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EUROPEAN COMMISSION FOR DEMOCRACY THROUGH LAW
(VENICE COMMISSION)

**DECISION OF THE HIGH REPRESENTATIVE
OF 28 JANUARY 2004
ENACTING THE STATUTE OF THE CITY OF MOSTAR,
FEDERATION OF BOSNIA-HERZEGOVINA**

Wednesday, January 28, 2004

Decisions relating to the Federation, Mostar and H-N Canton

Decision Enacting the Statute of the City of Mostar

In the exercise of the powers vested in the High Representative by Article V of Annex 10 (Agreement on Civilian Implementation of the Peace Settlement) to the General Framework Agreement for Peace in Bosnia and Herzegovina, according to which the High Representative is the final authority in theatre regarding interpretation of the said Agreement on the Civilian Implementation of the Peace Settlement; and considering, in particular, Article II.1.(d) of the last said Agreement, according to the terms of which the High Representative shall "[f]acilitate, as the High Representative judges necessary, the resolution of any difficulties arising in connection with civilian implementation";

Recalling paragraph XI.2 of the Conclusions of the Peace Implementation Conference held in Bonn on 9 and 10 December 1997, in which the Peace Implementation Council welcomed the High Representative's intention to use his final authority in theatre regarding interpretation of the Agreement on the Civilian Implementation of the Peace Settlement in order to facilitate the resolution of any difficulties as aforesaid "by making binding decisions, as he judges necessary" on certain issues including (under sub-paragraph (c) thereof) measures to ensure implementation of the Peace Agreement throughout Bosnia and Herzegovina and its Entities which "may include actions against persons holding public office or officials...who are found by the High Representative to be in violation of legal commitments made under the Peace Agreement or the terms for its implementation";

Noting that the Steering Board, at its meeting held at Political Directors' level on 26 September 2003, considered the resolution of the Mostar question as crucial to the sustainable and peaceful development of Bosnia and Herzegovina;

Bearing in mind the special status given to Mostar under the Dayton Agreement on Implementing the Federation of Bosnia and Herzegovina, signed on 10 November 1995, and in the Annex thereto which establishes principles for the Interim Statute for the City of Mostar;

Further bearing in mind that the political authorities at the "City" and the "City-Municipality" levels have hitherto failed to unify the City of Mostar under the said Interim Statute, and have, rather, used the City-Municipalities to create parallel institutions and divide the City;

Mindful of the need to consolidate the administrative, functional and legal unity of the City of Mostar in a manner that promotes efficiency in the delivery of services, guarantees the fundamental rights of all citizens, ensures the collective rights of the constituent peoples and prevents dominance by one segment of the population of Mostar;

Acknowledging the work of the Commission for Reforming the City of Mostar established by the High Representative on 17 September 2003 (hereinafter: "the Commission");

Welcoming the efforts undertaken by the political parties involved in the said Commission which culminated in concrete proposed solutions to various key issues relating to the reorganization of the City of Mostar;

Convinced that said proposed solutions provide a sound basis for the establishment of the

aforementioned guarantees and safeguards, and, further contain carefully negotiated power-sharing provisions aimed at enabling the citizens of Mostar to build a foundation for a progressive future predicated upon, *inter alia*, protection of national vital interests;

Encouraged that said proposed solutions emerged from the broadest possible consensus with respect to the reorganization of the City of Mostar;

Regretting that the parties involved in the Commission failed to reach a consensus on two outstanding issues and convinced that the resolution of said issues would significantly improve applied standards of governance in the City while maintaining an electoral architecture reflective of the *sui generis* circumstances in Mostar arising from profoundly conflicting interests among its constituent peoples.

Bearing in mind that the Steering Board of the Peace Implementation Council, at its meeting held in Brussels on 11 December 2003, 'committed itself to give its full support to the implementation of a solution to the issue of Mostar based on a single coherent city administration with effective guaranteed power-sharing mechanisms which prevent any one people having majority control of the City Council and to act to ensure that implementation of the plan in the coming months has the necessary political and economic support';

Stressing the need to hold democratic elections at local level in Mostar as well as throughout Bosnia and Herzegovina on the first Saturday of October 2004 and bearing in mind the need to start preparing those elections;

Having considered, borne in mind and noted all the matters aforesaid, the High Representative hereby issues the following

DECISION

Enacting the Statute of the City of Mostar

The Statute of the City of Mostar set out hereunder forms an integral part of this Decision and shall enter into force on March 15, 2004.

The Statute shall be in force on an interim basis until adopted by the City Council of the City of Mostar in due form, without amendments and with no conditions attached.

This Decision shall enter into force forthwith and shall be published without delay in the Official Gazette of the City of Mostar and the Herzegovina-Neretva Canton.

Sarajevo, 28 January 2004

Paddy Ashdown

High Representative

STATUTE OF THE CITY OF MOSTAR

In accordance with the Constitution of the Federation of Bosnia and Herzegovina and the Constitution of the Herzegovina-Neretva Canton, the City Council of the City of Mostar adopts the following Statute:

CHAPTER I: COMMON PROVISIONS

Article 1

Principles

1. This Statute shall regulate the right and obligation to decide on the interests and needs of the City of Mostar (hereinafter: the City) and of its citizens, the scope of local self-government, the organisation and the financing of the City, the participation of the citizens in affairs of local self-government as well as other issues, rights, obligations and responsibilities related to the City.

2. In performing its tasks, the City shall respect the fundamental rights of every individual and the rights of the Constituent Peoples together with Others in accordance with the Constitutions and laws, shall grant equal rights and shall promote equal living conditions for all citizens, taking into consideration their national, religious and cultural identity, and shall foster their peaceful coexistence.

Article 2

Self-Government

The City shall foster the welfare of its citizens in local self-government through its bodies and through direct participation of its citizens.

Article 3

Legal Status

1. The City is a legal entity. It may, on its own behalf, make commitments and undertake commitments, institute or be subject to legal proceedings in court. The City has property.
2. The City shall be one unit of local self-government.

Article 4

Name, Seal and Insignia

1. The name of the City is: "The City of Mostar".
2. The City has an official seal, the appearance of which shall be determined by a special decision in accordance with the law.
3. The City shall have a Coat of Arms, a flag and other symbols, the appearance of which shall be determined by a special decision, which shall require a two-third majority of the votes of the elected City Councilors.

Article 5

Territory of the City

The territory of the City encompasses a single, undivided area according to the state of the area delineated by the cadastre lines of the skirting areas on 1st January 1991 as modified by the General Framework Agreement for Peace in Bosnia and Herzegovina signed on 14th December 1995.

Article 6

Unity of the Administration

1. The City shall be a unit of local administration.
2. The City may delegate certain administrative and technical tasks to companies, institutions and other legal persons (hereinafter: legal entities vested with public powers) and

shall supervise them.

3. In order to ensure the unity of the Administration, the City shall be responsible for the tasks delegated by Bosnia and Herzegovina, the Federation of Bosnia and Herzegovina or the Canton. The City shall be reimbursed for the costs involved.

Article 7

City Areas

1. In the City, six (6) City areas shall be formed and shall correspond to the former City-Municipalities.
2. Branch offices of the City Administration shall be established in the City areas for the sole purpose of delivering the maximum range of services to the citizens within their own neighborhoods.
3. The City areas of the City are electoral constituencies according to Article 15 of this Statute.

Article 8

Legal entities vested with public powers and Facilities

The City shall establish legal entities vested with public powers and facilities for its citizens, within its financial, personnel and material capacities.

Article 9

International and National Co-operation

1. The City may perform its tasks in co-operation with other cities and municipalities in Bosnia and Herzegovina in accordance with the law. For this purpose, joint institutions may be established in order to fulfil tasks of common interest.
2. The City may join international associations of cities and municipalities, as well as enter into bilateral co-operation with cities and municipalities of other States.

Article 10

Citizens' Participation in Local Self-government

1. The City shall regulate issues of self-government by decisions of its bodies and by referendum.
2. All citizens of the City may take part in the self-government of the City through direct citizen participation. The citizens may vote and stand for election in elections for the City Council in accordance with the law.
3. Citizens may directly participate in decision-making regarding local tasks falling within the self-government competencies of the City by referendum, local citizens' assembly and citizens' initiative in accordance with the law. The decisions on the announcement of a referendum shall be adopted in accordance with Article 33, paragraph 3 of this Statute.

Article 11

Rights and Duties of Citizens

1. The inhabitants of the City have the right to use all public institutions and facilities in the City, within the framework of existing regulations and under equal conditions. No one shall be prohibited from using such public institutions and facilities based upon his/her national, religious or cultural identity or any other similar grounds.

2. The inhabitants of the City shall participate in the financing of tasks of the City through taxes, fees and contributions in accordance with the laws.
3. The provisions of paragraphs 1 and 2 shall apply to the legal entities, with their seat in the City.

Article 12

Supervision

1. The City shall be subject to the supervision of the institutions of the Federation of Bosnia and Herzegovina and the Canton, as provided by the laws of the Federation of Bosnia and Herzegovina and the Canton.
2. The supervision shall in particular protect the rights of the inhabitants of the City, ensure their realisation and prevent the bodies of the City from violating the Constitution, laws and this Statute.

CHAPTER II: BODIES OF THE CITY

Article 13

General Provision

The bodies of the City are the City Council and the Mayor.

Part one: City Council

Article 14

Composition of the City Council

The City Council of the City (hereinafter: City Council) shall consist of 35 Councilors, who are elected through free, democratic and direct elections in accordance with the Election Law of Bosnia and Herzegovina.

Article 15

Elections for the City Council

1. The Councilors in the City Council shall be elected in electoral constituencies.
2. The electoral constituencies in the City shall be the area of the City and six City areas, as defined in Articles 5 and 7 of this Statute and in the map annexed to the Interim Statute published in the Official Gazette of the City of Mostar of 20 February 1996 (O.G. City of Mostar, no. 1, 20 February 1996), which forms an integral part of this Statute.

Article 16

Representation in City Council

A minimum of four (4) representatives of each Constituent People and one (1) of the Others shall be represented in the City Council.

No Constituent People shall have more than fifteen (15) Councilors.

Article 17

Allocation of Seats

1. Each City area shall elect three (3) City Councilors. The remaining seventeen (17)

Councilors shall be elected in the area of the City as one electoral constituency (hereinafter: the City-wide list).

2. At least four (4) candidates of each Constituent People and one (1) candidate of the Others from the City-wide list, shall be elected to the City Council.
3. Allocation of seats in the City Council shall be conducted in accordance with the Election Law of Bosnia and Herzegovina.

Article 18

Bodies Responsible for the Conduct of Elections

1. The bodies competent for the conduct of the elections in the City shall be the Election Commission of the City of Mostar and the Polling Station Committees.
2. Provisions of the Election Law of Bosnia and Herzegovina regulating the Municipal Election Commissions shall apply to the appointment, composition and scope of work of the Election Commission of the City of Mostar.
3. The members of the Polling Station Committees shall be appointed in accordance with the stipulations of the Election Law of Bosnia and Herzegovina.

Article 19

Independence of City Councilors

1. The City Councilors perform their duty according to their free convictions which shall be related only to the welfare of the City and its inhabitants.
2. The City Councilors are not bound by orders or instructions other than those provided for by law.

Article 20

Compensation for the City Councilors

For the exercise of their duty, the City Councilors are entitled to receive salary and allowances as determined by the City Council.

Article 21

Conflict of Interest

1. The City Councilors in the exercise of their public duty shall act in a responsible and conscientious manner. They shall not undermine the confidence of the inhabitants of the City and shall abide by the regulations governing their rights, duties and responsibilities.
2. The City Councilor shall be subject to the relevant legislation pertaining to conflict of interest.

Article 22

Confidential Information

1. The City Councilors shall not disclose any information classified as confidential by an authorised body.
2. The obligations from Paragraph 1 shall not cease at the end of the mandate of a City Councilor.

Article 23

Clubs

1. City Councilors may form Clubs. The President of the City Council and the Mayor shall receive notification of the establishment of a Club. The notification shall include the name of the Club, the names of its members, and of its chairman.
2. The City Council shall further regulate this matter in its Rules of Procedure.

Article 24

Caucuses of the Constituent Peoples

1. A caucus of each Constituent People shall be established in the City Council.
2. The establishment, organisation and modalities of work of the caucuses referred to in Paragraph 1 shall be further regulated by the Rules of Procedure of the City Council.

Article 25

President and Vice-Presidents

1. The City Council shall have a President and two Vice-Presidents. The President and the Vice-Presidents shall respectively carry the title "President of the City Council" and "Vice-President of the City Council".
2. The President and the Vice-Presidents shall not come from the same Constituent Peoples.
3. The mandate of the President and Vice-Presidents shall end at the same time as the mandate of the City Councilors.

Article 26

Election and Dismissal of the President and Vice-Presidents

1. At the first session of the City Council after the elections, the City Council shall elect the President and the Vice-Presidents from among the City Councilors. Until such time as the President is elected, the sessions of the City Council shall be chaired by the oldest City Councilor.
2. The President of the first session of the City Council shall call for nominations for the positions of the President and Vice-Presidents.
3. Each Councilor or club has the right to propose candidates for the positions of the President and Vice-Presidents of the City Council. Each caucus of a Constituent People shall nominate by a majority vote and out of the proposed candidates from its members, one candidate for election to the positions of the President and Vice-Presidents.
4. Voting on the nominated candidates shall be conducted for each candidate individually through an open ballot. Each City Councilor may only vote for one candidate.
5. The candidate who receives the highest number of votes shall be elected. Should two candidates receive the same number of votes, the younger one of the two shall be elected President. The two remaining candidates will be Vice-Presidents.
6. The President may not come from the same Constituent People as the Mayor of the City. Should this be the case, the President shall resign from his position and the election of a new President shall take place in accordance with this Article.
7. The President and Vice-Presidents may be dismissed by a two-third majority of votes of the elected City Councilors. In such case, the election of the new President or Vice-Presidents shall take place in accordance with this Article.

Article 27

Rights and Duties of the President and the Vice-Presidents

1. The President is responsible for the work of the City Council and shall notify the Mayor about the decisions of the City Council. The President shall represent the City Council on public occasions.
2. The Vice-Presidents shall support the President in the exercise of his/her duties and assume his/her duties in his/her absence, subject to the approval of the President, unless the President is prevented from doing so.
3. Personnel and material means that are necessary for the performance of their duty shall be put at the disposal of the President and the Vice-Presidents by the City Administration.
4. The President and Vice-Presidents shall have offices at their disposal, which are managed by a Secretary of the City Council.
5. The Secretary of the City Council is a civil servant of the City Administration under the authority of the President. He/she shall have his/her own staff.

Article 28

Competencies of the City Council

1. The City Council is the highest body of the City and shall be responsible for all matters falling within its competencies in accordance with the Constitutions and the law.
2. The City Council shall supervise the administration of the City, including the Mayor's Office. City Councilors shall be entitled to ask questions concerning items on the agenda at sessions, and to request written inquiries. The Mayor shall answer the inquiries within two months. Upon his/her own initiative, he/she shall keep the City Council informed about important issues.
3. The City Council shall be entitled to have an overview of the implementation of its decisions. For this purpose, it may, upon the request of a Club or a quarter of all City Councilors, form a Committee, which may examine documentation in the premises of the City Administration. Such Committee shall submit a report on the results of the examination. City Councilors may also at any time examine documentation in the premises of the City Administration. The City Council shall also adopt or reject the semi-annual and annual reports on execution of the Budget submitted by the Mayor pursuant to Article 43 Paragraph 4 item e) of this Statute.

Article 29

Sessions of the City Council

1. The City Council shall meet as often as necessary and at least once a month. The City Council shall be convened without delay whenever one third of all City Councilors submits a written request including an agenda. The request shall be submitted to the President of the City Council (hereinafter: the President).
2. Every City Councilor is entitled to propose a motion for all affairs regarding the City on the agenda.
3. At least three days shall pass between the submission in writing of the invitations and the day on which the session is held.
4. When convening the session, the President shall propose an agenda, in consultation with the Vice-Presidents of the City Council (hereinafter: the Vice-Presidents). The agenda shall be sent with the invitation for the session. Items may be added to the agenda during the session upon approval of two-thirds of the elected City Councilors. If those items do not receive the necessary majority, they shall be included on the agenda of the next session.
5. The President shall chair the sessions of the City Council and ensure its conduct in accordance with the Statute and the Rules of Procedure of the City Council.

6. The City Council shall meet for the first time within a two-week period following the announcement of the certified Election results. In such case, the City Council shall be convened by the oldest member, as determined by the Election Commission of the City of Mostar when the Election results are announced.

Article 30

Public Nature of the Sessions of the City Council

1. The sessions of the City Council shall be public and shall be announced to the public in a timely manner.
2. The City Council may on particular issues decide to hold its session closed to the public. The result of the session shall be announced to the public. This issue shall be further regulated by the Rules of Procedure of the City Council.

Article 31

Participation of the Mayor and the Heads of Departments

1. The Mayor and the Heads of Departments shall participate in the sessions of the City Council without right to vote.
2. The Mayor shall be entitled to address the City Council during a session at any time on any point of the agenda. Upon request, he/she shall provide the City Council with all information on all issues discussed. The Mayor may delegate these duties to one of the Heads of Departments.

Article 32

Quorum

The City Council can hold sessions and pass decisions if more than half of the elected members are present. The quorum shall be determined at the beginning of the session. It is assumed that the quorum exists until the opposite is determined upon request.

Article 33

Voting

1. The decisions of the City Council of the City shall be adopted by a majority of votes of the elected City Councilors, unless this Statute or law prescribes otherwise.
2. Notwithstanding the voting procedure prescribed in Paragraph 1, the adoption of the following decisions shall require a 2/3 majority of votes of elected Councilors:
 - a) Decisions on Urban Plans for the territory of the City;
 - b) Amendments to the Statute;
 - c) Adoption of the Budget and decision on the execution of the Budget;
 - d) Decisions on recognition and awards by the City;
 - e) Removal of the Mayor, President and Vice Presidents of the City Council;
 - f) Decisions on the appearance of the Coat of Arms, flag and other symbols referred to in Article 4 (3) of this Statute;
 - g) Decisions on the assignment of names for streets, squares and bridges;
 - h) Other matters as determined by this Statute;
3. The decision on the announcement of a referendum shall require a majority of votes in the City Council including the majority of votes within each of the Committees of the City Council for City Areas established in accordance with Article 38 of this Statute.
4. Decisions on distribution of revenues derived from the use of allocated construction land

shall be adopted pursuant to Article 56 of this Statute.

Article 34

Definition of the Vital National Interest

Vital national interests of Constituent Peoples to be protected in the City shall be those defined in Article VI.C.6) of the Constitution of the Federation of Bosnia and Herzegovina.

Article 35

Procedure for the Protection of Vital National Interest

1. If more than one President or Vice-President claim that a decision comes within the list of vital interests referred to under Article 34, the adoption of such a decision, shall require a majority vote within each caucus of the Constituent Peoples represented in the City Council.
2. The President and the Vice-Presidents shall decide, within one week, whether a decision comes within the list referred to under the Article 34.
3. If only one President or Vice-President claims that a decision falls within the list of vital interest, a two-third majority of the respective caucus of the Constituent Peoples in the City Council may declare the issue concerned to be an item within the list of vital interests.
4. In case a two-third majority of one of the caucuses of the Constituent Peoples in the City Council decides that a decision affects a vital national interest, adoption of such a decision shall require a majority vote within each caucus of the Constituent Peoples represented in the City Council.
5. If the majority referred to in the previous Paragraph is not reached, the issue shall be referred to the Constitutional Court of the Federation of Bosnia and Herzegovina, which shall take a final decision whether the disputed decision relates to a vital interest of a Constituent People.
6. In such a case, the Constitutional Court of the Federation of Bosnia and Herzegovina shall proceed in the manner provided for in the Article IV.A.18.a) item 5 through 8 of the Constitution of the Federation of Bosnia and Herzegovina.
7. If the Constitutional Court of the Federation of Bosnia and Herzegovina decides in favour of a vital interest, the decision shall fail and the document shall be returned to the proponent for a new procedure. In that event, the proponent may not re-submit the same text of the decision.
8. In the event that the Constitutional Court of the Federation of Bosnia and Herzegovina decides that no vital interest is involved, the decision shall be adopted by a majority vote.

Article 36

Other Elections in the City Council

1. The Elections in the City Council are conducted by secret ballot unless provided otherwise in this Statute.
2. Unless this Statute or the law determines otherwise, the person who receives more than half of the cast votes shall be elected. If none of the nominees receives the necessary votes in the first ballot, a second round between the two candidates who succeeded in obtaining the largest number of votes shall take place. If the two candidates receive the same number of votes, the younger of the two remaining candidates shall be elected, unless one of the candidates renounces.
3. The ballot shall clearly identify the candidate for whom the vote is cast. The ballot shall otherwise be considered spoiled. Abstentions and spoiled ballots shall not be considered as cast votes under Paragraph 2 of this Article. Abstentions and spoiled ballots shall however be counted when establishing the quorum.
4. The Election Committee, consisting of one member nominated from each of the Club

established pursuant to Article 23 of this Statute, shall collect and count the votes, and determine the Election results. The Election Committee decides by consensus. When consensus cannot be reached, the City Council shall decide, by open ballot and after having heard the Election Committee.

5. If there is more than one seat of the same kind to be filled through an election, lists of candidates shall be proposed. The seats shall be allocated in accordance with the Saint Lague's formula. This formula may be waived if the City Councilors come to an agreement on a common list and if the City Council gives its approval by a two-third majority.

Article 37

Committees

1. The City Council shall establish Committees of the City Council out of its members in order to prepare its decisions.
2. The number of members that a Club referred to in Article 23 of this Statute is entitled to nominate shall be proportionate to the size of the said Club. The Clubs may nominate as many members to the Committees as they are entitled to nominate and shall submit the names to the President in writing. If a member of a Committee withdraws from his office, the Club concerned shall nominate a new member. The Committee members may authorise other City Councilors from the same Club to represent them in the Committee in a particular case.
3. The Committees shall elect a President and a Deputy from among their members.
4. The President and the Vice-Presidents of the City Council may participate in all Committee sessions without the right to vote, and other City Councilors may participate as observers even in sessions closed to the public.
5. The Mayor shall participate in the sessions of the Committees without the right to vote. He/she may authorise one of the Heads of Departments to represent him/her.
6. The number of Committees, their competencies as well as all other issues not regulated by this Statute shall be prescribed by the Rules of Procedure in accordance with the general principles set forth in this Statute.

Article 38

Committees for City Areas

1. There shall be one Committee of the City Council for each City Area (Komisija Gradskog Vijeca za Gradska Podrucja). Each Committee of the City Council for City Areas (hereinafter: "Committees for City Areas") shall be comprised of the three City Councilors elected from the territory of the relevant City Area pursuant to Article 17, paragraph 1 of this Statute.
2. The Committees for City Areas shall have the following responsibilities:
 - Deciding on the distribution of revenues derived from allocated construction land, in accordance with Article 56 of this Statute;
 - Participating in the decision on announcement of a referendum, in accordance with Article 33, paragraph 3 of this Statute.
3. Decisions of the Committees for City Areas shall be adopted by simple majority.
4. Article 37, paragraphs 3 through 5 of this Statute will apply to the Committees for City Areas. Issues not regulated by this Statute shall be prescribed by the Rules of Procedure of the City Council in accordance with the general principles set forth in this Statute.

Article 39

Minutes

1. The minutes of discussions and decisions of the City Council and its Committees shall be taken. The minutes shall indicate the attendees, the issues discussed, the elections carried

out and the decisions adopted.

2. The Secretary of the City Council or his/her delegate in case he/she is prevented from attending, upon the request of the President or the Chairman of the Committee, shall be responsible for taking the minutes of the City Council and its Committees.
3. The minutes shall be signed by the minute-taker and by the President at sessions of the City Council, by the Chairmen of the Committees at sessions of the Committees, and delivered to the Mayor, as well as to all participants in the sessions.
4. The minutes shall be accessible to the public, except otherwise provided by law or this Statute.

Article 40

Rules of Procedure

1. The City Council shall adopt its own Rules of Procedure, which shall regulate the work of the City Council.
2. The Rules of Procedure shall in particular regulate the maintenance of orderly course of sessions, the form of invitations, the details on invitation periods, the sitting arrangements, the formal voting procedures and the elections, as well as the method of work.
3. The provisions of the Rules of Procedure shall be in accordance with this Statute.

Article 41

Challenge of Decisions

1. If a decision of the City Council is deemed to violate the laws in force or jeopardises the welfare of the City, the Mayor shall challenge it within three days.
2. The Mayor shall formulate the reasoning underlying his/her challenge. The challenge shall have suspensive effect.
3. The City Council shall vote again on the disputed decision at a newly convened session within three weeks. If the City Council confirms its decision:
 - a) the decision shall be final and shall be implemented if the dispute refers to a decision which in the Mayor's opinion violates the welfare of the City;
 - b) the Mayor shall challenge the decision by submitting it to the supervising authority if the dispute refers to a decision, which in the Mayor's opinion, violates the laws in force. Such submission shall be made within a week from the confirmation of the decision. The law applicable to such procedure shall be followed.

Part two: Mayor

Article 42

Representing the City

1. The Mayor shall represent the City.
2. The Mayor is the bearer of the executive authority.
3. The decisions of the City Council are implemented by the Mayor. Decisions of the City generating rights and duties shall be issued in writing with the official seal of the City.

Article 43

Tasks of the Mayor

1. The Mayor shall be responsible for the proper functioning of the City Administration, within the limits of the budget adopted by the City Council. The Mayor is responsible for the

work of the City Administration and is superior to all civil servants and employees of the City Administration. He/she shall appoint them, promote them taking into consideration the staffing plan and dismiss them from their office in accordance with law unless otherwise provided by this Statute. When appointing civil servants and hiring employees, the Mayor shall ensure that the structure of the civil service, as well as the structure of employees, is generally representative of the composition of the population of the City, in accordance with the Constitution and the relevant laws.

2. The Mayor shall organise the City Administration as economically and efficiently as possible, and shall divide it into individual Departments. For this purpose, he/she shall prepare the Rulebook on internal organization and general instructions on duty, which are approved by the City Council. The Rulebook on internal organization shall envisage up to six (6) Departments.

3. The Mayor has general policy making powers over the Departments.

4. The Mayor shall in particular:

- a) prepare and implement the decisions of the City Council;
- b) solve the issues which are incumbent on him/her according to this Statute;
- c) apply the laws and regulations, which should be implemented by the City upon instruction of the Canton or the Federation of Bosnia and Herzegovina;
- d) prepare the budget plan, propose it to the City Council and implement it according to the decisions of the City Council;
- e) submit semi-annual and annual reports on the execution of the Budget to the City Council. The semi-annual report shall contain, *inter alia*, a comparative overview of the determined and actual revenues and expenditures, and the proposed measures for improving the situation. Pursuant to a request made by the City Council, more frequent reports may be considered.
- f) supervise the public institutions owned by the City and the City-owned enterprises in accordance with the law;
- g) ensure the co-operation between the City Administration and the Ombudsmen.

Article 44

Election of the Mayor

- 1. Only Councilors elected to the City Council may be elected as Mayor.
- 2. The election of the Mayor shall be carried out at the first session of the City Council after the Elections.
- 3. Every City Councilor shall be entitled to nominate candidates from amongst elected Councilors.
- 4. Before the elections, the nominees shall declare in writing that they accept their candidacy.
- 5. A majority of two-thirds of the elected City Councilors shall be required to elect a Mayor. If none of the candidates receives the necessary votes in the first round, a second round will take place between the two candidates who obtained the largest number of votes in the first round. If, due to a tie between candidates in the first round, it is impossible to determine which two candidates received the highest number of votes, a separate round will be organised between these candidates in order to select the candidate(s) who will qualify for the second round. If none of the remaining two candidates receives a two-third majority in the second round, a third round shall take place. In the third round, a simple majority of the elected City Councilors shall be required to elect a Mayor from the remaining two candidates. If the remaining two candidates obtain the same number of votes in the third round, the younger one of the two shall be elected as Mayor.
- 6. Immediately after the elections, the elected nominee shall declare whether he/she accepts his/her election. If he/she does not accept it, the elections shall be repeated in accordance with the procedure prescribed in this Article.

Article 45

Removal from Office

1. The Mayor may be removed from office before the end of his/her mandate by a City Council decision.
2. The motion shall require the support of more than half of the elected City Councilors.
3. The decision on the removal of the Mayor shall be passed at a special session of the City Council. A two-third majority of the elected City Councilors is required.

Article 46

Inauguration and Attestation

1. After his/her election, the Mayor is inaugurated in Office at a public session, and shall, by taking an oath, undertake to conscientiously fulfil his/her duties.
2. He/she shall receive a certification of appointment (Povelju) on his/her Appointment signed by the President.

Article 47

Incompatibility

When elected, the Mayor shall resign from his/her seat in the City Council.

Article 48

Heads of Departments

The Heads of Departments shall be civil servants. The Heads of Departments shall be appointed and dismissed by the Mayor in accordance with the law.

Article 49

Tasks of the Heads of Departments

1. The Heads of Departments shall meet at a session, which shall be convened by the Mayor on a regular basis. When convening a session, the Mayor shall enclose the agenda. The Heads of Departments shall jointly discuss all the tasks incumbent on the City Administration and make recommendations concerning the preparation and the implementation of the City Council's decisions for decision by the Mayor. Minutes shall be taken at the session in accordance with the requirements prescribed in this Statute. The aforesaid shall be further regulated by the Rulebook on internal organization of the City Administration.
2. On the basis of the discussions and in accordance with Paragraph 1, the Heads of Departments independently manage their Departments within the framework of the Mayor's policy-making powers.

Article 50

Compensation for the Mayor

For the exercise of his/her duty, the Mayor is entitled to receive salary and allowances as determined by the City Council.

Article 51

The Chief Advisor of the City

1. The Mayor shall be entitled to a Secretariat, which co-ordinates all preparatory and executive activities of the entire City Administration, and assists the Mayor.
2. The Secretariat shall be managed by the Chief Advisor of the City (hereinafter: "the Chief Advisor"), who is appointed by the Mayor, after consultations with the Caucus of the Constituent People to which the proposed candidate belongs with the consent of the City Council.
3. The Chief Advisor shall participate in all important administrative issues. Details shall be specified in instructions on duty issued by the Mayor.
4. The Chief Advisor shall not come from the same Constituent People as the President and the Mayor.
5. When appointed, the Chief Advisor shall resign from his/her seat in the City Council.

CHAPTER III: BUDGET, PUBLIC COMPANIES AND INTERNAL CONTROL

Article 52

Budget

1. The City has one single and unified Budget where all revenues and expenditures shall be presented. The preparation, adoption and execution of the Budget of the City shall be carried out in accordance with the provisions of the *Law on Budgets of the Federation of Bosnia and Herzegovina*, as well as other applicable laws.
2. Revenues of the Budget of the City shall include, without limitations, direct and additional revenues, fees, tax revenues, non-tax revenues and capital revenues. Revenues shall also include revenues which belong to the City in line with the law and regulations of Bosnia and Herzegovina, of the Federation of Bosnia and Herzegovina and of the Canton.
3. The Budget is a financial register of plans and policy of the executive authority of the City.
4. The executive authority of the City shall ensure that:
 - a) The Budget and its execution enable continuous realization of the tasks of the City;
 - b) The execution of the Budget is correct and lawful, economical, efficient, cost-effective and transparent;
 - c) All revenues shall be allocated in the Budget and registered through sources from which they were collected, and that all expenditures defined in the Budget are in balance with revenues.
5. In accordance with the Budget calendar of the Federation of Bosnia and Herzegovina, the executive authority of the City shall annually prepare and submit to the City Council the draft Budget, which must contain an explanation for deliberation and adoption.

The draft Budget, among other things, shall contain:

 - a) A detailed projection of all revenues and expenditures;
 - b) Revenues and expenditures of every single budgetary beneficiary, in line with the law and valid budgetary classifications;

Explanatory material relating to the Budget shall include:

 - a) Detailed legislative bases for all revenues and expenditures which are planned in the Budget for the following budgetary year;
 - b) Priorities and policies which determine development of the Budget, prognosis of significant trends of revenues and expenditures, summary of current debt obligations, relation between current debt and legal deadlines, as well as reflection of such status to the current budgetary state and obligations, plan of debt payment, description of process of collection of revenues of the Budget, evaluation of the relations between revenues and expenditures of the Budget, and guidelines for expenditures for the following budgetary year;
 - c) Review (itemised) of all budgetary beneficiaries, which would list all employees who are on the payroll of the Budget of the City;

d) Highlights of the City Council's remarks rendered on the annual report on the execution of the previous year and corrective actions taken.

6. The City Council shall adopt the Budget and the Decision on execution of the Budget of the City at the same time. The decision on execution of the Budget closely defines issues such as harmonization and uniformity of disbursement of public revenues, priorities, method of submitting of report on execution, as well as other issues of importance for the expenditures of budgetary means and the realization of functions of the City.

Article 53

Public Companies

1. The City may establish, support, take over or extend public companies if this is in the interest of its citizens. To this end, the City needs to ensure that the company in question is capable of discharging the required functions adequately and that it is proportional in size to the economic viability of the City, as well as its requirements.

Article 54

Representation in Public Companies

1. In companies in which the City is the sole shareholder, the supervisory board shall consist of representatives elected by the City Council in accordance with the Law on Ministerial and Other Appointments of the Federation of Bosnia and Herzegovina. The statute of the company shall regulate the number of representatives.
2. If the City participates in a company, the appointment principles prescribed in the previous paragraph shall apply to the City representatives to be appointed to the supervisory board, where applicable.
3. Companies referred to in Paragraph 1 and Paragraph 2, where applicable, shall be organised and shall operate in accordance with the laws applicable to public companies.

Article 55

Internal Control

1. Internal Control is an independent and objective appraisal function of control over the financial, material and accounting business of the budget users, as well as over the legality and the appropriateness of the use of budget resources, in order to ensure a proper, economic, efficient and effective use of resources.
2. The Office of Internal Control has direct access to the relevant department in charge of finance, the City Administration, the institutions of the City and all other budget users.
3. The Office of Internal Control shall be managed by the Chief of Internal Control.
4. The Chief of Internal Control shall be responsible to the City Council for his/her and the work of the Office.
5. The Chief of Internal Control shall be appointed and dismissed upon recommendation of the Finance and Budget Committee with the approval of the City Council. The selection of the Chief of Internal Control needs to be transparent and merit-based. The Chief of Internal Control has to possess relevant qualifications and proven experience in auditing.
6. The Mayor may remove the Chief of Internal Control only with the consent of a two-third majority of the elected City Councilors.
7. The internal organization of the Office of Internal Control shall be determined in the Rulebook on Internal Organisation.
8. The Office of Internal Control conducts regular internal controls of all City institutions, and should prepare and submit a quarterly analysis on the execution of the Budget to the Mayor in order to assist him/her in the preparation of the reports referred to in Article 43,

Paragraph 4, item e) of this Statute. The said quarterly analysis shall also be presented to the City Council. Such analysis shall contain, *inter alia*, a comparative overview of the determined and actual revenues and expenditures, as well as the proposed measures for improving the situation. Recommendations and proposed measures for improvement that are made by the Office of Internal Control must be swiftly implemented upon presentation if they are in the framework of the paragraph 9 and 12 of this Article.

9. In particular, the Office of Internal Control presents an opinion on the annual report on the Budget execution presented by the City executive. Such report scrutinizes, *inter alia*:

- a) If the Budget plan has been adhered to;
- b) If all financial transactions are properly recorded and accounted for;
- c) If all revenues and expenditures have been undertaken in accordance with rules and regulations;
- d) If the documents are complete and correct.

10. In addition to the annual report on the Budget execution, the Office of Internal Control scrutinizes on a continuous basis all accounts in order to ensure that the statement of accounts presents accurately the financial position of the City and its revenues and expenditures for the year in question and complies with all legal requirements.

11. On a continuous basis, the Office of Internal Control supervises all accounts. In case of electronic data processing, it must control the mechanisms before they enter into operation.

12. The Mayor, City Chief Advisor, Head of the relevant department in charge of finance or the City Councilors can assign other tasks to the Chief of Internal Control as deemed necessary, relating to the scrutiny of tenders, to the proper and economic functioning of the Administration or to the City's involvement in public companies.

CHAPTER IV: LAND DEVELOPMENT AND CONSTRUCTION LAND

Article 56

Distribution of Allocated Construction Land Revenues

1. Decisions on the distribution of revenues derived from compensations for allocated city construction sites, for the development of city construction land plots, and for the use of allocated construction sites (hereinafter: Land Allocation Compensation) within the City shall be determined pursuant to procedures established by this Statute in accordance with applicable laws.
2. Revenues referred to in Paragraph 1 shall be redistributed for the benefit of City Areas from which the revenue is derived in the amount of 80%, and for the benefit of the City as a whole in the amount of 20%.
3. Revenues derived from Land Allocation Compensation shall be used for paying expenses of further land development, the production of planning documentation, and as prescribed by the Law.
4. Decisions on the distribution of revenues derived from Land Allocation Compensation within the former Central Zone shall be determined by the City Council in accordance with applicable laws. The aforementioned revenues shall be reinvested into the former Central Zone in the amount of 80%.
5. Decisions on the distribution of revenues derived from Land Allocation Compensation within each City Area shall be determined by the relevant City Area Committee for a City Area, in accordance with Article 38 of this Statute.
6. Each Committee for a City Area shall forward to the City Council a report on pending, denied and adopted decisions on the use of revenues for further land development at the end of each month. The City Council shall endorse, by a majority of votes of elected Councilors, the report of each Committee within 15 days of its submission. Should the City Council fail to do so, the report of each Committee, and the decisions contained therein, shall become valid and fully enforceable on the 16th day after its submission.
7. Each Committee for a City Area shall submit, every six months, a report outlining all

revenues derived from Land Allocation Compensation, as well as the distribution of such revenues and detailing beneficiaries of such distribution to the Chief of Internal Control. The Chief of Internal Control will present annually an analysis of the revenues derived and their use, highlighting any identified irregularities, to the City Council.

CHAPTER V: FINAL REGULATIONS

Article 57

Publication and Entry into Force

This Statute shall be published in the Official Gazette of the City of Mostar and Herzegovina-Neretva Canton. This Statute shall enter into force on the 15th March 2004.

Article 58

Amendments to the Statute

This Statute can be amended by a majority of two-thirds of the elected City Councilors.