

**Annex
to the Memorandum of Understanding**

BETWEEN

THE UK DEPARTMENT FOR INTERNATIONAL DEVELOPMENT (DfID)
Represented by the
Embassy of the United Kingdom to Bosnia and Herzegovina;

and

THE SWEDISH INTERNATIONAL DEVELOPMENT COOPERATION AGENCY (Sida)
Represented by the
Embassy of Sweden to Bosnia and Herzegovina;

and

THE NETHERLANDS MINISTRY FOR DEVELOPMENT COOPERATION
Represented by the
Royal Netherlands Embassy to Bosnia and Herzegovina

and

THE DELEGATION OF THE EUROPEAN COMMISSION
To Bosnia and Herzegovina

("The Donors")

AND

THE COUNCIL OF MINISTERS OF BOSNIA AND HERZEGOVINA
THE GOVERNMENT OF THE FEDERATION OF BOSNIA AND HERZEGOVINA

THE GOVERNMENT OF THE REPUBLIC OF SRPSKA

THE GOVERNMENT OF BRCKO DISTRICT OF BiH

represented by the Prime Ministers

and

the Ministry of Finance and Treasury of BiH

***FOR ESTABLISHMENT OF THE PUBLIC ADMINISTRATION
REFORM FUND***

Paragraph 1

In the Memorandum of Understanding for Establishment of the Public Administration Reform Fund between Department for International Development of the United Kingdom, the Swedish International Development Cooperation Agency, the Netherlands Ministry for Development Cooperation, the Delegation of the European Commission and the Council of Ministers of Bosnia and Herzegovina, The Government of the Federation of Bosnia and Herzegovina, the Government of the Republic of Srpska, the Government of Brcko District of BiH and the Ministry of Finance and Treasury of BiH, in the paragraph 1 in the point 9 at the end of the text the sentence shall be added which shall read as follows: "Further on, the Donors, after signing the MoU, shall have no intention to allow any customs, indirect taxes or other payments related with that to be paid from the PARF in connection with goods, services or other assets procured from the PARF, and this provision shall apply to all additional Donors who join in the coming years".

Paragraph 2

In the paragraph 3 in the point 19, at the end of the sentence, the number 2009 shall be replaced by the number 2010. In the same point at the end of the text the sentence shall be added, which shall read: "Pursuant to the point 25 of the MoU, the DfID additionally invested the assets in the PARF amounting 1 million EUR, i.e. the DfID shall provide 2.5 million EUR (2.1 million GBP)."

Paragraph 3

In the paragraph 3 in the point 23 the first sentence shall be changed and be: "Contributions shall be deposited in the PARF accounts, in the foreign exchange account (EUR) which is an interest bearing and local currency account (BAM) which is non-interest bearing, held by the MOFT in the Central Bank of Bosnia and Herzegovina".

Paragraph 4

In the paragraph 3 in the point 24 the first sentence shall be changed and be: "The MOFT shall without delay notify, in writing, the donors in question and the PARCO on reception of the funds and deliver an excerpt of the payment in question."

Paragraph 5

In the paragraph 5 in the point 31, in the last sentence, the words "actual PARF liquidity needs" shall be replaced by the words "the PARF needs in accordance with the quarterly plans of payments".

Paragraph 6

In the paragraph 7 in the point 38, in the second sentence the abbreviation "EC" shall be deleted.

Paragraph 7

In the paragraph 7 in the point 41, in the fifth sentence, the words "every quarter" shall be replaced by the words: "once a year".

Paragraph 8

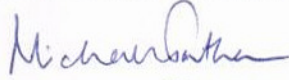
In the paragraph 9 in the point 46, in the first sentence, the words: "Supreme Audit Institution" shall be replaced by the words "the Office for Audit of the Institutions of BiH". In the same point, in the second sentence, the words "Auditor General" shall be replaced by the words "Head Auditor".

Paragraph 9

Annex to the MoU shall be enacted for the donor in question on the day of its signing by that donor, after it has been signed by the Council of Ministers of Bosnia and Herzegovina, the Government of the Federation of Bosnia and Herzegovina, the Government of the Republic of Srpska, the Government of the Brčko District of BiH and the Ministry of Finances and Treasury of Bosnia and Herzegovina.


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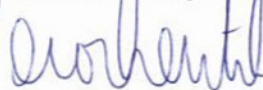


THE NETHERLANDS MINISTRY FOR DEVELOPMENT COOPERATION

Represented by the
Royal Netherlands Embassy to Bosnia and Herzegovina

THE DELEGATION OF THE EUROPEAN COMMISSION

To Bosnia and Herzegovina



THE COUNCIL OF MINISTERS OF BOSNIA AND HERZEGOVINA

Chairman Nikola Špirić, PhD



THE GOVERNMENT OF THE FEDERATION OF BOSNIA AND HERZEGOVINA

Prime Minister Mustafa Mujezinović



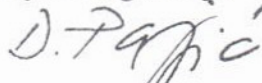
THE GOVERNMENT OF THE REPUBLIC OF SRPSKA

Prime Minister Milorad Dodik



THE GOVERNMENT OF BRCKO DISTRICT OF BiH

Mayor Dragan Pajić



THE MINISTRY OF FINANCES AND TREASURY OF BiH

Minister Dragan Vrankić

