

AGREEMENT
ON THE IMPLEMENTATION OF THE ENTITY OBLIGATIONS FROM THE
FINAL ARBITRAL AWARD FOR BRCKO
ON HEALTH CARE AND HEALTH INSURANCE

The Government of the Brcko District of Bosnia and Herzegovina, represented by
Mayor Sinisa Kusic

The Government of the Federation of Bosnia and Herzegovina, represented by
Prime Minister Edhem Bicakcic

The Government of Republika Srpska, represented by
Deputy Prime Minister Ostoja Kremenovic

Under the auspices of the Deputy High Representative and Supervisor of Brcko
Ambassador Gary Matthews

With a view to implementing the Final Award issued by the International Arbitration Tribunal for Brcko dated March 5, 1999 and establishing the Brcko District of Bosnia and Herzegovina (hereinafter: Brcko District) as a single administrative unit under the exclusive sovereignty of Bosnia and Herzegovina;

Supporting the integration of the health care system within the territory the Brcko District;

Recognizing the need to improve health care services and provide equal access to all District residents;

In furtherance of the Memorandum of Understanding dated September 19, 2000

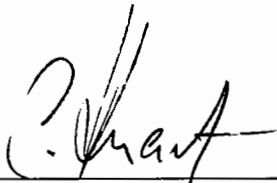
Sign the following:

AGREEMENT

1. The Government of the Federation of Bosnia and Herzegovina and the Government of Republika Srpska (hereinafter: the Entities) are obligated to pay all obligations towards the Health Care Institutions within the Brcko District that have occurred before March 31, 2000;
2. The contributions for health care collected within the territory of the Brcko District shall remain in the District and used by the District Government for the integration and improvement of Brcko District health care as well as to provide health protection for the Brcko District insuranees ;
3. The financial means for health care collected within the territory of the Brcko District after March 31, 2000 that have been transferred to the Entities in accordance with the Supervisory Order of June 21, 2000 shall be returned to the Brcko District;

4. a) The Entities are obligated to pay in accordance with entity practice health care contributions for pensioners, war veterans, war invalids, displaced persons, if not insured on some other basis;
b) The Entities are obligated to pay in accordance with entity practice health care contributions for the unemployed in accordance with effective regulations until the unemployment bureaus are taken over by the Brcko District;
5. Health care contribution rates shall be harmonized within the Brcko District;
6. The Entities shall not claim compensation for the tertiary health care services provided to Brcko District residents between March 31, 2000 and the date of the signing of this agreement, but no later than December 31, 2000;
7. The Brcko District shall adopt urgently the laws from the domain of the Health Care and Health Insurance;
8. The Brcko District shall establish as soon as possible a Health insurance Fund to start operating by January 1, 2001;
9. A Health Capacity Net shall be established on the territory of the Brcko District in accordance with the existing demographic population structure;
10. The Brcko District shall harmonize entity health care standards and normatives currently existing and implemented in the Brcko District;
11. The obligations under Articles 1, 3, 5 and 6, as well as all other technical details related to this agreement shall be specified and fulfilled within thirty days from the date of the signing of this agreement.

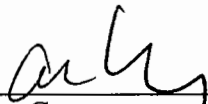
October 24, 2000



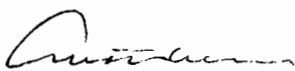
For the Brcko District Government
Mayor Sinisa Kisić



For the Government of the Federation of Bosnia and Herzegovina
Prime Minister Edhem Bicakčić



For the Government of Republika Srpska
Deputy Prime Minister Ostoja Kremenović



Deputy High Representative, Supervisor of Brcko
Ambassador Gary Matthews