

OHR Plans and Funding Requirements for 1999

The High Representative Carlos Westendorp is currently undertaking a full review of the progress achieved in the implementation of the Dayton Peace Agreement in the context of preparing his recommendations for next year's program. This program will be presented to the Peace Implementation Council in Madrid on December 15 and 16.

It is already clear that the tasks ahead are demanding. The program will, for instance, include a push for the return of substantial numbers of displaced people and refugees to their homes. The High Representative will also recommend a comprehensive reform of the judiciary and a reinforcement of the rule of law. He aims to embed media reform as a means of disseminating objective and professionally gathered information, and he is determined to create the necessary conditions for Bosnia and Herzegovina's economic recovery and increased foreign investment. This requires a swift and fair privatization process and a reform of the payment system and banking sector.

In order to accomplish all these critical tasks, the Office of the High Representative will require additional resources and an increase in budget from the current 22 million ECU per year to approximately 36 million ECU in 1999.

At the Conference in Madrid, the High Representative will present an ambitious plan for 1999 to the member countries of the Peace Implementation Council and ask them for the necessary financial support. In order to demonstrate financial prudence, the High Representative has ordered two independent financial audits of the OHR to be carried out: one by the private consultancy PricewaterhouseCoopers and another one by the European Court of Auditors, which is a public auditing

authority.

While the report of the European Court of Auditors is not yet completed, PricewaterhouseCoopers have concluded their work. The High Representative is satisfied with the results so far, which have come to the conclusion that the OHR has used its funds efficiently, although there are a few areas where the auditors have recommended that procedures be improved.

With regards to the report by PricewaterhouseCoopers, the High Representative has begun to implement the recommendations. These concern such issues such as tighter management of communication expenditures, a strengthened approval process for travel and related expenses, and the harmonization of procedures for the management of local and international contracts.

Once the report of the European Court of Auditors is completed, the High Representative will see that their recommendations are implemented and ask the European Union to detach to him an European Union financial adviser to assist him and demonstrate to the European Union, which is the major donor by covering more than 50 percent of the OHR budget, that the OHR is using its funds in an appropriate and thrifty fashion.