

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

## BiH Must Address Impending Budget Crisis

As you know, in Brussels last week the Steering Board of the Peace Implementation Council called on the State and Entity authorities to address the unsustainable cost of governance – now consuming more than half of the national economic production. The sprawling administrative structure means that citizens are paying too much money for too little service. In any case, there isn't enough money coming into the government coffers to maintain the huge administrative structure.

If this issue is not addressed in the first half of 2005, it may be impossible by as early as the end of this year for the authorities to meet all their obligations in regard to civil servants' salaries.

Tomorrow afternoon at the OHR the three finance ministers will convene the first meeting of a Fiscal Sustainability Working Group. This Working Group will develop recommendations for the finance ministers by this spring on how to reduce the cost and improve the quality of government at all levels in BiH. In addition to the finance ministers themselves, the Working Group will consist of experts from the finance ministries, the cantons, and the universities, as well as representatives of the IMF and World Bank. PDHR Hays will play a coordinating role and OHR Secretariat.

The Working Group will draw up proposals, based on technical criteria, on how savings can be achieved. It will then be for the governments and parliaments to decide on how to act – but they will have to act quickly and effectively if BiH is to avoid a fiscal meltdown in the next 18 months.

There will be a media opportunity in the course of this meeting. We will be releasing details in a media advisory later today.

### **The Police Want Change**

The High Representative Paddy Ashdown is at the moment in Tescanj. This morning he joined police officers patrolling between Usora and Tescanj. The High Representative was yesterday in Doboj meeting police in their regular duties. The High Representative wants to hear the views of police on the police reform, in light of the publication of the recommendations of Chairman of the Police Reform Commission's report last week. The current policing system needs reform and everyone agrees it does not function properly. The voice of citizens, policemen and policewomen should be heard as well.

At 12.00 the High Representative will be participating live in a local television programme on TV Amna, where he will outline his findings over the last two days.

As you know the PRC report recommends establishing a single structure for policing that, if implemented, is designed to provide the citizens of BiH with a more effective and responsive police force that is financially sustainable and free from political interference. Police restructuring is also a requirement for moving towards a Stabilisation and Association Agreement with the EU.

Currently, BiH police forces are fragmented and limited in movement leaving enough space and time for criminals to operate.