



RESULTS OF SCO AND BRICS SUMMITS IN UFA

The Shanghai Cooperation Organization (SCO) and the BRICS Summits were held on July 8-10, 2015 in the capital city of Bashkortostan, Ufa. The Summits location was chosen due to the fact that Russia is carrying responsibilities of the term president in both organizations, namely, Russia's presidency in the BRICS started in April 2015 for a year period and Russia's presidency in the SCO started in September 2014.

The BRIC – Brazil, Russia, India and China – was established in 2006 at the Petersburg Economic Forum. The name was changed into BRICS in 2009 after the joining of South Africa. On the other hand, the SCO was established by China, Russia, Kazakhstan, Kyrgyzstan and Tajikistan in 1996 in order to enhance mutual trust in military issues. In this respect, the member countries came to an agreement to reduce their military powers at the borders. The SCO was re-established in 2001 after accepting Uzbekistan as a member and in this sense, various purposes not only in the fields such as joint actions to fight against terrorism, extremism, drugs and arms trade, human rights protection and development of cultural relations but also in the fields of economic cooperation and regional integration were re-determined.

It should be emphasized that the meetings between the SCO, the BRICS and the Eurasian Economic Union members have shown that these countries serve for the same purposes and duties, therefore, the Summits are extremely important for all the countries in the region, especially for Russia. Comprehensive decisions made at the end of the meeting shows that this issue is of vital importance.

Decisions made at the end of the SCO Summit can be examined in 3 main topics. The first topic includes decisions regarding the widening of the SCO. The President of Russia, Vladimir Putin, pointed out that the SCO had entered into a new phase and that it was the time to accept India and Pakistan (which were previously observer countries) as full members of the SCO. However, the legal process of the observer status change will be fully completed in the next meeting of the presidents of the SCO member countries. Moreover, as a result of the Ufa Summit, Belarus was accepted as an observer country by a common decision of the presidents of the SCO member countries. Armenia, Azerbaijan, Cambodia and Nepal were accepted as dialog partners. Currently, the SCO member countries include China, Russia, Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan; the SCO observer countries include Afghanistan, India, Pakistan, Iran, Mongolia and Belarus; and the SCO dialog partners include Turkey, Sri Lanka, Armenia, Azerbaijan, Cambodia and Nepal. Therefore, the SCO made another important step towards ensuring stability and security in the region by providing dialogue platform for Armenia and Azerbaijan, which have rather complicated relations.

The second topic discussed at the SCO Summit was economy. All the SCO member

countries have accepted the Chinese initiative, the "Silk Road Economic Belt", as a comprehensive infrastructural project that connects Asian and European markets with Chinese markets. According to the Summit Declaration, the member countries agreed to continue the preparation process of the foundation of the SCO Development Fund and the SCO Development Bank.

The third topic discussed during the Summit was cooperation in security. The presidents of the SCO member countries signed the "SCO Development Strategy until 2025" and the "SCO Cooperation Program on Fighting Terrorism, Separatism and Extremism for 2016-2018". The "SCO Development Strategy until 2025" includes the issues in the "Basic Principles of The Development Strategy for Medium Term Perspectives of the SCO", which was approved at the meeting held in Beijing in 2012. In accordance with the decision of the Presidents of the SCO Member Countries made on September 12, 2014 during the Summit in Dushanbe, the parties prepared another document, which includes perspectives of mutual cooperation among the SCO member countries and of international and regional structures in the period of 2015-2025, and determination of the role of the SCO in the region and the relations of the SCO with international actors. The Introduction Part of the Strategy indicates that in next ten years a multi-central world order would be established and dynamic changes would take place as a result of increased strength of global power in the regional level and due to increased role of developing countries. At this point, due to closer connection between security issues and development in the Europa-Atlantic, Eurasia and Asia-Pacific Regions, it is essential to develop common and global principles in order to ensure a common and indivisible security.

The purposes and the duties of the member countries for the next ten years are summarized in the following main sections of the Strategy: Cooperation in Politics, Cooperation in Security, Cooperation in Trade and Economy, Cultural and Human Relations, Information Utility, Policy of Openness and Confidentiality, and International Cooperation. The member countries have come to an agreement to implement joint actions to fight against terrorism. The BRICS Summit Declaration indicates that the presidents of the SCO member countries agreed on specific issues such as increasing efforts to fight terrorism and extremism (although the name of the terrorist organization the "Islamic State" was not directly mentioned), to enhance anti-terrorist activities and to implement joint actions against dissemination of radical ideas through Internet.

During the BRICS Summit, issues such as accelerating reforms by the United Nations and the International Monetary Fund, unilateral sanctions and concerns regarding the monetary injection programs that are implemented in the world economies were dis-

cussed. Moreover, the terrorist organization, the Islamic State, was condemned, and suggestions were given to the parties in Ukraine to come to an agreement regarding the Minsk Convention in the face of serious conflicts in the country.

The Summit, which was hosted by Russia, mainly included issues that are directly related to the Russian concerns. In this respect, it can be concluded, that mainly issues such as the sanctions against Russia by the Western countries and problems in South-Eastern Ukraine were discussed. Moreover, the parties came to an agreement to continue mutual cooperation on building the New BRICS Development Bank with a total capital of \$200 billion. The Summit Declaration indicates that the Bank should decide on the first investment projects in 2016, and the cooperation between the Bank and the international financial organizations (including the Asian Infrastructure Investment Bank) would continue according to a common decision made by the presidents of the member countries. During the BRICS Ufa Summit, apart from the Summit Declaration, the member countries also signed the "BRICS Working Plan" for the next year and, with Russia's initiative, the "Strategy of Economic Cooperation Between the BRICS Member Countries Until 2020". This Strategy is aimed to prepare the member countries for global competition in the world economy and to enhance the multi-lateral cooperation in order to accelerate their socio-economic developments.

The Summit Declaration indicates that since all of the BRICS countries are members of G20, they would contribute to the activities of the Organization in order to provide an equal and sustainable development and would exchange ideas in order to enhance international financial structure. Apart from that, the countries have decided to hold annual meetings in order to support export facilities of the BRICS countries and to evaluate joint activities that encourage export between the BRICS and the other countries. Moreover, Russian Rosneft and Indian Essar Oil Company signed a long-term contract regarding oil transportation to India. According to the Contract, 100 million tons of oil will be transported to India in a ten year period.

To conclude, the meeting of the presidents of the SCO and the BRICS countries, hosted by Russia, can be regarded as a strong indicator of willingness of the countries in the region to cooperate in the Eurasian region. Especially, giving India and Pakistan (which have issues such as high population, nuclear weapons and disputes about their territories) a full membership and giving an observer status to Azerbaijan and Armenia (which have disputes over the Nagorno-Karabakh) can be regarded as a call for the global opinion by Russia and China, which have taken over the responsibility of the security in the region.

Politics, Foreign Affairs and Security

- The Central Election Commission of Kyrgyzstan announced that the turnout in the parliamentary elections was about 60%, or about 1.5 million voters. According to preliminary results, the new Parliament will be formed by 6 parties: Social Democratic Party of Kyrgyzstan (27.45%), Respublika - Ata-Jurt (20.13%), Kyrgyzstan (12.81%), Onuguu-Progress (9.3%), Bir Bol (8.44%), Ata Meken (7.74%). The remaining 8 parties could not overcome the 7% barrier.
- The Supreme Court of Tajikistan declared the Islamic Renaissance Party of Tajikistan (IRPT) a terrorist organization and ruled to ban its activities in the country.
- Participants of the Contact Group on Ukraine signed an agreement on the withdrawal of tanks and weaponry with a caliber of under 100-mm from a separation line between Kiev-led forces and Donbass militia in eastern Ukraine. The first stage of the withdrawal started on October 3, 2015.
- During the meeting held in Paris, the heads of the Normandy Quartet countries, Russian President Vladimir Putin, Ukrainian President Petro Poroshenko, German Chancellor Angela Merkel and French President Francois Hollande, managed to agree on the procedure of the withdrawal of heavy weapons in eastern Ukraine and discussed the issue of the local elections in eastern Ukraine.
- The President of Russia, Vladimir Putin, and the President of the USA, Barack Obama, held talks on the sidelines of the UN General Assembly about Syria.
- In accordance with a decision of the President of Russia, Vladimir Putin, the Russian Aerospace Forces started a military operation against ground targets of the Islamic State terrorist group in the territory of Syria. The air operation was launched at the request of the President of Syria, Bashar Assad.
- The upper house of parliament of Kazakhstan has ratified the inter-governmental agreement with Russia on using the Balkhash complex. The agreement outlines the conditions of using the complex in the Russian missile attack warning system.

- Representatives and units of the Armed Forces and law enforcement agencies of Armenia, Belarus, Kazakhstan, Kyrgyzstan, Russia and Tajikistan, representatives of the International Committee of the Red Cross, and the Joint Staff and the Secretariat of the Collective Security Treaty Organization (CSTO) attended the joint drills of the CSTO peacekeeping forces "Nerushimoe Bratstvo" (Enduring Brotherhood) in Armenia.
- According to the Defense Ministry of Armenia, a separate peacekeeping brigade of the Armenian Armed Forces received an international certificate, in accordance with which, it would be able to send one battalion to peacekeeping operation zones on a par with the NATO member-countries.

Economy, Finance and Energy

- The Russian state oil and gas company, Gazprom, started shipping natural gas to Azerbaijan. Presently, the average daily volume is around 6 million cubic meters. The natural gas is being shipped according to a 5 year purchase-sale contract that was signed in September 2015. According to the contract, Gazprom will ship up to 2 billion cubic meters of gas annually.
- According to the Vice-Minister of Energy of Kazakhstan, Magzum Mirzagaliyev, the country's biggest oil producer, Chevron-led TengizChevroil (TCO), was expected to keep output at its 2014 level (26.7 million tons) in 2015 and 2016.
- Iranian oil exports to Asian markets increased almost 10% in August comparing with the same period in 2014. Imports by Iran's four biggest buyers - China, India, Japan and South Korea - totaled over 1 million barrels per day last month. In order to entice buyers Iran has dropped its quarterly price for term oil supplies to the lowest level in three years.
- During the 6th Russian-Azerbaijani Interregional Forum held in Yekaterinburg, Azerbaijan and Russia signed agreements on the implementation of joint investment projects, and on the development of foreign trade and economic cooperation.
- During the 5th Meeting of Economy Ministers of the Cooperation

Council of Turkic Speaking States (CCTSS) held in Astana, the high-ranked officials signed the Memorandums of Understanding (MoU) on cooperation in the field of investment statistics, and on the possibilities of experience exchange in the investment sphere. Moreover, the MoU was signed between small and medium sized enterprises of the CCTSS member-countries.

- According to the World Bank, the capital outflow from Russia is projected at \$113 billion in 2015. The capital outflow will decrease to \$82 billion and \$67 billion in 2016 and 2017 respectively.
- The upper house of the parliament of Kazakhstan ratified a protocol on joining the Marrakesh Agreement establishing the World Trade Organization.
- According to the Eurasian Development Bank, mutual direct investments in the Commonwealth of Independent States members fell by \$6.3 billion or 12% in 2014. However, mutual investments in the Eurasian Economic Union region increased from \$24.8 billion to \$25.1 billion in 2014.
- According to the data of the Statistics Committee of the Ministry of National Economy of Kazakhstan, year to date inflation rate in Kazakhstan amounted to 2.9%, while the annual (September 2014 - September 2015) inflation rate amounted to 4.4%.

Society and Culture

- The US Embassy in Tashkent was attacked by an unknown assailant, who threw two incendiary devices at the diplomatic mission. One of the incendiary devices exploded. No one was injured in the blast. It was the first attack on the US Embassy in Uzbekistan in over 11 years.
- The second round of the Syrian opposition negotiations was held in Astana. The participants of the Astana-2 talks signed a Final Declaration, which outlines the measures to overcome the crisis. The parties also discussed the problems of refugees in the region.
- According to the Russian Space Agency, Roscosmos, the Progress M-29M space freighter that was expected to bring 2.3 tons of cargos has docked with the International Space Station (ISS).