

Opening remarks by Gerhard Sontheim, Deputy Head of OHR-North at press conference in Brcko

I want to inform you that the Brcko District Privatisation Office, on Friday last week, has published the tender announcements for the first package of 6 enterprises that will be privatised by the Brcko District through a public tender procedure. The purpose of this announcement is to invite interested investors to obtain more information on the enterprises and on the tender procedure.

The enterprises offered for sale are: ODP Biljana in Maoca, Robna Kuca IMPEX, Brcko Enterprise for Catering, Tourism and Trade, ODP BIMAL, ODP Mladost, ODP Palis, all in Brcko town.

The main criteria for the evaluation of bids are:

- Investment through either capital, modern equipment, know how transfer, management, access to markets,
- A minimum level of guarantee for employment, an appropriate sales price.

I wish to emphasise that the door is still open for the entities privatisation agencies and governments to reach agreement on how to use certificates and vouchers for up to 33 % of the state capital in these and other enterprises. In particular the Republika Srpska is again requested to honor the agreement reached with Prime Minister Ivanic on August 27. The agreement was that the Republika Srpska Privatisation Agency would provide complete information on what they have done so far with regard to Brcko District enterprises in order to jointly assess whether the interests of the District are

protected.

I wish to comment on some reactions in the media to the appointment of 4 new councilors in the Brcko District Interim Assembly.

The reaction of some political parties leads me to think that there are vested interests at stake here. 2 Serb and 2 Croat councilors resigned and they were replaced by 2 Serb and 2 Croat councilors. The ethnic balance within the assembly is thus maintained. Gender and youth were important considerations in view of their essential role in the future of the Brcko District: two female councilors were appointed, one of which has strong links to youth. No-one pending elections can be clear about the political balance between parties but we do know that the population of the District consists of more women and young professionals than are currently being represented. Judging from the candidates put forward, this is definitely something political parties have not yet come to terms with. Perhaps political parties could use the coming period to strengthen their constituencies among these important segments of the population.

It has been implied that the Supervisor's prerogative to appoint councilors is an expression of an individual's arbitrary will. Wrong! The Supervisor's prerogative is a responsibility that flows from an international legal agreement – the Arbitration Award – which is binding. Let me remind you that the Arbitration Award was inevitable because of the warring parties' incapacity to come up with a solution to the benefit of all Brcko residents.

The timing of the elections is again the Supervisor's prerogative based on the same international agreement. I appreciate that some political parties have different views on when that should happen, but they are not responsible for implementing the Arbitration Award. The Supervisor carries the responsibility of deciding on the conditions which are most

conducive to the implementation of the Arbitration Award.

Let me quote what the Supervisor, Ambassador Clarke, said on the occasion of opening the renovated assembly chamber:

“First I must have the certainty that elections will create an Assembly and a Government that truly represent Brcko District. I would fail in my responsibility if Brcko simply reverted to a battleground between the Entities. This was the situation in 1995, it lasted until at least 1999, and signs of that conflict remain today. Conflict between the Entities forced the future of Brcko into arbitration and led the Tribunal to create the Brcko District. We are not going back there. We all want Brcko to have a more tolerant, more democratic, and more productive future. “

Finally, I want to inform you that the OHR (N) and the Brcko District Government invite the interested business community to an information meeting on the Arizona Market that will be held tomorrow, at 1500 hours, in this room. As you know, a tender was published some weeks ago inviting proposals for how to develop the Arizona Market into a modern trade center. It appeared that there is great interest in obtaining additional information and that will be provided at the meeting tomorrow. Interested businessmen and the media are cordially invited.