

Annex 9

Agreement on Establishment of Bosnia and Herzegovina Public Corporations

Bearing in mind that reconstruction of the infrastructure and the functioning of transportation and other facilities are important for the economic resurgence of Bosnia and Herzegovina, and for the smooth functioning of its institutions and the organizations involved in implementation of the peace settlement, the Federation of Bosnia and Herzegovina and the Republika Srpska (the "Parties") have agreed as follows:

Article I: Commission on Public Corporations

1. The Parties hereby establish a Commission on Public Corporations (the "Commission") to examine establishing Bosnia and Herzegovina Public Corporations to operate joint public facilities, such as for the operation of utility, energy, postal and communication facilities, for the benefit of both Entities.
2. The Commission shall have five Members. Within fifteen days after this Agreement enters into force, the Federation of Bosnia and Herzegovina shall appoint two Members, and the Republika Srpska one Member. Persons appointed must be familiar with the specific economic, political and legal characteristics Bosnia and Herzegovina and be of high recognized moral standing. Recognizing that the Commission will benefit from international expertise, the Parties request the President of the European Bank for Reconstruction and Development to appoint the remaining two Members and to

designate one as the Chairman.

3. The Commission shall in particular examine the appropriate internal structure for such Corporations, the conditions necessary to ensure their successful, permanent operation, and the best means of procuring long-term investment capital.

Article II: Establishment of a Transportation Corporation

1. The Parties, recognizing an immediate need to establish a Public Corporation to organize and operate transportation facilities, such as roads, railways and ports, for their mutual benefit, hereby establish a Bosnia and Herzegovina Transportation Corporation (the "Transportation Corporation") for such purpose.
2. The Transportation Corporation shall have its headquarters in Sarajevo and may have offices at other locations as it deems appropriate. It shall have appropriate facilities and choose a professionally competent Board of Directors, Officers and Staff, generally representative of the ethnic groups comprising Bosnia and Herzegovina, to carry out its functions. The Commission shall choose the Board of Directors, which shall in turn appoint the Officers and select the Staff.
3. The Transportation Corporation is authorized to construct, acquire, hold, maintain and operate and dispose of real and personal property in accordance with specific plans that it develops. It is also authorized to fix and collect rates, fees, rentals and other charges for the use of facilities it operates; enter into all contracts and agreements necessary for the performance of its functions; and take other actions necessary to carry out these functions.
4. The Transportation Corporation shall operate transportation facilities as agreed by the Parties. The

Parties shall, as part of their agreement, provide the Corporation with necessary legal authority. The Parties shall meet within fifteen days after this Agreement enters into force to consider which facilities the Corporation will operate.

5. Within thirty days after this Agreement enters into force, the Parties shall agree on sums of money to be contributed to the Transportation Corporation for its initial operating budget. The Parties may at any time transfer to the Transportation Corporation additional funds or facilities that belong to them and the rights thereto. The Parties shall decide the means by which the Transportation Corporation will be authorized to raise additional capital.

Article III: Other Public Corporations

The Parties may decide, upon recommendation of the Commission, to use establishment of the Transportation Corporation as a model for the establishment of other joint public corporations, such as for the operation of utility, energy, postal and communication facilities.

Article IV: Cooperation

The Commission, the Transportation Corporation and other Public Corporations shall cooperate fully with all organizations involved in implementation of the peace settlement, or which are otherwise authorized by the United Nations Security Council, including the International Tribunal for the Former Yugoslavia.

Article V: Ethics

Members of the Commission and Directors of the Transportation Corporation may not have an employment or financial relationship with any enterprise that has, or is seeking, a contract or agreement with the Commission or the Corporation, respectively, or otherwise has interests that can be directly

affected by its actions or inactions.

Article VI: Entry into Force

This Agreement shall enter into force upon signature.

For the Federation of Bosnia and Herzegovina

For the Republika Srpska