

Protocol
of the 6th Session of the Joint Intergovernmental Commission for
Economic Cooperation
between Georgia and the Islamic Republic of Iran
October 9-10, 2017, Tbilisi, Georgia

The 6th Session of the Joint Intergovernmental Commission for the Economic Cooperation between Georgia and the Islamic Republic of Iran, hereinafter referred to as the “Joint Commission”, was held in Tbilisi, Georgia, October 10, 2017 corresponding to 18 Mehr, 1396.

The Commission was co-chaired by H.E Mr. Giorgi Gakharia, Minister of Economy and Sustainable Development of Georgia and H.E Mr. Ali Rabiei, Minister of Cooperatives, Labour and Social Welfare of the Islamic Republic of Iran.

The lists of participants of both delegation and the Agenda of the Session are attached to this Protocol, as Annexes I and II respectively.

Both sides emphasized that existing fruitful bilateral relations between Georgia and the Islamic Republic of Iran are based on historic and cultural ties. Both sides reiterated that throughout the years the two countries have developed bilateral relations guided by the principles of mutual respect and benefit.

Both sides noted that 2017 marks the 25th anniversary of Georgia-Iran diplomatic relations and highlighted this excellent precondition for advancing bilateral relations to a qualitatively new level.

Both sides underlined the importance of recent high-level visits between Georgia and the Islamic Republic of Iran. In this context, the visits of H.E. Mr. Giorgi Kvirikashvili, Prime Minister of Georgia to Tehran on April 22, 2017 and H.E. Mr. Mohammad Javad Zarif, Minister of Foreign Affairs of the Islamic Republic of Iran to Tbilisi on April 17-18, 2017 were highly remarked.

Both sides highlighted the importance of the first annual Tbilisi Silk Road Forum held on October 15-16, 2015 in Tbilisi and stressed the significant role that it played in expanding economic cooperation between the partners countries, by means of achieving successful revival of the Silk Road route. In this regard, Georgian side expressed its gratitude to the Iranian side, represented by H.E. Mr. Dawood Keshavarzian, Deputy Minister of Roads and Urban Development, for his active participation in Tbilisi Silk Road Forum, 2015.

Georgian side informed the Iranian Side about holding the second “Tbilisi Belt and Road Forum” on November 28-29, 2017 in Tbilisi and extended its cordial invitation to the Iranian side to participate in this event on the highest level.

The 6th Session of the Joint Intergovernmental Commission for Economic Cooperation between Georgia and the Islamic Republic of Iran was held in an atmosphere of friendship and mutual

understanding, reflecting the desire of both countries to find efficient solutions for further intensification and development of bilateral relation in different sectors of their economies.

During the Commission's Session, following sectors of mutual cooperation were discussed:

1. Cooperation in the field of Trade

Both sides exchanged information concerning issues of bilateral trade and economic development in their respective countries, which may facilitate and strengthen the development of their bilateral economic cooperation.

Both sides declared that recent bilateral trade volume does not reflect the real economic potential of Georgia and Iran. In this regard, both sides expressed their readiness to exert further efforts in order to promote trade cooperation.

In order to intensify bilateral trade and economic ties between Georgia and Iran, both sides emphasized their interest to promote export products in their respective markets and welcomed possibilities of cooperation in the following activities:

- Contribute to the further expansion of contacts between enterprises, organizations, companies and other economic entities, which conduct activities on the territory of the two countries in accordance with their national legislation.
- Exchange a list of competitive export products for further dissemination to the interested businesses and share information about the companies interested in trading Georgian and Iranian goods;
- Both sides agreed to introduce the websites – www.tradewithgeorgia.com and www.tpo.ir to their local businessmen in order to exchange economic and trade information;
- Exchange of trade missions/delegations, organization of business forums, etc. for the purpose of supporting bilateral cooperation between Georgian and Iranian entrepreneurs;
- Both sides expressed interest to participate in their international exhibitions for the purpose of introducing commercial potentials;
- Sharing experience, knowledge and information about trade, FDI and entrepreneurship, entrepreneurs support programs available in Georgia and Iran and export possibilities;
- Considering of holding seminars and training programs for SMEs.

Legal Entity of Public Law (LEPL) Enterprise Georgia welcomes the possibility of establishing close cooperation with peer organizations responsible for export and private sector (SMEs) promotion in Iran.

Iranian side expressed interest to support business center's activities in Georgia.

Georgian side expressed interest to start discussion on possible reduction of Iranian import tariffs for Georgian products, including non-alcoholic beverages.

Iranian side expressed interest to provide information about automobile industry in Iran for exporting to Georgia.

2. Cooperation in the field of Investment

Both sides highlighted that existing economic situation in Georgia and Iran are favorable for the development of bilateral investment cooperation. In this regards, both sides noted that existing business environment in both countries for investments provides opportunities for further developing of bilateral cooperation in the fields of manufacturing, business process outsourcing (BPO), research and development (R&D), transport and logistics, IT, energy, hospitality and real estate. Both sides agreed to exchange information on the investment legislation and investment projects in the above-mentioned sectors.

Both sides expressed their willingness to share experience in the field of doing business and improving investment climate, through joint seminars and workshops.

Iranian Social Security Investment Company (SSIC) affiliated to the Ministry of Cooperatives, Labour and Social Welfare of the Islamic Republic of Iran expressed its readiness to cooperate with Georgian side in the field of trade and investment in the sectors of mutual interest. Georgian side welcomed the proposal of Iranian side.

3. Cooperation in the field of Transport

Both sides welcomed the existing cooperation in the field of transport and expressed their willingness to continue building stronger partnership in this sector.

Both sides expressed their satisfaction regarding the effective cooperation in the field of Civil Aviation and underlined the significant growth in passenger traffic, during the recent years. Both sides highlighted the importance of proceeding active cooperation in the field of Civil Aviation in order to preserve the growing trend.

Both sides noted the upward trend in road transport volumes between the two countries and expressed their readiness to facilitate further development of international road transport.

In this regard, both sides agreed to continue active work engaging respective authorities to eradicate factors hindering the international road transport between the two countries. The Georgian side addressed the Iranian side to fully perform obligations taken at the 6th and 7th Commission Meetings on the International Road Transportation of Goods and Passengers.

Moreover, both sides emphasized the significance of developing multimodal transport between the two countries and expressed their willingness to make best efforts to exploit full transport potential of Georgia and Iran, including enhancing cooperation in railway and maritime transport.

Both sides noted the importance of negotiating and concluding the draft Agreement on the Establishment of International Transport Corridor (Persian Gulf-Black Sea) in the near future. Upon the proposal of the Iranian side as the depositary, the Georgian side agreed to host the third expert group meeting for finalizing the text of the Agreement on October 26-27, 2017 in Tbilisi.

The Commission stressed out the importance of developing the South-West multimodal transport project. The sides took note of the recent meetings of the heads of Railways of the concerned countries held in Tbilisi, Baku and Odessa, where the possibilities and perspectives of multimodal transportation through the South-West Route were discussed.

Herewith, the Georgian side provided the information regarding the meetings conducted by Georgian state representatives in Delhi, India on September 14-15, 2017 on the issues of exploring opportunities to develop the South-West Route, representing the shortest transit route for India to Europe through Iran and Georgia. In this regards, both sides agreed to set up a working group in multilateral format by engaging respective representatives from Georgia, Iran, India and Azerbaijan to discuss and assess the feasibility of the South-West Route, for promoting and attracting cargo in this corridor.

Both sides noted with satisfaction that through rates have been introduced from the Mumbai Port (India) to Slavkov (Poland) through the territory of Iran-Azerbaijan-Georgia-Ukraine. Georgian side stated that it is interested in timely commencement of the operation of ferry line in the port of Amirabad, in order to carry out freight transportation until the completion of the construction of the Astara-Rasht railway section. Both sides reiterated that Georgia and Iran have already set through tariffs for the abovementioned ferry route.

Georgian side informed the Iranian side on capabilities of Georgian manufacturers of railway freight wagons as well as locomotives and metro wagons, and expressed readiness to provide the above-mentioned products to the Islamic Republic of Iran in case of such interest. Georgian side will send the list of the above-mentioned products to the Iranian side.

4. Cooperation in the field of Energy

4.1 Power Sector

Taking into account the strong interconnections of the Georgian and Iranian electric networks with the neighboring countries as well as good electricity trade opportunities between the two countries, both sides agreed to review the possibility of interconnection of the two countries' electric networks through the neighboring countries' power systems and realize the bilateral electricity trade and seasonal electricity exchange. In this respect, the tripartite meeting with the participation of the Armenian side for starting the electricity exchange between Georgia and Iran will be organized within 2 months and the sides will provide all relevant information for exchange and analyses. The seasonal electricity exchange and bilateral trade for additional volumes of energy can further be investigated by cooperation with Azerbaijani side in later stage.

The Commission underlined that both sides are involved in the North-South Energy Corridor project (Armenia, Georgia, Iran, Russia- AGIR) and for this purpose relevant feasibility study is under development by the internationally known consulting company. Both sides stressed that timely submissions of technical, economic and financial data (in accordance with agreed Questionnaire) is important in order to ensure successful completion of the feasibility study. It is

announced that the fourth AGIR experts working meeting will be held in Tehran, during 24-25 October, 2017.

The Iranian side expressed its readiness to host the Third Coordinating Council of AGIR in Tehran. Based on the procedures, agreed between the countries involved in AGIR format. The specific date will be coordinated among member country's focal points, preferably by the end of 2017.

Both sides agreed to discuss the possible participation of the Iranian companies to develop and invest in new power generation projects in Georgia. Iranian side expressed its readiness to cooperate with Georgian side in research and feasibility study of hydropower potentials, and hereby, introduced Iran Water & Power Resources Development Company (IWPC) during the Session. The Iranian side provided to the Georgian side the draft of Memorandum of Understanding in the abovementioned field. Georgian side expressed readiness to review and discuss the draft text of the MoU.

Iranian side proposed to jointly investigate the possibilities for investment of Georgian private companies in renewable energy sector of Iran and introduce Iran Renewable Energy and Efficiency Organization (SATBA) for cooperation with Georgian side.

Iranian side expressed its readiness to participate in future thermal power plant projects in Georgia and introduce the Thermal Power Plants Holding Company (TPPH) to cooperate with Georgian side in this field. Both sides emphasized on the realization of possibilities for sharing know-how, experience in Operation and Maintenance (O&M) and on cooperation in organizing technical workshops in the aforementioned area.

4.2 Gas Sector

Both sides agreed to review and assess the possibility of the Georgian side to purchase natural gas from Iran.

Both sides agreed to discuss issues of multilateral cooperation in the field of gas transmission and trade including the format of future cooperation between the other potential countries involved.

In order to deepen cooperation in gas sector, both sides expressed their readiness to cooperate by means of the following activities:

- Consider possibilities of export of Iran's natural gas to Georgia;
- Consider the possibilities to cooperate in the field of investments between the National Iranian Gas Company and relevant Georgian institution for further development of projects in gas sector;
- Explore the possibilities of export of equipment and spare parts from Iran to Georgia;
- Provide engineering and construction consulting services;
- Exchange the know-how in natural gas projects implementation and management;
- Share information on natural gas industry regulations and standards.

4.3 Oil and petrochemical Sector

Both sides will consider possibilities of export/transit of Iranian crude oil and oil products including gasoil, fuel oil, LPG, and petrochemical products to Georgia.

5. Cooperation in the fields of Communications, Information Technologies and Innovations

Both sides emphasized the importance of cooperation in the field of Communications, Information Technologies and Innovations and agreed to facilitate further development of cooperation between relevant Ministries and bodies, which will promote the close ties between the sides in achieving the global goals of sustainable development by using digital technologies.

Both sides agreed to strengthen the cooperation in the fields of Electronic Communications, Information Technologies and Post within the framework of the Memorandum of Understanding (MoU) between the Ministry of Economy and Sustainable Development of Georgia and the Ministry of Communications and Information Technology of the Islamic Republic of Iran on Cooperation in the fields of Electronic Communications, Information Technologies and Post, signed in Tehran, on April 22, 2017.

Both sides agreed to deepen cooperation in increasing the internet traffic volume from Iran to Europe through the territory of Georgia and vice-versa.

Both sides agreed to use transit facilities of each other to send postal items to the third countries.

Both sides agreed to continue close cooperation and mutual support in the framework of the sector specialized international organizations, such as International Telecommunication Union (ITU) and Universal Postal Union (UPU).

Both sides took note that international telephone and postal services between Georgia and the Islamic Republic of Iran are carried out in accordance with international law and relevant international Acts of International Telecommunication Union (ITU) and Universal Postal Union (UPU).

Iranian side expressed its readiness for technical cooperation in the field of electronics, telecommunications, co-production of information technology platforms.

In case of interest, both sides agreed to deepen collaboration to promote startup, innovation and technology development in both countries, through participating and initiating joint projects and organizing the events (trade missions, B2B, etc.). As well as, partnership between science and technology parks.

6. Cooperation in the field of Agriculture

For assuring the implementation of the agreements in the agriculture sector between the two countries, both sides agreed on forming a working group in the field of agriculture.

Both sides welcomed the conclusion of Memorandum of Understanding on Plant Production and Quarantine on April 22, 2017, in Tehran, and emphasized on its effective implementation.

Iranian side expressed its interest to sign Memorandum of Understanding (MoU) on Veterinary and Animal Health and provided draft of the mentioned MoU to Georgian side. Georgian side welcomed this initiative and expressed its readiness to consider the possibility to conclude the MoU.

Georgian side expressed its readiness to facilitate participation of Iranian private sector in Georgia's silk sericulture development of cooperation, especially in the areas of silkworm production, mulberry and technical knowledge, through scientific research institutes.

Both sides agreed to exchange knowledge and experience about beef cattle breeding poultry and bee farming.

Iranian side proposed establishment of marketing cooperation and export of Iranian horticultures (fresh fruits, vegetable, dried fruits, medical herbs, saffron, mushroom and ornamental plants) to Georgia.

Both sides expressed their readiness for carrying out joint research projects on greenhouse products.

Both sides agreed to facilitate export of different kinds of animal husbandry equipment and the transfer of technology.

Iranian side expressed its readiness to share their knowledge and technologies in aquaculture and exchange technical information on fishing methods and management, which were welcomed by the Georgian side.

7. Cooperation in the fields of Standardization and Metrology

Both sides expressed their interest to cooperate and share information in the fields of Standardization and Metrology. In order to identify possible directions of future cooperation, both sides agreed to share brief information regarding the existing systems in standardization and metrology sectors.

8. Cooperation in the field of Customs

Both sides agreed to start negotiations on a new Agreement on Mutual Administrative Assistance on Customs Matters (based on World Customs Organization (WCO) model text), taking into consideration that the Partnership Agreement on Cooperation in Customs Sphere, signed in 1996 does not respond to modern challenges existing in the field of customs.

Both sides agreed to negotiate on the text proposed by the Iranian side concerning the electronic exchange of customs data, regarding goods and transport means.

Both sides declared their readiness to establish cooperation on educational matters in order to extend more mutual customs relations.

9. Cooperation in the field of Education

Both sides agreed to cooperate on issues related to the mutual recognition of educational certificates obtained in Georgia and Iran, establish direct communications between the higher educational institutions of the two countries, including exchange of students, researchers, academic and administrative staff between the higher educational institutions.

Both sides agreed to accelerate the process of signing of the Memorandum of Understanding (MoU) on cooperation in Scientific, Educational and Cultural Fields. Georgian side noted that edited version of the MoU was submitted to the Iranian Side through diplomatic channels for further consideration. Both sides underlined that specific activities in line with MoU will be further defined by an annual action plan approved by the working group on the Deputy Ministerial level.

10. Cooperation in the field of Culture

Both sides stressed the importance of signing the “Agreement between the Ministry of Culture and Monument Protection of Georgia and the Ministry of Culture and Islamic Guidance of the Islamic Republic of Iran on Cooperation in the field of Culture” focused on prospects for the development and further strengthening of bilateral relations.

Both sides agreed to enhance cultural collaboration between Georgia and Iran, promote direct cooperation between culture and creative sectors of the two countries, facilitate participation of professionals from culture and creative sectors in international festivals, fairs, conferences, seminars and other events organized in both countries, encourage exchange of specialists in the fields of culture and arts, cultural heritage, museums, literature, cinema activities and related fields.

Iranian side expressed its interest to establish direct contact with Georgian cultural, scientific and research institutions in order to explore the possibilities of future cooperation.

11. Cooperation in the Field of Banking and Capital Markets

Both sides expressed their readiness to meet and discuss the topics within their competence, and for that purpose create dedicated working groups, with participation of the representatives of the Central Banks of Georgia and Iran, which will work in cooperation with each other in order to facilitate the dialogue between the sides, within their competence.

Georgian side expressed its readiness to submit list of top 10 commercial banks to Iranian side in order to discuss future possibility of starting negotiations of opening corresponding banking accounts between commercial banks.

Both sides expressed their readiness to start negotiations of drafting and signing Memorandum of Understanding on topics within their competence, including Financial Sector supervision, fighting money laundering and supervision of capital markets.

Tose'e Ta'avon Bank expressed its readiness to establish a branch or subsidiary in Georgia according to the Georgian legislation and Georgian side agreed to submit relevant Laws and requirements as soon as possible through e-mail or diplomatic channel.

12. Cooperation in the field of Tourism

Both sides expressed their readiness to further develop cooperation between Georgia and the Islamic Republic of Iran in the field of tourism.

Both sides agreed to launch negotiations, as soon as possible, on the new draft of the Memorandum of Understanding in the field of tourism and its action plan. In this regards, Georgian side will provide the draft MoU to Iranian side for its consideration.

13. Cooperation in the field of Sports

Both sides agreed to deepen cooperation in the field of sports. In this regard, sides agreed to:

- Promote exchange programs of professional athletes and trainers between two countries in order to raise qualification;
- Popularize national sports in respective countries;
- Organize seminars and training sessions in order to raise qualification in physical education and science;
- Exchange best practices in the field of sport management and good governance;
- Strengthen cooperation in the field of grassroots sports and in "sport for all" direction;
- Sign an action plan of the Memorandum of Understanding in Sport and Youth Affairs, signed in Tehran, on April 22, 2017.

14. Cooperation in the field of Environment

Both Sides expressed their interest in continuing cooperation in accordance with the Memorandum of Understanding (MoU) between the Ministry of Environment Protection of Georgia and Department of Environment of the Islamic Republic of Iran on Cooperation in the field of Environment, signed in September 2012, in Tbilisi and extended by the Joint Statement between the Ministry of Environment and Natural Resources Protection of Georgia and the Department of Environment of the Islamic Republic of Iran on Strengthening the Cooperation in the field of Environment, signed on April 22, 2017, in Tehran.

Both Sides recognized the abovementioned Memorandum of Understanding in the field of environment as the framework for future cooperation in the areas of mutual interest.

15. Cooperation in the field of Health

Both sides agreed to develop and strengthen cooperation in all areas of health, including public health, education, research, medicines and medical equipment.

Both sides emphasized on the conclusion of Memorandum of Understanding in the field of health and holding a meeting of the joint working group for making decision about the implementation of bilateral agreements in the field of health and set relevant action plan.

Both sides agreed on bilateral cooperation in the field of health tourism.

Both sides agreed to exchange the rules and regulations, and experiences in the field of medicines and medical supplies.

Both sides agreed to transfer technology and the establishment of pharmaceutical production and medical equipment units, based on bilateral agreements.

Both sides agreed in developing cooperation between the food and drug control reference laboratories of two countries.

16. Cooperation in the field of Labour and Social Welfare

Both sides agreed to cooperate in development of social services.

Both sides expressed readiness to share experience in vocational trainings, for jobseekers, in particular for vulnerable groups (youth, persons with disabilities).

Both sides expressed its readiness to exchange information in the field of social welfare that may include training courses and technical meetings on supporting persons with disabilities, as needed and share experience in targeted social assistance.

17. Cooperation between the Municipalities

Municipalities of Tbilisi and Tehran expressed their readiness to:

- Support SMEs programs with the focus on developing local craft shops and art technique enterprises;
- Conduct mutual projects in urban greening and bio-diversity conservation;
- Deepen bilateral cultural links between the Cities.

Both sides expressed readiness to discuss future cooperation opportunities in the framework of Tbilisi-Tehran Sister-City Agreement and introduce the delegations from both sides.

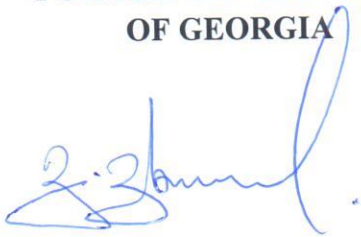
18. Other fields of Cooperation

Both sides agreed to conclude an Agreement between the Government of Georgia and the Government of the Islamic Republic of Iran on Legal Assistance in Civil, Commercial and Administrative Matters and an Agreement between the Government of Georgia and the Government of the Islamic Republic of Iran on Transfer of Sentenced Persons.

Both sides agreed that the 7th Session of the Joint Intergovernmental Commission for the Economic Cooperation between Georgia and the Islamic Republic of Iran will be held in Tehran, on a date determined through diplomatic channels.

Signed in Tbilisi, on October 10, 2017 corresponding to 18 Mehr 1396 in Georgian, Persian and English languages, in duplicate. All texts being equally authentic. In case of divergence in interpretation, the English text shall prevail.

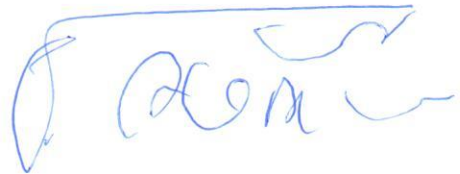
**FOR THE GOVERNMENT
OF GEORGIA**

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Giorgi Gakharia

**Minister of Economy and Sustainable
Development**

**FOR THE GOVERNMENT OF THE
ISLAMIC REPUBLIC OF IRAN**

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Ali Rabiei

**Minister of Cooperatives, Labour
and Social Welfare**