

**AGREEMENT FOR THE ESTABLISHMENT
OF
THE JOINT VIENNA INSTITUTE
[Amended Effective May 1, 2003]**

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AGREEMENT FOR THE ESTABLISHMENT OF THE JOINT VIENNA INSTITUTE

THE PARTIES SIGNATORY HERETO,

RECOGNIZING the importance of assisting the Central and Eastern European countries, the Baltic and Balkan countries, the members of the Commonwealth of Independent States, Asian transition countries, and other eligible countries in their transition to full market-based developed economies;

NOTING that the training of officials from these countries is one important component of such assistance;

HAVING REGARD to the common interests of the Parties in establishing a training institute in Vienna, Austria, for this purpose; and

RESPONDING to the invitation of the Republic of Austria to locate such an institute in Vienna;

HAVE AGREED as follows:

ARTICLE I

Establishment and Status

1. There is hereby established the Joint Vienna Institute (the "Institute") as an international organization with full juridical personality.
2. The Institute shall operate in accordance with this Agreement.

ARTICLE II

Purpose and Activities

1. The purpose of the Institute shall be to provide training to support and supplement the national efforts of the countries of Central and Eastern Europe, the Baltic and Balkan countries, the members of the Commonwealth of Independent States, Asian transition countries, and other eligible countries, in their transition to full market-based developed economies.
2. To this end, the Institute shall offer courses of instruction of the highest standard and of direct relevance to the purpose of paragraph 1 above, including courses in the areas of administration and economic and financial management. The Institute shall provide training primarily to public officials, and to other persons, with due regard to the role of the private sector. The Institute will also assist training institutes by providing training and other support.

ARTICLE III

Powers

The Institute shall have the capacity:

- (a) to contract;
- (b) to acquire and dispose of immovable and movable property;
- (c) to institute and respond to legal proceedings; and
- (d) to take such other action as may be necessary or useful for its purpose and activities.

ARTICLE IV

Headquarters

1. The headquarters of the Institute shall be located in Vienna, Austria, under such terms and conditions as agreed between the Institute and the Republic of Austria.
2. The Institute may establish facilities in other locations as required to support its activities.

Article IV A

Parties

1. Upon the coming into force of the First Amendment of the Agreement for the Establishment of the Joint Vienna Institute in accordance with Article XI of this Agreement, each Party to the Agreement before that date may choose to continue its participation in the activities of the Institute as a Primary Member; if a Party so chooses, it shall communicate that decision to the Depositary in writing. A Party not choosing to continue its participation as a Primary Member shall participate in the activities of the Institute as a Contributing Member, provided that any Party to the Agreement before the coming into force of the First Amendment to the Agreement and which initially becomes a Contributing Member may opt to change its participation in the activities of the Institute to that of a Primary Member upon notification in writing to the Depositary of its decision to become a Primary Member at any time up to 24 months after the coming into force of the First Amendment.
2. Primary Members are those Parties to the Agreement for the Establishment of the Joint Vienna Institute that are willing to assume an equal proportionate financial responsibility for the operating costs of the Institute on an annual basis. Contributing Members are those Parties that wish to participate in the Institute in accordance with

its policies but without assuming financial responsibility beyond the operating cost of their proportionate use of the Institute.

3. The Executive Board may decide, upon the request of the Party, that a Primary Member become a Contributing Member, and that a Contributing Member become a Primary Member.

ARTICLE V

Organization and Management

1. Structure of the Institute

The Institute shall have an Executive Board, an Advisory Committee, a Director, and staff.

2. Executive Board

- (a) The Executive Board (the “Board”) shall be responsible for the conduct of the business of the Institute.
- (b)
 - (i) Primary Members shall each appoint two Members to the Board and two Alternate Members to act for the Member when the Member is unable to serve. Each Contributing Member shall appoint one Member to the Board and an Alternate Member to act for the Member when the Member is unable to serve.
 - (ii) The JVI Director shall serve as an ex officio Member of the Board, but shall not exercise a vote.
- (c) The Board shall elect a Chairman and a Vice-Chairman annually, provided that:
 - (i) The Chairman shall be elected from among the representatives of the Primary Members, on a rotating basis among Primary Members; and

- (ii) The Vice-Chairman shall be elected from among the representatives of Contributing Members, if any, on a rotating basis among Contributing Members, and otherwise among Primary Members.
- (d) The Board shall meet at least once a year. Meetings of the Board shall be called by the Chairman as required or when requested by at least two Members of the Board.
- (e) A majority of Members of the Board shall constitute a quorum for any meeting of the Board.
- (f) Decisions of the Board shall normally be taken by consensus. If a decision of the Board cannot be taken by consensus, that decision shall be taken by a majority of votes cast, provided that the following decisions shall be subject to the approval of all Primary Members voting, together with the approval of the Contributing Member if there is only one Contributing Member, or of at least two Contributing Members, if there are two or more Contributing Members, voting: decisions under Article II, paragraph 1, Article IV A, paragraph 3, Article V, paragraph 2(g)(i), Article V, paragraph 2(g)(ii), Article V, paragraph 2(g)(iii), Article V, paragraph 2(g)(iv), Article V, paragraph 2(g)(vi) and Article XVI, paragraph 2.
- (g) The Board shall:
 - (i) adopt by-laws for the governance of the Institute in accordance with this Agreement, including by-laws for the implementation of the provisions of Article IX, paragraphs 3 and 4;
 - (ii) determine the Institute's policies and approve its work program;

- (iii) select the Director, following a proposal by the Primary Members, and the external auditor of the Institute;
- (iv) approve the Institute's annual budget, audited financial statements and reports;
- (v) appoint members of the Advisory Committee; and
- (vi) approve agreements to be concluded under Article VIII.

3. Director and Staff

- (a) The Director shall be chief of the operating staff of the Institute and shall, under the direction of the Board:
 - (i) conduct the ordinary business of the Institute;
 - (ii) represent the Institute in its dealings with third parties; and
 - (iii) do and perform all other acts necessary to further the purpose of the Institute.
- (b) The Director shall serve for a term of two years, subject to renewal.
- (c) The Director shall be responsible entirely to the Board, and to no other authority, for operating and managing the Institute in accordance with this Agreement, the by-laws and other decisions of the Board.
- (d) Subject to the general control of the Board, the Director shall be responsible for the organization, appointment and dismissal of the staff of the Institute. In appointing the staff, the Director shall secure the highest standards of efficiency and of technical competence.

4. Advisory Committee

The Advisory Committee shall consist of members appointed by the Board, including representatives of countries referred to in Article II, paragraph 1, to advise it on the Institute's general training policies and programs.

ARTICLE VI

Associate Members

1. The Board may appoint major contributors to the Institute as Associate Members for such periods of time as it shall determine.
2. The Board may invite Associate Members to participate in its meetings for particular agenda items. Associate Members shall have no right to vote.
3. The Institute shall provide Associate Members with copies of its work program, annual budget, and of its annual report referred to in Article IX, paragraph 4.

ARTICLE VII

Cooperative Relationships

The Institute may establish cooperative relationships with any public or private entity, including other training and teaching institutions.

ARTICLE VIII

Privileges and Immunities

1. The Institute, the Members of the Board and their alternates, members of the Advisory Committee, the Director, staff and experts shall enjoy such privileges and immunities as agreed between the Institute and the Republic of Austria.
2. The Institute may conclude agreements with other countries in order to secure appropriate privileges and immunities.

ARTICLE IX

Finances and Reports

1. The resources of the Institute shall include the following:
 - (a) voluntary contributions by each Party;
 - (b) contributions by the Republic of Austria;
 - (c) contributions from other sources; and
 - (d) income accruing from such contributions and other income.
2. The fiscal year of the Institute shall be the calendar year.
3. Each year, the Director shall prepare and submit to the Board, for its approval, the annual work program and budget.
4. Each year, the Director shall prepare and submit to the Board, for its approval, an annual report containing an audited statement of the Institute's accounts and a summary of the activities of the Institute. Such audit shall be conducted by an independent external auditor selected by the Board.

ARTICLE X

Liability

1. No Party or Associate Member shall be required to provide financial support to the Institute beyond such contributions as it has pledged.
2. The Parties shall not be responsible, individually or collectively, for any debts, liabilities, or other obligations of the Institute; a statement to this effect shall be included in each of the agreements concluded by the Institute under Article VIII.

ARTICLE XI

Amendments

This Agreement may be amended only with the consent of all Parties. Notification of such consent shall be made in writing to the Depository. Any amendment shall come into force upon receipt by the Depository of the notification of all Parties, or at such other date as the Parties may agree.

ARTICLE XII

Coming into Force and Depository

1. This Agreement shall be open for signature by the following organizations: the Bank for International Settlements, the European Bank for Reconstruction and Development, the International Bank for Reconstruction and Development, the International Monetary Fund, and the Organisation for Economic Co-operation and Development.
2. This Agreement shall come into force upon signature by four of the above-named organizations and shall remain open for signature by such organizations for a period of one year from the date of its coming into force.
3. The Federal Minister for Foreign Affairs of the Republic of Austria shall be the Depository of this Agreement.

ARTICLE XIII

Settlement of Disputes

Any dispute arising between the Institute and any Party or between any Parties under this Agreement shall be settled by negotiation or other agreed means of settlement.

ARTICLE XIV

Withdrawal

1. Any of the Parties may withdraw from this Agreement by written notification to the Depositary. Such withdrawal shall become effective three months after receipt of such notification by the Depositary.
2. Withdrawal from this Agreement by a Party shall not limit, reduce or otherwise affect its pledged contribution for the fiscal year in which it withdraws.

ARTICLE XV

Termination

1. The Parties, acting unanimously, may terminate this Agreement at any time and wind up the Institute by written notification to the Depositary. Any assets of the Institute remaining after payment of its legal obligations shall be disposed of in accordance with a decision of the Board.
2. The provisions of this Agreement shall survive its termination to the extent necessary to permit an orderly disposal of assets and settlement of accounts.

ARTICLE XVI**Accession**

1. This Agreement shall be open to accession by the Republic of Austria. Upon accession, the Republic of Austria shall become a Party as a Primary Member.
2. This Agreement shall be open for signature by such international organizations as may be decided by the Board. Such an acceding organization shall become a Party as a Primary Member or as a Contributing Member as requested by the acceding Party and agreed by the Board.
3. The accession of the Republic of Austria shall become effective as of the date of the coming into force of the First Amendment to the Agreement for the Establishment of the Joint Vienna Institute, but not before May 1, 2003.

IN WITNESS WHEREOF, the undersigned, being duly authorized, have signed this Agreement on the dates indicated below.

For the Bank for International Settlements:

Date

For the European Bank for Reconstruction and Development:

Date

For the International Bank for Reconstruction and Development:

Date

For the International Monetary Fund:

Date

For the Organisation for Economic Co-operation and Development:

Date