# OHR’s Statement at the International Agency’s Joint Press Conference in Banja Luka and Mostar

**Meeting of the Political Directors of the Peace Implementation Council**

The Political Directors of the Peace Implementation Council will meet in Sarajevo on Thursday and Friday. OHR will issue details of the opportunities that the press will have to cover this event tomorrow. As usual a communiqué will be issued with the details of the meeting on Friday.

**PDHR, Donald Hays in Fojnica**

The Principal Deputy High Representative, Donald Hays, will be speaking later this morning in Fojnica at a Conference on Best Practices for Sustainable Return, organized by the Stability Pact, the Citizens’ Pact for Southeast Europe, and the Dutch NGO IKV. Mayors from Serbia and Croatia as well as Bosnia and Herzegovina will participate.

Ambassador Hays will highlight the crucial link between return and sustainable development. He will argue that in many cases, mayors are showing a greater sense of economic realism than some directors of public companies, who hark back to the ways of the old planned economy, since – quote – “Communities that were once served by now-defunct industrial plants have no option but to look for alternatives. Those alternatives exist – in the form of SMEs and the new companies financed by private investment. It doesn’t take long to learn the working of the new economy once you realize that this same new economy can deliver jobs.”

Ambassador Hays will point out that the free market can be more flexible and more responsive to social priorities than the old planned economy, since private investment decisions are not made on the basis of ethnic or communal prejudice. Quote – “Money goes where profits can be made. Municipalities have to learn the language of the market in their efforts to attract the kind of investment on which the regeneration of their communities depends. This is a language that does not recognize extremism – in fact in the course of the last five years we have seen a distinct pattern throughout the country where foreign investment has shown itself to be averse to communities where wartime extremism has remained in the ascendant.”

Ambassador Hays will call for a speedy resolution of the currently unsatisfactory delineation of responsibilities between municipalities and the levels of government above them. Responsibilities are often not clear, and municipalities often have to fight for funding just to carry out basic municipal tasks. Legislation is currently being debated that will address this problem. Once the issue of mayoral responsibilities is resolved, the legislatures can address the issue of making municipal funding more equitable and less discretionary.