Decision Enacting The Law On Amendments To The Law On Earmarking And Channelling A Part Of The Company's Revenue Effectuated On The Basis Of The Use Of The Hydro-Power Plants

In the exercise of the powers vested in the High Representative by Article V of Annex 10 (Agreement on Civilian Implementation of the Peace Settlement) to the General Framework Agreement for Peace in Bosnia and Herzegovina, according to which the High Representative is the final authority in theatre regarding interpretation of the said Agreement on the Civilian Implementation of the Peace Settlement; and considering in particular Article II.1. (d) of the last said Agreement, according to the terms of which the High Representative shall "Facilitate, as the High Representative judges necessary, the resolution of any difficulties arising in connection with civilian implementation";

Recalling paragraph XI.2 of the Conclusions of the Peace Implementation Conference held in Bonn on 9 and 10 December 1997, in which the Peace Implementation Council welcomed the High Representative's intention to use his final authority in theatre regarding interpretation of the Agreement on the Civilian implementation of the Peace Settlement in order to facilitate the resolution of any difficulties as aforesaid "by making binding decisions, as he judges necessary" on certain

issues including (under sub-paragraph (c) thereof) measures to ensure implementation of the Peace Agreement throughout Bosnia and Herzegovina and its Entities";

Further recalling that on 2 August 2000 the City Council of Mostar enacted the *Decision on the fee for the management of areas for providing infrastructure* pursuant to the Amendment XVI to the BiH Federation Constitution, Amendment I to the Constitution of the Hercegovina-Neretva Canton, article 64 of the Law on Local Self-Government of the HN Canton, article 5 of the Law on distribution of Public Revenues of the HN Canton, article 7, paragraph 2 and article 64 of the Interim Statute of the City of Mostar;

Noting that the fees stipulated in the said Decision provided approximately 50% of the revenues of the budget for the funding of the Administration of the City of Mostar;

Noting further that one of the effects of the subsequently adopted Law on Earmarking and Channeling a part of the Company's Revenue Effectuated on the Basis of the Use of Hydro-Power Plants (Official Gazette of the Federation of Bosnia and Herzegovina, 44/02) is to re-allocate the revenues provided for under the Decision mentioned in the preceding paragraph to the budget of the municipalities and not to the budget of the Administration of the City of Mostar;

Noting also that this has created a financial crisis for the Administration of the City of Mostar and without these fees from the stipulated companies to the Administration of the City of Mostar, the latter would collapse financially and, consequently would be unable to render public services in the City of Mostar;

Recalling paragraph 3 of the Federation Annex to the Conclusions of the Peace Implementation Conference held in Bonn on 9 and 10 December 1997 in which the Peace Implementation Council urged "the Federation rapidly to […]

ensure that the City of Mostar and its unified City Administration is operational in all aspects”.

Considering that steps have already been taken to establish a Commission tasked with producing a comprehensive proposal for the administrative future of the City, including its financing;

Bearing in mindthat a unified Mostar City with a functioning City Administration is fundamental to create a democratic and multi-ethnic political process on local level;

*Having considered*and borne in mind the totality of the matters aforesaid, the High Representative hereby issues the following:

DECISION

ENACTING THE LAW ON AMENDMENTS TO THE LAW ON EARMARKING AND CHANNELLING A PART OF THE COMPANY’S REVENUE EFFECTUATED ON THE BASIS OF THE USE OF THE HYDRO-POWER PLANTS

(Official Gazette of the Federation of Bosnia and Herzegovina, 44/02)

The said Law shall enter into force as a law of the Federation of Bosnia and Herzegovina, with effect from the date provided for in Article 2 thereof, on an interim basis, until such time as the Parliamentary Assembly of the Federation of Bosnia and Herzegovina adopts this Law in due form, without amendments and with no conditions attached.

This Decision shall come into force forthwith and shall be published without delay in the Official Gazette of the Federation of Bosnia and Herzegovina.

Sarajevo, 17 April 2003

Paddy Ashdown
High Representative

LAW ON AMENDMENTS TO THE FEDERATION OF BOSNIA AND HERZEGOVINA LAW ON EARMARKING AND CHANNELLING A PART OF THE COMPANY'S REVENUE EFFECTUATED ON THE BASIS OF THE USE OF THE HYDRO-POWER PLANTS

Article 1

In the Law on Earmarking and Channeling of a part of the company's revenue effectuated on the basis of the use of the hydro-power plants ("Official Gazette of Federation of Bosnia and Herzegovina, 44/02) Article 10 shall be amended by the addition at the end thereof of a new paragraph which shall read as follows:

"As an exception to the previous paragraph of this Article, the Decision on the fee for the Management of areas for providing infrastructure (City Official Gazette of the City of Mostar1/2000) as amended by the High Representative's Decision of the date hereof shall apply in its amended form until such time as suitable arrangements have been made for a unified administrative structure for the City as a whole, including its financing but no later than 30th April 2004 to the category of payers set out in Article 2 paragraph 1 of the said Decision and which comprise companies for the generation, transmission and distribution of electric power which are using the hydro power plants in the territory of the City of Mostar.

From the 1st May 2004, the amendments to the Decision in respect of the said category of payers shall be without legal force and cease to apply"

Article 2

These amendments shall have immediate effect and shall be published in the Official Gazette of the Federation of Bosnia and Herzegovina without delay.