

**AGREEMENT
ON COORDINATION AND COOPERATION**

between

THE COUNCIL OF MINISTERS OF BOSNIA AND HERZEGOVINA

and

THE BRCKO DISTRICT OF BOSNIA AND HERZEGOVINA

The Council of Ministers of Bosnia and Herzegovina and the Brcko District of Bosnia and Herzegovina (hereinafter: the Parties to the Agreement), have decided to conclude this Agreement with a view to ensuring direct coordination and cooperation between the Parties to the Agreement in all matters arising in exercising their competencies under the Constitution of Bosnia and Herzegovina, the Final Arbitral Award on Brcko, Laws of Bosnia and Herzegovina and the Brcko District of Bosnia and Herzegovina.

Article 1

The Parties to the Agreement shall herewith ensure direct coordination and cooperation in all fields, in particular in the field of economy and development, legislation, and cooperation with international institutions.

The cooperation between the Parties to the Agreement shall be effected through the respective Ministries within the Council of Ministers and Departments within the Government of the Brcko District of Bosnia and Herzegovina.

The Chair of the Council of Ministers of Bosnia and Herzegovina and the Mayor of the Brcko District of Bosnia and Herzegovina shall coordinate the activities and cooperation between the Parties to the Agreement.

Article 2

A body for coordination and cooperation with the Brcko District of Bosnia and Herzegovina shall be established within the Council of Ministers of Bosnia and Herzegovina. The Brcko District shall designate its representative to this body. The body shall become operational as of 1 January 2003.

Article 3

The Council of Ministers shall support the Brcko District in its economic development and promote its interests when dealing with international institutions.

The Council of Ministers of Bosnia and Herzegovina shall in particular undertake all necessary activities in order to declare immediately the border crossing in Brcko as a Category No.1 border crossing, where all types of commodities, including petroleum products, will be allowed to pass.

Article 4

As of January 2003, the Brcko District of Bosnia and Herzegovina shall provide contributions to the Budget of BiH Institutions, in accordance with the criteria that will be agreed by the Parties.

The agreement on the criteria referred into the previous paragraph shall be reached by the end of October 2002.

Article 5

As an exception to the provision of Article 4, the Brcko District of Bosnia and Herzegovina shall provide a contribution for the year 2002 to the Budget of BiH Institutions, specifically for the purposes of financing the State Border Service. Besides this contribution, the Brcko District shall not bear any other obligation to contribute to the Budget of BiH Institutions for the previous years.

The amount of contribution referred into the previous paragraph shall be determined by the Parties within 10 days following the signing of this Agreement. The contribution shall be remitted to the Budget of BiH Institutions in three equal installments. The first installments shall be remitted within 10 days following the approval of the agreement on amount of contribution by the Brcko District Assembly, while two remaining installments shall be remitted in November and December 2002, by 10th day in each month.

Article 6

This Agreement shall enter into force on the day of its signature and shall be published in the "Official Gazette of Bosnia and Herzegovina" and the "Official Gazette of the Brcko District of Bosnia and Herzegovina".

For the Council of Ministers of BiH

For the Brcko District of BiH
