Decision Extending the Temporary Financing of the City of Mostar for the Period from 1 April 2009 to 30 September 2009

n. 06/09

In the exercise of the powers vested in the High Representative by Article V of Annex 10 (Agreement on Civilian Implementation on the Peace Settlement) to the General Framework Agreement for Peace in Bosnia and Herzegovina, according to which the High Representative is the final authority in theatre regarding interpretation of the said Agreement on the Civilian Implementation of the Peace Settlement; and considering in particular Article II.1. (d) of the last said Agreement, according to the terms of which the High Representative shall "Facilitate, as the High Representative judges necessary, the resolution of any difficulties arising in connection with civilian implementation";

Recalling paragraph XI.2 of the Conclusions of the Peace Implementation Conference held in Bonn on 9 and 10 December 1997, in which the Peace Implementation Council welcomed the High Representative's intention to use his final authority in theatre regarding interpretation of the Agreement on the Civilian implementation of the Peace Settlement in order to facilitate the resolution of any difficulties as aforesaid "by making binding decisions, as he judges necessary" on certain issues including (under sub-paragraph (c) thereof) measures to ensure the Peace Agreement throughout Bosnia and Herzegovina and its Entities;

Aware that almost ten (10) months have passed since the Local Elections were held and almost nine (9) months since the Mostar City Council was constituted;

Deploring that, as a result of the conduct of the elected city councilors and the parties they represent, the Mayor of the City of Mostar has not yet been elected;

Noting that the political stakeholders in the Mostar City Council, by their irresponsible conduct, have out their individual and party interests before the interests of the city and its citizens and have, in so doing, abused the trust of those who elected them;

Recalling the letter of the Acting High Representative of 11 March 2009 addressed to representatives of the Mostar City Board presidents of political parties, which drew their attention to the fact that the situation in the City of Mostar was untenable and which warned that the High Representative could take certain measures to remedy such a situation;

Recalling further that the High Representative wrote to the presidents of political parties represented in Mostar on 8 May 2009 urging the parties to reach the necessary agreement to elect a Mayor as soon as possible;

Bearing in mind that the Steering Board of the Peace Implementation Council, in its communiqué of 26 March 2009 issued in Sarajevo, considered it "unacceptable that the Mostar City Council has failed to appoint a new City Mayor almost six months after the elections", urged the political parties in Mostar "to meet this basic obligation to the citizens of Mostar without any further delay", and "strongly encouraged the High Representative to facilitate the resolution of difficulties arising from this situation";

Considering that the Steering Board of the Peace Implementation Council, in its communiqué of 30 June 2009 issued in Sarajevo reiterated its calls for the High Representative "to take further steps to facilitate the election of a new Mayor";

Mindful that the City Council, due to its continued failure to appoint the City Mayor was compelled to proceed with the Decision on Temporary Financing until 31 March 2009 and that, even some three months after the expiration of the Decision on Temporary Financing, the City Council still has not appointed the City Mayor and consequently has not adopted a budget for 2009, thus compromising the functioning of all City institutions;

Noting that the City Council's failure to appoint the City Mayor and to adopt the City Budget has led to a rapidly deteriorating situation in which the Mostar City employees are not receiving salaries and public services are at risk of coming to a standstill;

Noting that the situation in the City of Mostar has rapidly deteriorated in the past months requiring rapid response to avoid further deterioration of the humanitarian situation and social crisis.

Further notingthat this failure by the City Council represents a long – term damage to the City and its citizens;

Regretting to be forced to act on behalf of the local authorities in order to enable the functioning of the institutions of the City of Mostar;

Convinced that this decision does not release the elected councilors from their obligations to elect a Mayor and subsequently adopt the City budget and that the political stakeholders in the Mostar City Council must finally act in accordance with their responsibilities towards the citizens;

Having considered, borne in mind and noted all the matters aforesaid, the High Representative hereby issues the following:

DECISION

Extending the Temporary Financing of the City of Mostar for the Period from 1 April 2009 to 30 September 2009

Article 1

This Decision establishes the amount and manner of temporary financing of the City of Mostar for the period from1 April 2009 to 30 September 2009.

Article 2

The temporary financing of the City of Mostar for the period referred to in Article 1 of this Decision shall amount to KM 24,725,740, as equivalent to the funds spent on average in the same period in the previous fiscal year.

Article 3

The temporary financing in the amount referred to in Article 2 of this Decision shall be executed according to the following order of priorities:

1. **payment of court executive orders;**
2. **payment of public works and services;**
3. **disbursement of salaries, compensations to employees and transfers to budgetary sub-units;**
4. **current transfers;**
5. **capital investments;**
6. **other payments.**

The Decision Extending the Temporary Financing of the City of Mostar for the Period from 1 April 2009 to 30 September 2009 shall not apply to the **disbursement of salaries, compensations and costs to councilors, as well as to the current transfers related to transfers, grants or any other financing of political parties/parliamentary groups in the City Council.**

Article 4

The amount of KM 12,362,870 from the total amount referred to in Article 2 of this Decision shall be paid retroactively for the period from 1 April 2009 to 30 June 2009, in accordance with the order of priorities referred to in Article 3 of this Decision.

Article 5

In case the realized revenues in the period referred to in Article 1 of this Decision are in the amount lower than the amount referred to in Article 2 and/or Article 4 of this Decision, the execution of the temporary financing shall be decreased by an appropriate percentage for all individual purposes, with the exception of the expenditures referred to under items 1, 2 and 3 in Article 3, paragraph 1, of this Decision.

Article 6

The Head of the Finance and Real Estate Department of the City of Mostar shall herewith be responsible for the execution of this Decision.

Notwithstanding the provisions of this Decision related to the amount payable during the period of temporary financing in accordance with the order of priorities, the Head of the Finance and Real Estate Department of the City of Mostar shall adjust all individual payments based on this Decision to the provisions of the legislation regulating the manner of realizing savings from salaries, compensations having no character of salary payments to employees in the institutions of the Federation of BiH, cantons, cities and municipalities, and salaries of off-budget funds and institutions established by the Federation of BiH (directorates, agencies, commissions, etc.), upon its entry into force.

Article 7

This Decision shall cease to apply on the first day of the following month of the adoption of the 2009 Mostar City Budget.

Article 8

This Decision shall come into effect forthwith and shall be published without delay in the Official Gazette of the City of Mostar.

Sarajevo, 29 July 2009

Dr. Valentin Inzko
High Representative