

BASIC PRINCIPLES
FOR
THE ESTABLISHMENT AND OPERATION OF THE
ASSOCIATION FOR THE PROMOTION OF AGRICULTURAL COOPERATION
BETWEEN CHINA AND CEE COUNTRIES

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1. Introduction

The Memorandum of Understanding between the Ministry of Agriculture and Food of the Republic of Bulgaria and the Ministry of Agriculture of the People's Republic of China signed in Bucharest on October 29, 2014, observing the laws of the two countries, provides for the establishment of the Association for the Promotion of Agricultural Cooperation between China and CEE countries. The establishment of the Association shall be the first step for the practical realization of that cooperation.

2. Legal Status

The Association for the Promotion of Agricultural Cooperation between China and CEE countries, hereinafter referred to as the "Association," shall be based at the Ministry of Agriculture and Food of the Republic of Bulgaria pursuant to Article 60 of the Law on Administration of the Republic of Bulgaria as a legal entity which shall be a secondary budget administrator under the Minister of Agriculture and Food of the Republic of Bulgaria.

The maintenance of the Association shall be formed mainly by a subsidy from the state budget of the Republic of Bulgaria, through the budget of the Ministry of Agriculture and Food of the Republic of Bulgaria, revenues from its own activities and donations. China and CEE countries shall not be obligated to pay annual or any other membership fee to the Association.

From the Bulgarian side the Association shall be managed and represented by a director, who will be appointed by the Minister of Agriculture and Food of the Republic of Bulgaria.

In performing its functions, the Director shall be assisted by a Consultative Board.

China and Bulgaria shall coordinate the CEE countries to jointly take part in the management of the Association by nominating their representatives to the Consultative Board or by other approaches in order to ensure the Association's efficient and practical functioning.

The Consultative Board members shall be nominated by the Ministers of Agriculture of each country.

Each country members of the Consultative Board must cover their own transport costs, accommodation costs and other related costs for the meetings of the Consultative Board, which shall be held in Sofia, Bulgaria, regularly twice a year.

As members of the Consultative Board, the Chinese side shall send its representatives at the level of Director General and Head of Division.

The Consultative Board shall discuss and propose the annual plans for the Association's activity.

The Consultative Board shall prepare annual and periodic reports on the Association's activities.

The meetings of the Consultative Board shall be summoned and chaired by the Bulgarian director of the Association, who shall also be a member of the Consultative Board. The meetings of the Consultative Board shall be considered valid if attended by at least two thirds of its members.

The Consultative Board shall decide by a majority of two thirds of the members present.

For each meeting, the decisions shall be noted in minutes which shall be signed.

If any member of the Consultative Board disagrees with a decision made, he/she may express a dissenting opinion in writing that shall be attached to the minutes.

If necessary, by a decision of the Chairman, the Consultative Board may conduct remote participation meetings under a written procedure.

The Chairman shall forward the issues under consideration to the members of the Consultative Board at least two weeks prior to a deadline for the statements.

Each member of the Consultative Board shall provide the statement of opinion within the deadline specified.

3. Activity

The activities of the Association will deepen and strengthen the cooperation in agriculture between China and the CEE countries on a mutually beneficial basis through sharing ideas, exchange of good practices and research for innovative solutions. Such cooperation shall broaden the horizons of the countries, helping them to find a sustainable model of agriculture, as well as to promote the development of trade in agricultural and food products between them.

The Association shall assist in strengthening bilateral and multilateral cooperation between China and CEE countries in the field of agriculture and food by identifying and selecting its key areas and by stimulating efficient interaction between economic entities of the countries. The Association shall be a platform for planning and promoting the implementation of practical cooperation between real entities in agriculture - associations and companies engaged in agriculture, harvesting and processing of produce, manufacturers of food, beverages and equipment for agriculture, traders and investors in those fields.

In order to promote the further development of trade relations in the agricultural sector between China and the CEE countries, the Association could assist in opening of National Pavilions of CEE countries in the Shanghai Free-Trade Zone as a permanent trading platform. Thus it will be made possible the promotion of agricultural products from CEE countries which could find good reception in the Chinese market such as meat and meat products, milk and dairy products, canned fruit and vegetables and juices, honey, mushrooms, wine and alcoholic beverages, mineral water, tobacco and tobacco products, etc.

The Association shall function as a platform for the promotion on bilateral and multilateral basis of business contacts and business interaction between companies, organizations and associations of China and the 16 CEE countries and thus it will contribute to the conclusion of specific transactions for trading agricultural and food products, it will assist in attracting and making investments in the field of agriculture and food industry, it will contribute to the establishment of joint ventures and it will support the implementation of various bilateral and multilateral projects in the field of agriculture and food.

As regards the Association's operation as an information link between China and CEE countries, a platform shall be set up for cooperation contacts, database exchange and

establishment of a contact network between Chinese institutions, organizations and enterprises and their counterparts in the 16 CEE countries, for facilitating business contacts, exchange of information and other matters of mutual interest.

The official website of the Association for the Promotion of Agricultural Cooperation under the Initiative for Cooperation between China and CEE countries /www.china-ceec-agri.org/ provides a single database and is an efficient tool for searching and finding up-to-date investment projects, appropriate business partners, producers and traders from all the fields of the agricultural sector.

The single database will be managed by the Bulgarian side. Chinese and CEEC's Ministries and companies will be automatically registered in the single database. A contact person shall be appointed in the Ministries of Agriculture of China and the CEE countries.

Any stakeholder shall be able to submit its company profile as well as to specify the kind of cooperation desired with a foreign partner. The database shall be electronically filled in by the contact person in every Ministry. Users shall submit a request form, available on the internet site of the Association. Updated information about cooperation shall be published on the official website of the Association by the Bulgarian contact person and it shall be accessible for all network partners in China and CEE countries.

Through the single database, the contact points of the network of all 17 countries shall exchange information and disseminate offers for business cooperation. It shall be possible to find manufacturing, trade or financial partners in the offer bulletin.

The single database shall help encourage trade in agricultural and food products by providing timely information about the trade fairs and agricultural exhibitions traditionally carried out in China and CEE countries.

4. Conclusion

The expected results after the launch of the operation of the Association will be to increase regional cooperation in the field of agriculture and food between the CEE countries and to extend their cooperation in that field with China which is one of the largest markets for

agricultural products in the world, to increase the opportunities for attracting foreign investment in the sector and intensify the participation of China and the 16 CEE countries in the implementation of various projects in the agricultural sector, etc.

Done in Sofia on June 26, 2015 in two original copies in English and Chinese. All copies are equally authentic. In case of differences in the interpretation, the text in English shall prevail.

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For the Ministry of Agriculture of the People's Republic of China

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**For the Ministry of Agriculture,
Rural Development and
Water Management of
the Republic of Albania**

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**For the Ministry of Foreign Trade
and Economic Relations of
Bosnia and Herzegovina**

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**For the Ministry of Agriculture
and Food
of the Republic of Bulgaria**

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**For the Ministry of Agriculture
of the Republic of Croatia**

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**For the Ministry of Agriculture
of the Czech Republic**

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**For the Ministry of Agriculture
of the Republic of Estonia**

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**For the Ministry of Agriculture
of Hungary**

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**For the Ministry of Agriculture
of the Republic of Latvia**

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**For the Ministry of Agriculture
of the Republic of Lithuania**

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**For the Ministry of Agriculture,
Forestry and Water Economy
of the Republic of Macedonia**

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**For the Ministry of Agriculture
and Rural Development

of Montenegro**

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**For the Ministry of Agriculture
and Rural Development

of the Republic of Poland**

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**For the Ministry of Agriculture
and Rural Development
of Romania**

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**For the Ministry of Agriculture
and Environmental Protection
of the Republic of Serbia**

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**For the Ministry of Agriculture
and Rural Development
of the Slovak Republic**

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**For the Ministry of Agriculture,
Forestry and Food
of the Republic of Slovenia**