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

<u>High Representative Welcomes CLAC Vote</u>

The High Representative, Christian Schwarz-Schilling, welcomed the outcome of yesterday's discussion in the Constitutional and Legal Commission of the BiH Parliament. The decision means that BiH's elected representatives now have the opportunity to discuss these amendments in in a broader forum. It is now up to Parliament to consider these amendments, he said.

He pointed out that these amendments are the result of many months of painstaking negotiations and have broad party support – much more than any other proposal so far. He said that the proposed changes are an important step towards streamlining the State structures, which will help equip BiH better for EU integration.

The amendments are the first step in a longer process. There will be an opportunity to put forward further amendments in a second phase. The High Representative has committed himself publicly to taking an active role in the second phase, but noted that this can only be built on the basis of a successful first phase.

Law on RTRS Considered by the RS Government

The RS Government is due to consider the draft Law on RTRS at is session today. The Law on RTRS creates the legal basis for a key element of the Public Broadcasting System in BiH. If this system is to function effectively Entity legislation must be fully harmonised with the existing legislation at the State level.

The importance of this legislation cannot be underestimated. The EC has made it clear that a fully harmonised legislation, forming a functioning system across BiH is a requirement for the completion of the current negotiations for a Stabilisation and Association Agreement.

The Entity authorities are already three months late in fulfilling this SAA requirement, the State Law, passed in October last year required the Entities to adopted harmonized legislation within 2 months of the Law being published in the Official Gazette.

High Representative in Washington

The High Representative, Christian Schwarz-Schilling is today in Washington where he will meet with senior officials from the World Bank and the IMF. He will emphasize that his goal is to encourage a more business friendly environment. He will say that he believes that the economic situation is much better than its image and say that his goal is to improve BiH's image abroad.

But he will point out some of his concerns - namely that fiscal discipline in the run up to elections. He will say that this will be critical, and raise concern about possible increases in salaries and untargeted social benefits.

He will also welcome the start of the drafting of legislation that will regularize the status of the National Fiscal Council and will highlight the need to improve the regulatory framework in BiH.