

OHR's Statement at the International Agency's Joint Press Conference

High Representative in Mostar

The High Representative, Paddy Ashdown, is in Mostar today. This afternoon at three o'clock he will visit a centre for children and young people with special needs and an old people's home. The High Representative will give a press conference at the OHR in Mostar at four o'clock. Clearly, he will address the failure of the political parties to form a government in Canton Seven. The High Representative spoke about this in Vienna yesterday when he was attending the OSCE permanent council. He made the point that when the BiH parties behave in this scandalous way – leaving citizens without a government for eight months and therefore at the mercy of deteriorating services – Europe may reach the conclusion that this country is not serious about further integration.

DHR at Konrad Adenauer Forum

Deputy High Representative Patrice Dreiski, the head of OHR's Economics Department, is giving a speech in Siroki Brijeg this morning at a conference organised by the Konrad Adenauer Foundation. He will be talking about the summer reform campaign which the BiH authorities committed themselves to when they met the main international organisations at Bjelasnica in late April. This will focus on:

- creating a cleaner, better regulated business environment and improving corporate governance
- re-launching the privatisation programme
- rapidly stepping up exports

BiH currently attracts Foreign Direct Investment at ten percent per capita of the Croatian figure. The only way to change that is to clean up the economic space. The Entity Civil Procedure Codes will make it infinitely easier and safer to do business in BiH – which means more investment, which means more jobs. The RSNA has just enacted the Civil Procedure Code and we expect the Federation Parliament to do this by 1 July.

Mr Dreiski will also address the efforts now underway to relaunch the privatisation process. Too many people in BiH see privatisation as a threat rather than an opportunity. The process has been discredited because it is associated with job losses. We have to change that. The governments have committed themselves to taking the process in hand and ensuring that a series of successful privatisations is set in train over the summer. They have also promised to amend the Entity privatization laws. It is in the interest of BiH workers and BiH citizens as a whole that this be done quickly.

Mr Dreiski will also be speaking about the Bulldozer Process. As you know Phase II was launched yesterday at the ceremony to mark the signing of the Prosperity Protocol. Bulldozer Phase I was an initiative aimed getting the governments and parliaments to enact 50 economic reforms. The reforms were drawn up directly by businesspeople. More than 500 companies participated, along with international organizations, in the process of choosing and developing the reform recommendations and presenting them to the authorities. It took 187 days from start to finish – now those 50 economic reforms have been enacted.

Phase II will create six regional bulldozer committees and three specialized committees. The regional Bulldozer Committees are being established by organizations representing local businesses in their areas. Their focus is to identify new reforms at the municipal/cantonal/regional level as well as to oversee the implementation of the Phase I reforms at the

local level. The regional Bulldozer Committees will expand the dialogue and will involve the trades union, in order to help identify private business reform issues that are of concern to the BiH society as a whole. By giving responsibility to all three partners (private sector, governing bodies and unions) in developing, bringing forward, and implementing the reforms, support for the overall process is likely to be ensured.