

OHR's Statement at the International Agencies' Joint Press Conference in Mostar

The budget is of key importance to the city functioning

The OHR calls upon the City Administration to create, as soon as possible, a balanced, final draft for 2006 budget and to submit it before the City Council for its adoption.

As you know, Mostar's administrative bodies have functioned so far this year thanks to a Decision on temporary financing. However this only covers the first three months of this year and runs out at the end of this month.

Therefore it is paramount that a budget is passed as soon as possible in order to allow administration to continue to function.

The OHR would like to use this opportunity to remind the City Council of the difficult situation that occurred last year, because the budget was adopted late. The OHR hopes that a City Council session with the budget proposal on the agenda will be scheduled as soon as possible and the budget for 2006 will be adopted within the legal deadline, which is 31 March 2006 .

Apart from the adoption of the budget, there are a number of other issues that the City Administration must finally address in order to meet its basic obligation to establish itself so as to serve the citizens of Mostar in a functional and efficient manner.

The issues that need to be addressed are: its internal organization, a redundancy program for staff who will lose their jobs due to reorganization of City Administration and the establishment of a unified urban planning institution Only

when the City authorities finalize these issues can they shift focus their attention on from establishing themselves to the issue that counts – improving conditions in Mostar for the citizens Mostar.

The OHR expects the City Authorities to take the necessary steps to deal with the above issues.

BiH Leads Region in Alternative Dispute Resolution

Bosnia and Herzegovina is at the forefront of creating a positive environment for Alternative Dispute Resolution in Southeast Europe, the High Representative, Christian Schwarz-Schilling told a conference in Sarajevo this morning.

As many of you will know, ADR – where parties to a legal dispute explore ways of reaching a solution without going to court – is a method by which as many as 50 percent of legal disputes are resolved in other countries. This takes a huge amount of pressure off the courts and it means that businesses, for example, have an alternative to lengthy and expensive court proceedings if they become involved in a dispute.

Developing ADR in BiH is an important element in attracting investment in order to create desperately needed jobs.

In addition to the economic benefits, the High Representative highlighted the key role that ADR can play in moving BiH further and faster along its post-conflict recovery path – because ADR is about enhancing dialogue and encouraging a problem-solving mentality. The people who resolve the dispute are the concerned parties themselves; solutions are not enforced from above.

Since the beginning of 2003, when a programme organised by the International Financial Corporation was launched, almost three quarters of the commercial disputes submitted for ADR mediation in Banja Luka have been resolved and almost half

of the cases submitted in Sarajevo have been resolved. This is a remarkable success rate.

The High Representative commended the authorities for creating the necessary legal framework within which the BiH Association of Mediators can work effectively, noting that "Government bodies very rarely transfer this kind of competency to an NGO type organisation, but this has happened here in Bosnia and Herzegovina ." He added, however, that "there are still many underdeveloped areas such as peer mediation, family mediation, and community mediation."

Tourism Can Have Major Positive Impact on BiH Economic Growth and Living Standards

"The BiH tourism sector is at the start of a postwar recovery that can be rapid and that can generate a very substantial dividend in terms of inward investment and new jobs," the Principal Deputy High Representative will tell a conference on BiH tourism being organized in London tomorrow.

Ambassador Butler will highlight BiH's core strengths as a tourist destination – unparalleled natural environment, cultural and artistic heritage, value for money, and accessibility – and the celebrated friendliness of the population.

He will also emphasise that in recent years BiH has conclusively moved away from its wartime past. "It is a small European democracy with a growing economy and a deepening and expanding relationship with the European Union. For BiH the dynamic and creative development of its tourism resources offer a real possibility of attracting serious investment and creating new jobs in the kind of numbers that will have a major positive impact on economic growth and living standards."

I've brought along the full text of Ambassador Butler's speech.