OF TAJIKISTAN AND AFGHANISTAN

- One of the major strategic regions in the world, with a big geopolitical value.
- Consists of Gorno Badakhshan Autonomous Oblast of Tajikistan and Province Badakhshan of Afghanistan.
- Population is about 2 million people. Only along the border areas between these countries live more than 400 thousand people.
- There were almost no borders in the region in 19th century. The inhabitants of two coasts freely communicated, and were involved in trade
- Division has occurred in the end of 19th century, under the contract between Great Britain and Russian empire.
- Almost in 30s of XX century the border had been completely closed by Soviet State. The region developed non-evenly: on the soviet side communication and social infrastructure was created, but it was practically absent in afghan side.
- Months many mountain settlements have been torn off from center and suffered huge troubles (hunger, illnesses and so on) But they could not use the opportunities of tajik side



NOWADAYS

- Only after USSR collapse and proclamation of full independence by Tajikistan and also cessation of fighting operations at the territory of Afghan Badakhshan it is now possible to adjust business and mutually advantageous cooperation on a junction of two Badakhshans.
- In 2003 –two bridges at Pyanj river, which were constructed by Aga Khan Foundation jointed the coasts of Tajikistan and Afghanistan
- 2004 – Realization of OSCE and Eurasia Fund Project on creation of cross border markets between Tajikistan and Afghanistan; contacts at the level of local authorities and businessmen of two regions were regulated.
- 2005 opening of cross border markets Ishkashim, Tem and Ruzway.

BADAKHSHAN



CROSS BORDER MARKETS



Interest of inhabitants was huge. They even could not believe that can freely communicate, trade, solve the vital problems.





Problems

- The participants of cross border trade does not have any information on rules of cross border trade, including customs, tax, about legislative and legal texts of two countries.
- Practically the population lacked the knowledge on cross border business
- There were also problems with services maintaining the work of markets
- There was abuse of power from customs officials and border guards side
- There was corruption at both sides of border
- Though educational program was realized, but it had no mass character and covered only small part of participants of cross border trade

CENTERS



Manager of Ishkashim center

Proceeding from these problems the Dushanbe OSCE office decided to create resource centers at three cross border markets



Representatives of Joint Commission visiting consulting center at Tem



Afghani traders at consulting center Tem



PRIMARY TASKS OF THE CENTERS

To provide consultations on the following issues:

- Taxes
- Custom charges
- Work of border guard and custom services
- Legislative acts, related to cross border trade
- Work of cross border market administration
- In cases of infringement of the rights of participants of cross border trade
- On marketing issues
- Import and export of agricultural products, especially wool, leather, meat
- Others



NEW PROBLEMS

New questions became relevant:

- Studying the conformity of Regulation of cross border trade to requirements of participants
- Studying and assistance in elimination of abuses by the activity maintenance services of cross border trade (especially customs service and border guards)
- Studying of market activity and submitting of proposals to local authority bodies and state structures
- Working out proposals for local and international organizations, preparation of analytic materials



NEW PROBLEMS

- In each market a manager, a legislative consultant, a consultant on customs issues and tax were engaged in. Such team has the capacity to effectively carry out all issues faced by the Resource Centers.
- From the first days the number of appeals per working day of market in average were not less than 100
- Most of them concern the right's infringement of the trade participants
- For example, there were cases of illegal exactions from participants, especially businessmen from afghan side
- Illegally prohibition of import and export certain goods
- Erroneous interpretation of legislation and legislative texts
- Illegal reduction of the cross border markets' working time for 2-3 hours

NEW PROBLEMS

- In this regard the employees of Resource Centers, studied the situation and prepared analytic material quarterly
- The association represented the summarized materials to local authorities, on basis of which measures of influence to the situation at the market have been taken. Nine times the notes of Resource Centers were discussed at local authority bodies of Gorno Badakhshan Region, as well as at administration of Afghan province of Badakhshan
- One of the first proposals was to cancel the restrictions on assortments of goods traded at cross border markets. These offers have been supported by local authority bodies and the Government of Tajikistan has made changes to the “Regulation of cross border trade” and for more than a year restrictions on sale of goods are removed (besides excise goods and banned)

FORUM

The proposals presented by Resource Centers were used at the international Forum “Development of cross border trade between Tajikistan and Afghanistan” carried out by Association Milal Inter in cooperation with the Ministry of Economic Development of Republic of Tajikistan and financial support of Promotion of Cross Border Trade Project of GTZ Tajikistan with participation of representatives of ministries and departments of two countries.



JOINT COMMISSION

The materials and recommendations of Resource Centers were also used by Joint Commission of GBAO and Badakhshan province of Afghan and are discussed often during the sessions of the joint commission, which has been established by Association Milal Inter with financial support of GTZ Tajikistan.

At last session the commission has approved the offers of Resource Centers on transition of cross border markets activity to two working days (in a week). The question is put in front of concern bodies of two countries.

The Commission also has positively responded to the offer of opening of cross border market Gunjiboy at “Smaller Pamir” and Lyangar at Vahan region



First session of Joint Commission in Khorog, October 2008



In June 2009 the session of Joint Commission took place in Fayzabad of Afghanistan

CURRENT STATE OF RESOURCE CENTERS

But most important is that Resource Centers:

- Up to a certain level promoted elimination of abusing at the cross border markets,
- Became a true advisors and protectors of the interests of cross border trade participants.

Proceeding from that:

- Workers of resource centers within the law limits are free in action,
- Perfectly know laws and normative acts,
- Safely speak about lacks, abusing ...

Not only the participants of trade benefit from advices and consultations of the Resource Centers staff, but also by officials of cross border markets.

Representatives of international organizations, tourists also address the resource centers for information



REFERENCES ABOUT THE WORK OF CONSULTATION POINTS

- Muller – OSCE representative, accompanied the American observers of the customs service work at cross border markets of Islamic Republic of Afghanistan and Republic of Tajikistan
«Judge on the experience of your Consultation Center, it is possible to say confidently that market soon will become certainly more civilized».
- Mamadullo – officer of border service of Islamic Republic of Afghanistan
«*With opening of Consultation Centers our afghan businessmen had an opportunity where to address for help when necessary*».
- Hoji Abdullojon – businessmen from Panjsher (Afghanistan).
«*There is a better order at Tem market this year, than previous years. We found defender in capacity of Consultation Centers*».



REFERENCES ABOUT THE WORK OF CONSULTATION POINTS

- S. Bovarova – businessman from Khorog city:
«The Consultation Centers helps us not only to acquire juridical knowledge, but also is ready to protect our interests».
- Said Imron – head of Ishkashim vulusvols of Afghanistan
«Consultation Centers made it more easier to work at cross border markets for our businessmen and inhabitants. Anyway a number of their problems they solve with the help of the consultants and now started to utilize their rights better.».
- Sogbatulloh Khoksory – head of executive device of Province Administration of Afghan Badakhshan:
«Association “Milal Inter” with its projects and with support of international organizations assisted the building of conditions for mutual understanding and cooperation in the region. The cross border markets are the best to certificate it. Its unbelievable that five years back nothing of it was existed. Your consultants at markets do the huge and fruitful work.”

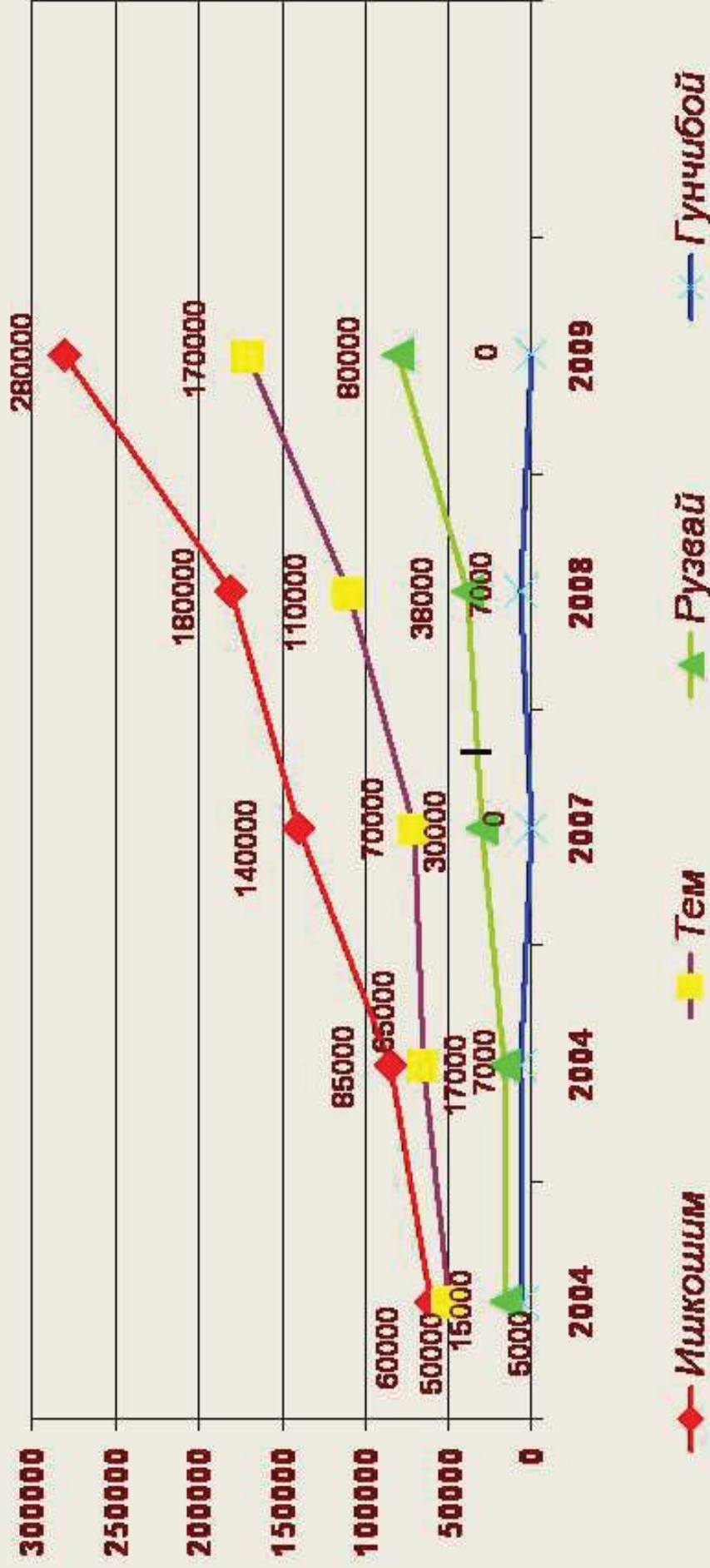
ACHIEVED RESULTS

<i>Cross border markets</i>	<i>2007</i>	<i>2008</i>	<i>2009</i>
<i>Tem</i>	Up to 1500	1800	2300
<i>Ishkashim</i>	Up to 2300	2800	3200
<i>Ruzway</i>	Up to 1000	1200	1300
<i>Total number of participants</i>	4800	5800	6800

Total number of participants of cross border trade from both sides during one working day of cross border market by years (recorded by consultants of Consultation Centers at control days with the assistance of border guards).

ACHIEVED RESULTS

Approximate volume of turnover at markets according to the control inspection of consultants under the assistance of customs officials (in somoni)





THE EMPLOYEES OF RESOURCE CENTERS ARE ALSO ATTENDING

- Trainings for trainers under the project on conduction of trainings “Start your cross border business” realized with support of GTZ Tajikistan, more than 20 of which were conducted only last year
- Edition of information- analytic newsletter “Today and Tomorrow” which deals with issues of cross border trade
- They assisted in shooting the documentary film “Today and Tomorrow” (40 min.) about the state and perspectives of development of cross border trade at cross border markets of GBAO.

ACHIEVED RESULTS

The knowledge of participant on cross border trade, about their rights, legislative and statutory acts related to cross border and trans border trade has improved

The participants of cross border trade represented by Consulting Centers found support in defending their rights.

There is support given to perfection of statutory acts in particular with positive changes in Legislation about cross border trade.

There is now the opportunity for on-the-fly study and analysis of the markets activity, provision of the information and suggestion making about improvement of the markets functioning for corresponding of Tajikistan and Afghanistan



ACHIEVED RESULTS

New jobs are created in the bordering regions of Tajikistan and Afghanistan, as a result the number of participants of cross border trade increased for more than 500 places.

Local population of the bordering regions have now the chance to sell the surplus of their agricultural production as well arranged their processing. In addition the production of diverse products demanded in the markets is organized.

To a certain extent the living standard of the population of bordering regions has improved.

There is support given to strengthening of friendship and collaboration between citizens of two countries.





OPPORTUNITIES FOR FURTHER IMPROVEMENT OF THE CROSS BORDER MARKETS ACTIVITIES

- Building of the proper premises for the Recourse Centers and equipping them with modern techniques.
- Organization of business meetings (carrying out seminars) for the heads of services which secure the functioning of the markets (frontier guards, custom officials etc.)
- Publication of the manual on Tajik and Afghan statutory acts and regulations related to cross border trade in Tajik and Dari languages.
- Carrying out of trainings “Start your cross border business” on the Afghan side.

THE ASSOCIATION PARTNERS ON THE PROJECT REALIZATION

- OSCE Bureau in Dushanbe
- GTZ Tajikistan Project “Promotion of Cross-Border trade between South of Tajikistan and North-West Afghanistan”
- State run public authorities of Badakhshan Autonomous Oblast of Tajikistan and Badakhshan Province of Afghanistan
- General Consulate of Islamic Republic of Afghanistan in Khorog
- MSDSP Project of Aga Khan Foundation
- The Aga Khan Foundation field office in Badakhshan of Afghanistan