

OHR's Statement at the International Agency's Joint Press Conference in Banja Luka

Internal Debt

As you know, the House of Representatives of the Federation Parliament yesterday narrowly rejected the legislation necessary to implement the internal debt plan worked out with the IMF. The plan had already been accepted at the State level and by the RSNA and Brcko District Assembly.

Resolving the issue of internal debt is crucial for Bosnia and Herzegovina's recovery. This issue cannot be swept under the carpet. It has bedevilled economic progress until now and it will continue to do so unless it is addressed squarely. The plan worked out by the BiH authorities with the IMF is a fair one. It protects the most vulnerable and ensures that the authorities honour their commitments. It has been opposed by a small minority of people who had substantial sums of money in foreign account deposits in 1991.

The IMF will continue to engage in discussions, and OHR hopes to see this law brought before Parliament again in the very near future. This is a test of the seriousness of BiH's politicians to take the hard decisions necessary to put this country on a stable footing so that it can generate jobs and prosperity for its citizens.

Without this solution – there will be no repayment of pension or disability arrears, no payment of frozen foreign currency reserves and no way to address the mounting burden of war claims debt. Passage of this legislation is vital for BiH's

economic recovery and for its European integration effort.

The OHR will be monitoring how BiH's politicians respond to this challenge.

Chris Patten to Attend First Meeting of Police Restructuring Commission

The Police Restructuring Commission will tomorrow hold its first meeting in Sarajevo. The EU Commissioner for External Relations, Chris Patten, will address the Commission at the start of the meeting. Police Restructuring Commission Chairman Wilfried Martens will address the practical organisation of the Commission's work and discuss conceptual approaches for the establishing single structure of policing for BiH under the overall political oversight of the Council of Ministers. The restructuring of the BiH police forces along these lines is a prerequisite for long-term peace and prosperity and for membership of NATO and the EU.

Media will have an opportunity to record the opening statements to be made by BiH Security Minister Colak, Commissioner Patten and Chairman Martens **at 17:00 today at the Joint Institution Building, Sarajevo**

PDHR Hays in visit to Kotor Varos

The PDHR, Donald Hays will visit Kotor Varos municipality tomorrow. During his visit, Ambassador Hays will meet with municipal officials and RS National Assembly deputies who are from Kotor Varos. Ambasador Hays and his hosts will speak about the steps that have been taken in order to improve the capacity of the municipality to respond to citizens' needs. During the course of the day, we will issue a media advisory will all the details related to Ambassador Hays visit to Kotor

Varos.