

OHR's Statement at the International Agency's Joint Press Conference

HR promotes understanding for reforms

The High Representative is increasingly concerned that progress in meeting requirements for the EC's Feasibility Study and PfP are too slow. While there is broad support for the ultimate goals that these reforms will achieve, there appears to be a lack of understanding that the process itself – and the reforms that are put in place as a result – will improve the day-to-day life of BiH citizens.

In response to this, the High Representative will be focusing in the coming months on developing a greater understanding for the reform process, in a number of ways.

NGO's, interest groups and the media have a key role to play in monitoring Government progress in promoting and implementing reforms, and in analysing how reforms will affect BiH Citizens.

The High Representative will be supporting home-grown NGO's such as ACIPS (the Alumni Association of the Interdisciplinary Programme at Sarajevo University) and the BiH Centre for Security Studies as they track progress on the EC Feasibility Study conditions and NATO's PfP requirements. Their aim will be to highlight what has been achieved and what this actually means for BiH citizens.

The High Representative, in consultation with the BiH Council of Ministers and CoM Chairman Adnan Terzic, will offer support to Council of Ministers' initiatives to disseminate more information about the reform process, including a planned CoM

website and public information campaign.

The High Representative is also undertaking a broad series of consultations with parliamentarians, parliamentary committee members and various political and business leaders to consider how they can have a positive impact on the reform process. He will want to hear their proposals on ways in which the reform process can be supported.

The High Representative will be continuing his countrywide informal meetings with BiH citizens to promote the EC and PfP reform process and will be encouraging greater transparency within BiH's agencies and institutions, as well as their EU and NATO counterparts as a means of underlining the benefits that reforms will create for individual citizens.

Federation Bankruptcy Law

Next week the Federation Parliament should vote on amendments to the Bankruptcy Law. The amendments will encourage and enable the restructuring of companies and the possibility of reviving them and preserving some jobs, thus allowing them to move back into profit and stay in business. The alternative is that failing companies are simply liquidated, which means that they close down and all the workers lose their jobs.

There has been widespread misunderstanding about the nature of the proposed amendments, which have been agreed by the Federation Government. These amendments are not anti-worker. They are exactly the opposite. While bankruptcy in the short term can mean some job losses, in the long-term it gives companies an opportunity to turn around, maintain as many jobs as possible and eventually start re-hiring. This is an infinitely more desirable prospect than going into liquidation, which is currently the preferred and only route for most failing companies if they declare bankruptcy under the current law.

The absence of a modern, European-standard bankruptcy law has

been one of the obstacles to getting investors to put their money into BiH companies. The governments, the unions, and the workers of BiH want more investment, more jobs and higher standards of living – the amendments to the Federation Bankruptcy law will turn the law into an effective tool that could help about this general improvement in the BiH economy.

The World Bank is working closely with the governments to mitigate the risk of short-term job losses through additional support to the labour market. The OHR and the World Bank urge the Federation parliamentarians to put the interests of BiH workers first and pass the proposed amendments to the Bankruptcy Law.

Tourism

Tomorrow morning the High Representative and the Deputy Minister for Foreign Affairs, Lidija Topic, will hold a joint press conference at the Foreign Ministry. They will be unveiling a major initiative aimed at re-branding BiH. The object is to get tour operators – and tourists – around Europe to start thinking about BiH as a potential holiday destination. The initiative will involve upgrading BiH's tourism infrastructure during 2004, as well as a major European publicity campaign scheduled to take place in May this year.

PDHR Speech to Nato Seminar

Finally, I would draw your attention to a speech which the Principal Deputy High Representative, Donald Hays, has just given at a NATO-organised seminar in Sarajevo. Ambassador Hays notes that the demands of EU and PfP membership “require a complete and thorough commitment to change the political cultures” of BiH. In this respect, Ambassador Hays notes that the authorities have been slow to implement the legislative package they embraced following the revelations of mismanagement and fraud uncovered in the Special Auditor's

reports into public companies. Ambassador Hays notes that “the credibility of the authorities, in the eyes of the International Community and – more importantly – in the eyes of their own citizens, will be severely compromised if they fail to get the relevant laws onto the statute books by this summer.”