High Representative Acts to Rationalise Financing of Mostar City Administration

The High Representative, Paddy Ashdown, today issued two Decisions reinstating the monthly payment by the two Federation Elektroprivredas directly to Mostar's city administration.

This revenue, which was discontinued as a result of legislation in September 2002, accounts for approximately 50 percent of Mostar city administration's budget. Without it the city administration faced financial collapse and would have been unable to continue providing public services or pay the salaries of its employees. The Decisions will not affect the funding arrangements for municipalities – those municipalities that have been receiving money from the Elektroprivredas will continue to do so.

The High Representative said, "I fully support the unification of the City of Mostar. This Decision provides a temporary solution to the city's financing. We must now consider a permanent solution to this problem."