AGREEMENT

Between

The "Euro-region Armenia" and the Communities' Association of Armenia (CAA) from one side and

The "Trans-Frontier Cooperation Council" and The National Association of Local Authorities of Georgia (NALAG) form another side

ON ESTABLISHMENT OF "EURO-CAUCASUS" FOR PROMOTION OF TRANS-FRONTIER COOPERATION

Whereas, undersigned parties respect partnership and good neighborhood between Armenian and Georgian nations which takes its roots from long history;

Whereas, undersigned parties recognizes sovereignty, territorial integrity and superiority of their respective countries

Whereas, undersigned parties admire supremacy of national interests, domestic legislation and European principles of trans-frontier cooperation

Hereafter agreed on:

Article 1 - Subject of Agreement

To establish special entity for trans-frontier cooperation along the border line between Armenia and Georgia

Article 2 - Legal Name

Name of the Entity is "Euro-Caucasus".

Article 3 - Mandate

- 3.1. "Euro-Caucasus" aims at economic, social, ecological and cultural cooperation and exchange among the municipalities, population and NGOs located across the Armenian-Georgian border.
- 3.2. "Euro-Caucasus" realizes its mandate via joint projects, development activities and direct dialog between Armenian and Georgian local elected officials.

Article 4 - Territorial Scope

Territorial scope for the Trans-frontier cooperation includes territories of local self-government units, from both sides of Armenian-Georgian border line.

Article 5 - Institutional Arraignments

- 5.1 "Euro-Caucasus" is established by "Euro-region Armenia" and CAA from Armenia and "Trans-Frontier Cooperation Council", and NALAG from Georgia
- 5.2 Governing body of the "Euro-Caucasus" is the Partnership Council (PC), which is composed by 10 representatives from which 5 are representatives from Armenia Nominated by the "Euro-region Armenia" and CAA and 5 are representatives from Georgia nominated by the "Trans-

Frontier Cooperation Council" and NALAG. Decisions are taken on bases of consensus between the parties. Working conditions for PC is to be regulated by the separate rules of procedure.

- 5.3. Chairman of the "Euro-region Armenia" and Chairman of the "Trans-Frontier Cooperation Council" are co-presidents of the PC, with representative function.
- 5.4. PC may establish special commissions to discuss specific issues of trans-frontier cooperation. Committees can be composed by local officials and invited experts. Decisions of Committees have only recommendative nature.
- 5.5. PC establishes National Secretariats which are leaded by Executive directors. Executive directors are nominated by the "Euro-region Armenia" for Armenia and by the "Trans-frontier cooperation council" for Georgia.

Article 6 - Areas of Interests

Areas of interest for trans-frontier cooperation are:

- promote Joint Economic Development
- SME support
- Cultural exchange and Youth program
- people-to-people-activities
- Tourism development
- Joint infrastructure and public utilities
- Social infrastructure and programs
- Environment protection
- Exchange of Know-how and best Practice
- Public education and NGO support
- support Freedom of movement and free trade

Article 7 - Coordination with respective National Bodies

7.1. Undersigned parties inform respective national Governments on signing this agreement and periodically update them with information on activity of the "Euro-Caucasus". They invite representatives of respective central governments in each meeting of the Partnership council.
7.2. All decisions of the Partnership council are open and published in Georgian and Armenian Languages.

Article 8. - Enforcement and withdrawal procedures

- 8.1. This agreement is enforced after its signature by the authorized representatives. Official notification should be sent to the Council of Europe on the fact of enforcement of this transborder cooperation agreement.
- 8.2. Signatory sides have right to withdrew from this agreement, after prior notification in one month period

This declaration is signed in Thilisi on the fiftieth day of June 2009, in two copies on Armenian, Georgian and English Languages. English Language copy has legal supremacy.

on behalf of "Euro-Region Armenia"

on behalf of "Trans-frontier Cooperation Council"

Mr. Samvel DARBINYAN
Mayor of the City of Vanadzor

Mr. Nodar SABIASHVILI. Head of Bolnisi Municipality

on behalf of CAA

on behalf of NALAG

Mr. Emin YERITSYAN President of CAA Mr. Mamuka ABULADZE President of NALAG