

# **The OHR and the European Commission reaffirm their commitment against corruption and call for vigilance in the use of donors' money**

The High Representative, Carlos Westendorp, and the European Commissioner responsible for the Common Foreign and Security Policy of the EU (CFSP), Hans van den Broek confirmed, today in Sarajevo, the commitment of the international community against corruption. Both men agreed that there is no evidence of corruption related to donors' funds or donors' money going missing, but agreed that there is a need for more transparency in the accounting and use of the international funds. They stated that there is a need to remain vigilant to ensure that donors' funds do not end up in the wrong pockets.

The High Representative recalled that he recently submitted a report on this matter to the Steering Board of the Implementation Council. The European Commissioner stressed that customs evasion represents a loss of revenue for the government and a financial punishment to the citizens who must pay more for goods in order to offset the loss of revenue.

With a view to keeping vigilance high, the European Commission contributed to the establishment of a Customs and Fiscal Assistance Office (CAFAO), an institution that is playing a crucial role in the restatement of confidence in the customs administration of both entities in BiH. Aiming at helping the Government of Bosnia and Herzegovina with establishing a correctly functioning customs service in the entities, the CAFAO is now implementing a modernisation and development programme. A report from CAFAO to the BiH Government

concerning fraud will be submitted within a week.

With regard to RS in particular, it should be recalled that the European Commission decided on 10th July to suspend non-humanitarian aid to RS mainly to avoid that aid should end in the pockets of the Pale faction. During his meeting with RS President Plavsic, yesterday in Banja Luka, Commissioner Van den Broek stated that he looks forward to free and democratic parliamentary elections in RS “because we need a strong and democratic Assembly to establish the rule of law and fight corruption as we must make sure that our projects benefit the people”.

Mr. Hans van den Broek stated that “where there is corruption it is the public who loses: because they pay more for the goods they buy as the funds which the government ought to be able to spend get diverted into others’ pockets. Where there is a risk of corruption, the international community, donors and investors alike, are discouraged from putting funds into BiH. Funds which should create jobs or repaired damages are lost. As a consequence, the aid is restricted. So the EU is funding CAFAO, which is working well, helping to identify and tackle problem areas. We are working closely with the High Representative on this matter and give him our full support in his efforts”.

The High Representative, Carlos Westendorp, welcomes CAFAO’s excellent work in auditing the activities of the customs administration and anticipates a satisfactory response from the BiH authorities.