



EUROPEAN UNION

Delegation of the European Commission
to Bosnia and Herzegovina

Protocol Signing Event with the European Central bank
and the Central Bank of Bosnia and Herzegovina
February 16, 2007 at 11am, Central Bank building

It is an honor to be here today to represent the European Delegation in the signing of this Protocol with the European Central Bank and the Central Bank of Bosnia and Herzegovina.

The Central Bank of Bosnia and Herzegovina is the one of the first and most successful State institutions of BiH. Under its leadership remarkable successes have been achieved which have resounded in the economy of BiH and in the lives of everyday people;

The CBBH's monetary policies have achieved macroeconomic stability in BiH and inflation has been relatively low compared to neighbouring countries. The CBBH has preserved the stability of the Konvertible Marka, which has forged public confidence in the BiH currency, as evidenced by steadily rising KM-denominated deposits.

However, as the economy continues to develop and grow, institutions must also evolve. In this regards, the Central Bank is a model for other BiH institutions on how to function as an independent and professional institution that is willing to embrace change.

The EC Delegation is therefore pleased to provide its assistance to the Central Bank. We will provide 300,000 EURO to the European Central Bank and Member State National Banks in supporting the BiH Central Bank in moving towards the standards of the Eurosystem Banks;

I have to admit that I was pleasantly surprised with the number of the Member State National Banks that have taken a keen interest in supporting this activity: the Deutsche Bundesbank, Eesti Pank, Bank of Greece, Banco de Espana, Banque de France, Banca d'Italia, Banka Slovenije and Oesterrerrichische Nationalbank.

I would like to take this opportunity to thank them and especially the European Central Bank for their leadership role.

To the Central Bank, I ask that you fully undertake the necessary reforms to adapt your policies and procedures to those of the Eurosystem central banks. I



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also ask that you take this opportunity to learn as much as possible from the National Bank and ECB experts.

Finally, as part of the SAA, BiH needs to maintain a stable macroeconomic environment. As we all know the Central Bank plays a key role in this and I commend them for their commitment in conducting their tasks and responsibilities.

However there are many other challenges that await BiH, if BiH is one day to become a fully fledged member of the EU. Most it is important to realize that the necessary reforms are for the benefit and the prosperity of the country and not just to please the European Union, your success in meeting these challenges does not depend on us in the European Union but on the people and political leaders of Bosnia and Herzegovina.