Transcript of the International Agencies' Joint Press Conference

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<u> 0HR</u>

OHR Calls On BiH Ministry of Finance To Review Delegates Salary Law

Last week we welcomed the public debate that had been sparked by the Draft Law on Rights and Obligations of the Delegates of the BiH Parliamentary Assembly, currently in Committee the BiH Parliament, and due to be considered in last quarter of the month.

Today the OHR calls on the BiH Ministry of Finance to review the proposed draft to determine the financial implications were this law to be adopted.

No one questions the necessity of regulating the rights and duties of parliamentarians in a more systematic and transparent manner, but there is concern that this Law, if passed, would have a significant negative impact on the BiH Budget and impose an unfair burden on the tax payer.

The proposed Draft Law sets out a wide range of financial benefits and privileges to be enjoyed by the parliamentarians during and beyond their mandate but barely mentions Delegates' obligations.

There are several concerning elements in the draft

legislation, for example, although the Law would be applicable from 1 October 2006, pensions rights would be retroactively applied to all parliamentarians who have had mandate in Parliamentary Assembly since 1996.

Furthermore this Law:

- Would set a precedent for other government institutions and could lead to an across the board increase for all civil servants that the state cannot afford.
- Would put parliamentarians and their families in a privileged position when compared to other pensioners, without actually bringing in any new funds to the pension funds.
- Would undermine the preparations being made for the introduction of the State Salary Law, aimed at harmonising State salaries with those in the Entities and the Brcko District.

High Representative Has Confidence in ITA Governing Board

There have been a number of comments from politicians in the RS regarding the High Representative's reappointment of Joly Dixon as chairman of the Board of Governors of the ITA.

It has been suggested that in extending Mr Dixon's mandate for three months the High Representative was exceeding his authority. This is not the case. The High Representative acted after consulting all the relevant parties. He exercised the authority invested in his Office by the Dayton Agreement and the Peace Implementation Council. This isn't a fine point of law or a matter of interpretation. The High Representative has the authority to reappoint Mr Dixon and he has used his authority to do so.

He has done this for very clear reasons — to maintain continuity in the direction of the ITA. This continuity has

been an indispensable element in the successful introduction of VAT in BiH, and it remains indispensable in the first months of operation.

The ITA Governing Board is charged with providing impartial supervision of a system that affects the material wellbeing of every man, woman and child in BiH. By its very nature it must resist the partisan pressures of day-to-day political interest.

The Governing Board is the forum for discussion of revenue allocation. That's what it is for. The Finance Ministers all have a seat on the board. The High Representative has confidence that the mechanisms exist to ensure that VAT revenue — which now ensures that the authorities in BiH have the necessary funds to provide better services to citizens is allocated equitably.

<u> 0SCE</u>

Ambassador Douglas Davidson on a Two-Day Visit to Banja Luka

Ambassador Douglas Davidson, Head of the OSCE Mission to Bosnia and Herzegovina, is currently on an official two-day visit to Banja Luka. Yesterday Ambassador Davidson met with Dragan Cavic, President of Republic of Srpska, Milorad Dodik, Prime Minister, Igor Radojicic, RS National Assembly Speaker and Bishop Komarica. He also visited the Catholic School Centre in Banja Luka.

Today Ambassador Davidson is meeting Anton Kasipovic, RS Minister of Education, Omer Brankovic, Minister of Refugees and Displaced Persons, and Omer Visic, Minister of Justice.

Ambassador Davidson will participate in a discussion on regional refugee returns with representatives of more than 15 non-governmental organizations from the Republic of Srpska . The event is hosted by the NGO, the Nansen Dialogue Centre.

The scheduled press briefing will take place today at 12:30 at the International Press Centre in Banja Luka .

A press release on the issue will be issued later in the day.

EUFOR

No statement.