

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

High Representative visiting Zagreb on Friday

The High Representative Christian Schwarz - Schilling will pay one day visit to Zagreb on Friday, 19 May where he will meet with Croatian Prime Minister, Ivo Sanader, Speaker of the Croatian Sabor, Vladimir Seks and Minister for Culture, Bozo Biskupic.

The High Representative and his hosts will discuss current state of affairs regarding EU integration processes in BiH and Croatia. BiH and Croatia as well as entire region have the same goal and the same destination – fastest integration into EU so it is normal to have a dialogue.

Dr. Schwarz -Schilling will also point out that Croats in BiH must have active role in shaping of the country in which they would feel comfortable, together with other two constituent peoples.

OHR Calls For Political Responsibility in Palic Case

On Monday this week the RS Government's own deadline for meeting the full HRC requirement to uncover the whereabouts of the remains of Avdo Palic expired. The RS Government's Palic Commission delivered its report on 21 April declaring that they had ascertained Avdo Palic's fate and that his remains are buried in the Han Pijesak area.

At that time the RS Government made a public commitment to exhume the remains as soon as conditions on the ground allowed. They can no longer argue that snow is preventing this exhumation.

RS Prime Minister Dodik on 3 May gave assurances to Senior

Deputy High Representative Peter Bas Backer that he would personally ensure that the remains are uncovered, and that he would visit the site this week in order to make sure that progress is made: neither of these commitments has been honoured.

After years of denial, the RS Institutions have finally admitted that it is within their capacity to fulfil the HRC Decision and reveal the fate and whereabouts of Avdo Palic to his widow, Esma Palic. Yet the political will to act on this appears to be lacking.

On Tuesday this week OHR representatives met with representatives of the RS Government and the RS Ministry of Interior. At that meeting RS Ministry of Interior representatives in charge of the investigation gave assurances that Avdo Palic's remains would be uncovered within ten days – by Friday 26 May.

The Prime Minister has made personal commitments with regard to the Palic case specifically and in general with regard to upholding the rule of law and turning the RS's record on war crimes issues around. It remains to be seen whether these are empty promises, or whether the Prime Minister and the RS Government are prepared to follow their public and private comments with action.

If the RS fails in this case then they immediately give the FBiH Government a pretext not to fulfil their obligations in the case of the missing in Sarajevo.

The Human Rights Chamber Decision on the RS authorities' obligations in regard to Avdo Palic is war-crimes related. The fall of Žepa is the subject of a current case before the ICTY and therefore the authorities must make this an issue of the highest priority.

There is no deadline extension in this case. The OHR expects the PM and the RS Government to fulfil the commitments they have made, and will be communicating this to the RS PM.

OHR Welcomes Moody's Decision to Raise BiH Credit Rating

The Principal Deputy High Representative, Larry Butler, has welcomed the decision by Moody's Investor Service to upgrade Bosnia and Herzegovina's credit rating from B3 to B2.

Explaining its decision, Moody's pointed out that BiH has successfully implemented major economic reforms, including the introduction of VAT, which will encourage investment and growth, and it also noted that the SAA process will encourage further political and economic strengthening.

Moody's added that as BiH officials have increasingly taken the initiative in promoting reforms the OHR has been able to adopt a less interventionist stance.

Moody's decision will make it easier for BiH to obtain loans, and at better rates, on the international capital markets, which should make it easier to secure funds for investment in jobs.

"This is a major step forward," Ambassador Butler said today. "What is important now is that the BiH authorities take advantage of the forward momentum that is now being created, enact key reforms before the end of this year and start to make faster progress in creating jobs and reducing poverty."

Among key economic reforms to be enacted this year are the **BIH Law on National Fiscal Council**, the **BiH Law on Obligations** and the **BiH Salary law** and the centralization of banking supervision at the State level so as to offer stronger guarantees to depositors.

Ambassador Butler congratulated the Governor of the BiH Central Bank, Kemal Kozaric, who has been persuasive and effective in presenting BiH's economic progress to international agencies, including Moody's.