

37th Report of the High Representative for Implementation of the Peace Agreement on Bosnia and Herzegovina to the Secretary-General of the United Nations

1 November 2009-30 April 2010

Summary

This report covers the period from 1 November 2009 to 30 April 2010. During

the reporting period, there has been continued progress on addressing the conditions

for visa liberalization with the European Union, and the European Commission

presented its assessment in this regard to the Council of the European Union and the

European Parliament in April. Furthermore, the North Atlantic Treaty Organization

decided on 23 April, at its ministerial meeting in Tallinn, to accept Bosnia and

Herzegovina's application for a Membership Action Plan, however, making this step

conditional upon a resolution of the issue of immovable defence property. Bosnia

and Herzegovina also became a non-permanent member of the United Nations

Security Council as of 1 January 2010.

Otherwise, during the past six months all levels of authority in Bosnia and

Herzegovina have made limited progress towards adopting and implementing longneeded

reforms. Equally, challenges to the General Framework Agreement for Peace

have continued.

It remains a matter of concern that legal and political actions against State

institutions, competencies and laws, mainly by the Government of Republika Srpska

and challenges to the authority of the High Representative and the Steering Board of

the Peace Implementation Council have continued. In the build-up to the general

elections in October 2010, divisive, anti-Dayton rhetoric disputing the sovereignty

and constitutional order of Bosnia and Herzegovina have increased as have

provocative actions that threaten earlier progress in coping with and overcoming the

country's legacy of serious war crimes. In this respect, it is worrying that the

Republika Srpska authorities have adopted a new Law on

Referendum for the

express purpose of holding a referendum challenging the authority of the High

Representative. Furthermore, the Federation has also not met the obligations, under

its Constitution, for an equal distribution among the three constituent peoples of six

key positions in the entity's executive, legislative and judiciary institutions.

Only limited progress has been made towards meeting the outstanding

requirements set by the Steering Board of the Peace Implementation Council for

transition from the Office of the High Representative to a European Union presence.

Owing to the inability of the Bosnia and Herzegovina Council of Ministers and State

Property Commission to take appropriate action, the Office of the High

Representative conducted and completed a State Property Inventory in December

2009. Progress on constitutional reform has likewise stalled, with the high-level

political discussions ("Butmir process") initiated by the European Union and the

United States ending in November without a breakthrough. Equally, the relevant

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authorities have not managed to implement the December 2009 ruling of the

European Court of Human Rights regarding the rights of minorities to stand for

election and appointment to important State-level institutions, a ruling which

requires amendments to the Bosnia and Herzegovina Constitution.

The European Union military mission in Bosnia and Herzegovina has continued

to reassure citizens that the environment in the country remains safe and secure.

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I. Introduction

1. This is my third report to the Secretary-General since assuming the post of

High Representative for Bosnia and Herzegovina – as well as the post of European

Union Special Representative – on 26 March 2009. In keeping with past practice,

the present report assesses progress made towards attaining the goals outlined in

previous reports, reviews developments during the reporting period, and provides

my assessment of mandate implementation in the most important areas, not least the

objectives and conditions which must be met before the transition from the Office of

the High Representative to a European Union (EU) presence can be agreed. I have

focused my efforts on facilitating progress in these areas, meeting my primary

responsibility to uphold the Dayton Peace Agreement, but facilitating progress

towards European integration as well. Regrettably, my efforts have largely been

dedicated to addressing negative developments, in particular in a context marked by

divisive legal and rhetorical actions against State institutions.

2. The successful election of Bosnia and Herzegovina to a non-permanent seat in

the Security Council in 2010-2012 represents a milestone in the country's pursuit of

its foreign policy ambitions and is an important recognition of the progress achieved

in recent years. Equally, initial steps towards NATO membership and progress in

addressing the conditions for visa liberalization set by EU also represent concrete

steps forward. Finally, the regional situation has also continued to develop

favourably, with Croatia, Montenegro, Serbia and Turkey all playing increasingly

constructive roles vis-à-vis Bosnia and Herzegovina, which has contributed to

improved relations in the region.

II. Political update

General political environment

3. Despite progress on the Euro-Atlantic agenda and improved relations in the

region, the overall political climate in Bosnia and Herzegovina has continued to be

negative. In the context of the forthcoming general elections in October 2010, the

political atmosphere has deteriorated, having a negative impact on the delivery of

still-outstanding reforms. Anti-Dayton activities have continued (specifically in

relation to Annexes 2, 4 and 10 of the General Framework Agreement for Peace),

and the use of nationalistic and intemperate rhetoric has increased. In particular,

political leaders from Republika Srpska have questioned the sovereignty and

sustainability of Bosnia and Herzegovina by underlining that the country is a

“virtual State”, sustained only by the presence of the international community, and,

in particular, by referring to the possibility of the country's "peaceful dissolution"

and the "emergence of a new State". The same authorities have also challenged the

rulings of the International Criminal Tribunal for the Former Yugoslavia and the

International Court of Justice that qualified as genocide the July 1995 massacres by

Serbs of Bosniaks who had sought refuge in the United Nations-protected area of

Srebrenica in July 1995.

4. In parallel, the Republika Srpska authorities have continued their challenges to

the authority of the international community. On 21 January, the Republika Srpska

Government challenged the authority of the Security Council, the Peace

Implementation Council and the High Representative through a document entitled

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"The High Representative's decision on extension of term of office to international

judges and prosecutors is in contravention of the rule of law", together with a legal

attachment entitled "Correction of the legal facts that have been wrongly presented

by the Office of the High Representative and some Ambassadors of the Peace

Implementation Council". The latter document denies the authority and powers of

the High Representative as entrusted by the Security Council under Chapter VII of

the Charter of the United Nations and questions the authority of the High

Representative as the final authority in theatre regarding interpretation of the

civilian implementation of the peace settlement. It also questions the legitimacy of

the Peace Implementation Council.

5. On the other hand, the regional situation has continued to develop positively.

Both the President of Serbia, Boris Tadic, and the newly elected President of

Croatia, Ivo Josipovic, visited Bosnia and Herzegovina in April 2010, where they

urged moderation, pressed for reconciliation and publicly supported the sovereignty

and territorial integrity of Bosnia and Herzegovina.

6. On 30 March, Serbia's Parliament passed a landmark resolution condemning

crimes committed in Srebrenica in July 1995, which represented an important step

towards easing tensions between Bosnia and Herzegovina and

Serbia. Turkey has

also played an important role by holding trilateral talks with Croatia and Bosnia and

Herzegovina on the one hand and Serbia and Bosnia and Herzegovina on the other.

As a result, Belgrade granted *agrément to Bosnia and Herzegovina's Ambassador designate*

to Serbia, who was accredited in March 2010. Moreover, the "Istanbul

Declaration" signed in late April by the Presidents of Serbia, Turkey and Bosnia and

Herzegovina committed the three countries to improving their mutual relations and

to supporting the territorial integrity and Euro-Atlantic integration prospects of

Bosnia and Herzegovina.

The High Representative's decisions during the reporting period

7. In response to the High Representative's decision of 18 September 2009

related to the continued functioning of the State Electricity Transmission Company

("Transco") and the technical steps needed to complete the Brcko Final Award, the

Republika Srpska Government and National Assembly adopted conclusions that

declared those decisions null and void, illegal and a

violation of the Dayton Peace

Agreement (see S/2009/588, paras. 22 and 23). Notwithstanding this defiance, the

Republika Srpska authorities subsequently accepted and adopted legislation

pertaining to entity citizenship for Brcko residents that was in compliance with the

text of my decision. Although they have been prompted to do so, the Republika

Srpska authorities have so far failed to adopt amendments necessary to incorporate

Brcko District into the electricity regulatory framework that covers the rest of the

country. The relevant authorities in Republika Srpska have also refused to publish

the High Representative's decisions in the entity's Official Gazette. These actions

are in violation of the High Representative's authority under Annex X of the Dayton

Peace Agreement and various Security Council resolutions, as well as the Republika

Srpska Law on Governing the Official Gazette.

8. By December 2009, more than one year after local elections, the Mostar City

Council had proved unable either to elect a mayor or to pass a 2009 budget, despite

repeated admonitions by the Steering Board of the Peace

Implementation Council

and interventions by the Office of the High Representative to facilitate progress.

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With unanimous support from the Ambassadors on the Steering Board of the Peace

Implementation Council, the High Representative issued a decision on 14 December

2009 enacting amendments to the Statute of the City of Mostar. This resulted in the

election of a Mayor and the adoption of a city budget on 18 December 2009.

9. As the mandates of international judges and prosecutors working in State-level

judicial institutions were about to expire in late December, the High Representative

used his executive powers on 14 December 2009 – again with unanimous support

from the Steering Board of the Peace Implementation Council – to extend the

mandates of international judges and prosecutors in the War Crimes Divisions of the

State Court and the Prosecutor's Office of Bosnia and Herzegovina. Those decisions

did not cover the mandates of the judges and prosecutors dealing with organized

crime. Those decisions were a result of the failure of the relevant Bosnia and

Herzegovina authorities to act in this regard or to provide for any domestic

alternative to the international presence, despite requests from the Court and the

Prosecutor's Office of Bosnia and Herzegovina going back more than two years

before the High Representative's decisions. Although the decisions pertain only to

the State-level criminal justice system, the Republika Srpska Government and

National Assembly rejected those decisions and, as a result, approved measures

calling for a referendum on the High Representative's powers.

10. In November 2009 and January 2010, the High Representative issued in total

six decisions lifting bans on persons previously barred from being a candidate for

elections or to hold any executive office at any level because of earlier obstruction

of the General Framework Agreement for Peace.

Five objectives and two conditions for the closure of the Office of the

High Representative

11. None of the remaining three objectives necessary for the closure of the Office

of the High Representative was fully met during the reporting period. Although the

Office completed the State Property Inventory and turned it over to State-level,

entity and Brcko District governments in December 2009, the relevant authorities of

the State, entities and Brcko District have not yet initiated any discussions on how

to allocate State property. Moreover, the Republika Srpska Government has rejected

the State Property Inventory. Despite the High Representative's repeated requests,

the State-level and entity governments have also failed to produce any "selfassessment"

of State property they would need for their effective functioning (Brcko

District has responded). Instead, there have been threats at the State level, in the

Federation and in Republika Srpska to address the State property question by taking

unilateral steps.

12. There has likewise been limited progress in addressing the question of

immovable defence property, on which the political leaders remain as divided as

they are on the wider State property issue. However, there has been the promise of

progress on destroying surplus ammunition, weapons and explosives. The Minister

of Defence has applied for financial and technical assistance from the Government

of the United States of America for the destruction of most small arms and all highrisk

ammunition, mines and explosives. This represents concrete progress as regards

the question of movable defence property.

13. In relation to Brcko District, notification to the Brcko Arbitral Tribunal that

the entities have fulfilled their obligations under the Brcko Final Award remains on

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hold. While the measures needed to incorporate Brcko into Bosnia and

Herzegovina's legal and regulatory framework for electricity are in place and in

force at the Bosnia and Herzegovina Federation and Brcko levels of authority, the

Republika Srpska authorities have still not complied with the High Representative's

decision of 18 September 2009. The Brcko Supervisor cannot certify completion of

the Brcko Final Award until this matter is resolved.

State-level institutions

14. The Bosnia and Herzegovina Presidency has met regularly and adopted a 2010

budget of KM 1.365 billion, which was 1 per cent less than the 2009 budget. The

Presidency also passed a Proposed Annual Platform on Intelligence-Security Policy;

accepted a two-year extension of the mandate of the European Union Police

Mission; started the procedure to appoint a judge to the European Court of Human

Rights; tasked the Ministry of Defence with preparing information on

implementation of the Agreement on Final Disposal of Rights and Obligations on

Movable Property; and most recently approved a military mission to the NATO-led

International Security Assistance Force mission in Afghanistan.

15. The Council of Ministers continued to meet regularly, adopting 13 sets of

amendments to existing legislation, 2 of which were previously imposed by the

High Representative, and 17 new laws. After months of delay, the Council of

Ministers approved amendments to the Rule Book on Internal Organization and

Staffing of the Ministry of Foreign Affairs relating to the Permanent Mission of

Bosnia and Herzegovina to the United Nations. The Council of Ministers also

adopted a revised strategy for implementation of Annex VII of the General

Framework Agreement for Peace relating to refugee return, which awaits adoption

by the Bosnia and Herzegovina Parliamentary Assembly. This is the second time the

Council of Ministers has sent the Annex VII strategy to the Bosnia and Herzegovina

Parliament for adoption. The Council of Ministers appointed a director of the Return

Fund in April 2010.

16. In November 2009, the new Minister of Security was appointed. The

appointment took place two months after the statutory time limit. However, the

Council of Ministers has yet to make other long-pending appointments to key Statelevel

agencies, namely, the Indirect Taxation Authority, the Communications

Regulatory Agency, the State Electricity Transmission Company and the

Coordinator for Public Administration Reform, even though the statutory deadlines

have in some of these cases passed more than two years ago.

17. The Bosnia and Herzegovina Parliamentary Assembly adopted

six laws and 21

amendments to existing legislation. Overall legislative work has continued to be

adversely affected by the negative political environment.

Developments in the entities

18. As a response to the High Representative's decisions issued in December on

extension of the international judges and prosecutors in the area of war crimes, the

Republika Srpska Government submitted on 26 January a draft Law on Referendum

and Civic Initiatives to the Republika Srpska National Assembly, which was adopted

on 10 February. On 28 December, the Republika Srpska National Assembly had

instructed the Government to call a referendum and to discuss its subject matter and

scope. On 20 April, the Republika Srpska Constitutional Court rejected the Bosniak

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invocation of "vital national interest" against the above-mentioned law. The

Republika Srpska Prime Minister and other entity political leaders have since made

it clear that their intention is to hold a referendum before the general elections in

October, reportedly about the Dayton Peace Agreement and the right of the High

Representative to use his executive powers.

19. Given the current political situation, a referendum on issues falling outside the

constitutional competencies of Republika Srpska would constitute a serious

challenge to Bosnia and Herzegovina's constitutional order and would likely be

viewed by large segments of the public, as well as Federation-based political parties

and organizations, as a prelude to secession. Under the domestic constitutional

framework, no referendum can be conducted by an entity in a matter that does not

fall within its constitutional competencies. The status and powers of the High

Representative are matters arising under the Dayton Peace Agreement and

international law, and, therefore, do not fall within the purview of Republika Srpska.

Such a referendum would directly challenge Annex X of the Dayton Peace

Agreement as well as the authority of successive Security Council resolutions.

20. In the Federation, political relations within the governing coalition

deteriorated during the reporting period, owing in part to the belt-tightening required by the International Monetary Fund (IMF) and the angry response of veterans groups. Protests led by war veterans resulted in violent clashes with the police on 21 April 2010. Croat-Bosniak political relations also remained strained, with numerous vital positions in Federation institutions unfilled owing to disagreements over their respective representation and blockades of each other's economic projects. As a result, the post of Minister for Spatial Planning and several seats on the Federation Constitutional Court bench have remained vacant for months. The Federation Deputy Prime Minister also resigned and has yet to be replaced. Furthermore, the Federation has not met the obligations under its Constitution for an equal distribution among the three constituent peoples of six key positions in the entity's executive, legislative and judiciary institutions.

Constitutional reform

21. A number of initiatives were taken by international actors during the reporting

period to facilitate a breakthrough on constitutional reform. However, the political

leaders failed to make any concrete progress. The negotiations sponsored by the

European Union and the United States of America ended in November 2009 with the

parties' leaders still far apart. Subsequently, there have been no serious discussions

on constitutional reform.

22. On 22 December 2009, the Grand Chamber of the European Court of Human

Rights issued a much-anticipated ruling (on behalf of the Roma and Jewish

communities) in the Sejdic-Finci case. The European Court found Bosnia and

Herzegovina in violation of the European Convention on Human Rights because of

racial discrimination stemming from the way in which it elects members of its

Presidency and delegates to the House of Peoples. Following the ruling, in February

2010, the Council of Ministers and the Bosnia and Herzegovina Parliamentary

Assembly established a working group tasked with proposing solutions to

implement the above-mentioned ruling. The working group, however, failed to

produce any concrete results, owing mainly to the diametrically opposed views of

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the political leaders on the nature and scope of constitutional reform. In late April

2010, the Council of Ministers extended the mandate of the working group and

instructed it to continue its work.

23. On 29 April 2010, the Parliamentary Assembly of the Council of Europe

adopted a resolution which stated that Bosnia and Herzegovina must urgently launch

an institutionalized process for preparing a comprehensive package of amendments

to the Constitution – with a view to removing, in particular, constitutional

discrimination against the so-called “others” as well as the members of three

“constituent peoples” who do not reside in the entity where their ethnic group is

largely represented. The resolution stressed that such a process – which should

continue after the general elections – should involve domestic legal experts and

draw on European expertise, including that of the Council of Europe’s Venice

Commission.

24. The general elections, scheduled for 3 October, were officially called on

5 May 2010 by the Bosnia and Herzegovina Central Election Commission. Owing to

the failure of the Bosnia and Herzegovina authorities to implement the December

2009 ruling of the European Court of Human Rights, those elections will take place

according to the current Constitution of Bosnia and Herzegovina and the election

law, which are in breach of the European Convention on Human Rights.

III. European partnership priorities and visa liberalization

25. There has been limited progress in addressing the European Partnership

priorities during the reporting period. While the Council of Ministers adopted 11

laws that stemmed from Bosnia and Herzegovina's European Partnership Action

Plan or were conditions of the Stabilization and Association Agreement, the Bosnia

and Herzegovina Parliamentary Assembly enacted only 4 such laws.

26. The Council of Ministers finalized the appointment procedures stemming from

the April 2008 police reform laws when it appointed the

director and deputy

directors of the new Directorate for Coordination on 9 March 2010. The Council of

Ministers also selected a new Coordinator for European Community Assistance on

8 April 2010.

27. The Law on a Population Census for 2011, an important European Partnership

priority, was rejected by the Bosnia and Herzegovina Parliamentary Assembly. An

ad hoc parliamentary committee charged with preparing a draft law failed to reach a

compromise agreement in April. Instead, the Republika Srpska Government adopted

its own entity census law on 15 April 2010. The proposed law, which has yet to be

debated in the Republika Srpska National Assembly, calls for a census to take place

between 1 and 15 April 2011. The European Commission has made it clear that it

will accept only a State-wide census law for European integration purposes and that

an entity census would have no relevance in this regard.

28. Reforms designed to ensure a single economic space and which are also part of

the European Partnership priorities, including the adoption of a single law on

obligations and the establishment of a single system of banking supervision, remain

blocked.

29. There has been significant progress in meeting the conditions of the visa

liberalization road map. The European Commission presented its assessment in this

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regard to the European Parliament's Committee for Civil Liberties, Justice and

Home Affairs and the Council of the European Union in April. According to the

European Commission, it appears that Bosnia and Herzegovina meets most of the

benchmarks set by the visa road map. The country has issued around 115,000

biometric passports as of 9 April 2010. The authorities have also adopted the Law

on the Agency for the Prevention of Corruption and the Coordination of the Fight

against Corruption, and the Law on Amendments to the Criminal Code of Bosnia

and Herzegovina. However, further progress is required, in particular in relation to

strengthening the capacities of law enforcement agencies and the effective

implementation of the legal framework, and in implementing the action plan for the

electronic data exchange between police and prosecution bodies. The harmonization

of the entity level and Brcko District criminal codes with those of the State level is

also necessary. Provided that the necessary conditions are met, the European Union

institutions might decide on granting visa-free access for the citizens of Bosnia and

Herzegovina in the second half of 2010.

IV. Public administration

30. During the reporting period, there was limited progress in the reform of public

administration, and the civil service remains a target for attempts by political

leaders to permit greater control over relevant appointments. The Bosnia and

Herzegovina Public Administration Reform Strategy and its various action plans

remain only partially implemented. A new Public Administration Reform

Coordinator has not been appointed.

31. In February 2009, the Federation Constitutional Court ruled that the West

Herzegovina Canton Law on Civil Servants, which would establish a separate civil

service in that canton, was constitutional. The Federation President then filed a legal

challenge against the Federation Civil Service Law before the Federation

Constitutional Court, which is due to announce its decision on 13 May 2010. This

court ruling presents a risk that the unified Federation civil service could fragment

into 11 separate civil services, and would thus represent a rollback of the civil

service and public administration reforms that have been agreed by the State-level,

Federation, Republika Srpska and Brcko District authorities.

32. The Republika Srpska National Assembly adopted legislation abolishing the

institution of the Republika Srpska Ombudsman on 23 December 2009. This cleared

the last major obstacle for the Bosnia and Herzegovina Ombudsman's Office to

become fully operational. However, the law also foresees the establishment of an

Office of the Republika Srpska President for Citizens' Appeals and Complaints,

which would assume some of the responsibilities and staff of the Republika Srpska

Ombudsman.

V. Entrenching the rule of law

National War Crimes Prosecution Strategy

33. The collection of data on outstanding war crimes cases commenced during the

reporting period, albeit after considerable delays. The central database developed for

the Bosnia and Herzegovina Prosecutor's Office is currently being expanded to

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include all data collected from the entire country. With technical support from the

Bosnia and Herzegovina High Judicial and Prosecutorial Council, the final database

will be under the authority of the Bosnia and Herzegovina Prosecutor's Office. On

13 April, the Supervisory Board overseeing the implementation of the National War

Crimes Prosecution Strategy received the complete list of war crimes cases opened

in Bosnia and Herzegovina as of March 2010. A total of 1,381 cases, involving

8,249 suspects, are currently under investigation. In addition, there are another

1,863 reported cases and some 350 reported cases against unknown perpetrators that

are not currently being investigated. The next step will centre on analysing the

compiled information in order to define concrete criteria for the prioritization of

cases, and then the distribution of cases between the State and entity jurisdictions

will be decided. On 9 April 2010, relevant representatives of the courts and

prosecutors' offices in Bosnia and Herzegovina warned that the lack of staff, office

space and budgetary support could undermine the implementation of the National

War Crimes Prosecution Strategy.

34. With regard to the second identified priority of the National War Crimes

Prosecution Strategy – regional cooperation on prosecuting war crimes – the

Bosnia and Herzegovina Chief Prosecutor has started preparing a draft

memorandum of understanding on the sharing of evidence, which would be signed

with neighbouring countries.

35. The Ministers of Justice of Bosnia and Herzegovina, Croatia and Serbia signed

amendments to the existing Agreements on Mutual Enforcement of Court Decisions

in Criminal Matters in February 2010. Those amendments are designed to address

the problem of dual citizens sentenced in one country escaping

to a neighbouring

country where they have citizenship to avoid serving their sentence. The

amendments should enable criminal sentences to be served in the country to which

convicted persons have escaped and have established residence. The Bosnia and

Herzegovina Minister of Justice has also signed amendments to the Agreement on

Legal Aid in Civil and Criminal Matters between Bosnia and Herzegovina and the

Republic of Serbia in order to enact the principles upon which the conflict of

jurisdictions in respect to war crimes could be resolved between the two countries.

36. However, the arrest on 1 March 2010 of Ejup Ganic, a former member of the

Bosnia and Herzegovina war time Presidency, by authorities in the United Kingdom

of Great Britain and Northern Ireland, pursuant to an extradition request made by

Serbia in relation to his alleged involvement in the so-called "Dobrovoljacka Street"

case,¹ showed that the newly signed amendments to the bilateral agreement did not

offer instruments to avoid such cases. It also highlighted once again the need for a

regional and coordinated approach to the question of criminal

proceedings in war

crimes cases.

National Justice Sector Reform Strategy

37. By the end of 2009, only 30 per cent of the requirements of the National

Justice Sector Reform Strategy had been met. The third ministerial conference on

¹ The case carries the contemporaneous name of the Sarajevo street where the event took place. It

is reported that on 3 May 1992, a Yugoslav People's Army convoy was attacked by the Bosnia

and Herzegovina territorial defence, police forces and paramilitary units while withdrawing

from Yugoslav People's Army military bases in Sarajevo and that the attack resulted in number

of casualties.

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the implementation of the National Justice Sector Reform Strategy, held on

22 December 2009, confirmed the failure of the signatories to enforce their

commitment to ensure "coordinated monitoring of key reform initiatives of joint

interest for the justice sector in Bosnia and Herzegovina". As a result, a technical

secretariat was established to assist the Bosnia and Herzegovina Ministry of Justice

to meet its coordination role. The Ministry of Justice also signed a memorandum of

understanding with five civil society associations in order to reinforce their

monitoring role of the implementation of the strategy. Given the low level of

implementation, on 12 January 2010, the European Union delegation, the

Organization for Security and Cooperation in Europe, the United States of America,

the Council of Europe and the High Representative signed a letter to the relevant

authorities urging them to improve implementation of the Strategy.

Other rule of law issues

38. Following the failure by the Bosnia and Herzegovina Parliamentary Assembly

to adopt the required amendments requested by the Court and the Prosecutor's

Office, as well as the International Tribunal for the Former Yugoslavia, on

14 December 2009, the High Representative enacted amendments to the Law on the

Court of Bosnia and Herzegovina and to the Law on the Prosecutor's Office of

Bosnia and Herzegovina. The presence of international judges and prosecutors

working on war crimes cases in the State-level judicial institutions was thereby

extended for a further three years. The decision also urged the relevant authorities to

prepare in advance for the nationalization of those positions. However, the High

Representative's decision did not cover the extension of the mandates of

international judges and prosecutors in the organized crime, economic crime and

corruption departments. It was agreed instead that internationals might serve as

advisers in these sectors. However, the High Representative's decisions were unable

to prevent the departure of a number of international prosecutors, judges and legal

assistants whose contracts had expired earlier in the year. In order to support such a

presence, the Office of the High Representative convened international donors'

meetings on 21 December 2009 and 16 February 2010. Of the original €8.5 million

budget announced by the Registry of the Court and of the Bosnia and Herzegovina

Prosecutor's Office in December 2009, pledges amounted to some €6.4 million by

March 2010. The mandates of the six international judges working on war crimes

were prolonged on 28 January 2010. On 17 February 2010, the High Judicial and

Prosecutorial Council appointed one already serving international prosecutor to the

Prosecutor's Office War Crimes Department and added three new international

prosecutors on 30 March 2010. Also in March 2010, the Registry recruited all the

other budgeted international positions: organized crime advisers, war crimes

investigators and legal officers.

39. Another problem affecting the judiciary is the ongoing failure to appoint three

judges to the Federation Constitutional Court, which is preventing the Court from

ruling on vital national interest cases. As prescribed by law, the High Judicial and

Prosecutorial Council conducted the procedure for filling those vacancies and

proposed a list of candidates to the Federation President for her subsequent

nomination. Under the Federation Constitution and the Law on the High Judicial

and Prosecutorial Council, the Federation President may nominate candidates only

from the list proposed by the High Judicial and Prosecutorial Council. However, the

incumbent President continues to challenge the role of the High Judicial and

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Prosecutorial Council in the process of selecting and proposing candidates. This

appointment procedure has been stalled since November 2008, and there are no

prospects of resolving this impasse anytime soon.

40. As required by the International Monetary Fund's (IMF) Stand-by

Arrangement for Bosnia and Herzegovina, the salaries of judges of the Federation

Constitutional Court and Federation Supreme Court, as well as of prosecutors in the

Federation Prosecutor's Office, have been cut by 10 per cent. Given that the

Federation Constitution prohibits the reduction of judicial salaries and other

emoluments during a judge's term, this issue is likely to remain controversial. Those

cuts were not specified by IMF, and those affected are likely to seek legal redress.

41. On 19 November 2009, the Administrative Council of the Council of Europe

Development Bank approved a loan of €19.3 million to Bosnia and Herzegovina for

the construction of a State prison, the total cost of which is expected to amount to

€39.6 million. The prison is set to open in October 2012. The construction of a State

prison is crucial for resolving at least a part of the problem of substantial backlogs

in the execution of criminal sanctions. The problem is most acute in the Federation,

where it is estimated that approximately five years can elapse between the

pronouncement of a final and binding conviction and actual imprisonment in cases

where sentences are for less than five years. In recent months, the Federation

Ministry of Justice has tried to tackle this problem by increasing prison capacities

and by planning to introduce an electronic supervision system (house arrest) for

persons receiving short-term sentences of up to one year, as well as for those

granted conditional release for extended periods. The requisite amendments to the

Federation Criminal Code and the Federation Law on the Execution of Criminal

Sanctions were adopted by the Federation Government on 14 April 2010.

VI. Cooperation with the International Tribunal

42. The Chief Prosecutor is scheduled to report to the Security Council in June

2010 regarding Bosnia and Herzegovina's cooperation with the Tribunal. However,

the arrest of Ratko Mladic remains outstanding, and degrading his support network

inside Bosnia and Herzegovina remains the top priority for those international and

national elements working on the issue. This highlights the fact that more attention

should be paid to the still-existing support networks behind persons indicted for war

crimes in order to ensure that they do not regain their former strength. The Office of

the High Representative is supporting those efforts.

43. The trial of Radovan Karadzic, which resumed on 1 March 2010, has

continued to attract a wide coverage in the media in Bosnia and Herzegovina as well

as abroad. The resumption of the Karadzic trial on the same day that Ejup Ganic was

arrested in London amplified domestic media coverage and ensured mutually

divergent commentary.

44. Former wartime commander of the Army of the Republic of Bosnia and

Herzegovina and former Federation Army commander, General Rasim Delic, died

on 16 April 2010. In a first instance verdict at the Tribunal, against which he had

appealed, Delic was sentenced to three years' imprisonment. Delic was subsequently

buried in Sarajevo with full military honours and in the presence of high-level

Bosniak dignitaries and uniformed, active duty members of the Armed Forces of

Bosnia and Herzegovina. The military honours and use of the premises of the Armed

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Forces of Bosnia and Herzegovina for the funeral resulted in strong criticism from

the international community and the Bosnian Serbs.

45. Republika Srpska authorities, led by the Prime Minister, have continued with

statements and actions intended to question well-documented war crimes, such as

the genocide in Srebrenica, calling into question an official report of the Republika

Srpska that was issued as a requirement of a binding decision of the Human Rights

Chamber related to Srebrenica. These statements intensified after the Serbian

Parliament adopted its resolution on Srebrenica. The Republika Srpska authorities

and non-governmental organizations also have attempted to hamper the work of the

Bosnia and Herzegovina Missing Persons Institute.

46. Radovan Stankovic, who escaped from prison in Foca in May 2007, remains at

large. No serious measures have been undertaken to locate him and to bring him

back to serve his sentence. Stankovic's trial was the first case of the Tribunal to be

transferred to the Court of Bosnia and Herzegovina, where he was convicted of

crimes against humanity and sentenced to 20 years' imprisonment. The Court of

Bosnia and Herzegovina recently convicted Stankovic's brother and two medical

officials for abetting his escape. No actions have been taken against any guards or

other officials in the prison administration of the time.

47. The European Union renewed its restrictive measures (travelling restrictions

and economic sanctions) in relation to non-cooperation with the Tribunal in March

2010. These sanctions remain in force until March 2011.

VII. Reforming the economy

48. A comparison of Bosnia and Herzegovina's economic

indicators for 2009 with

those for 2008 confirms that the economic situation is difficult. The growth in gross

domestic product in 2009 was negative and estimated at -3 per cent,² exports

decreased by 17.6 per cent and imports by 24.2 per cent.³ The number of officially

registered unemployed is at 43 per cent⁴ of the working population, and foreign

direct investments in 2009 dropped by 18 per cent compared with 2008 and by

80.6 per cent compared with 2007.⁵ In the period from January to November 2009,

there was also a decrease in the entity revenues, by 8.2 per cent in the Federation

and by 15 per cent in Republika Srpska compared with the same period in 2008.⁵

Last year showed a 5.1 per cent increase in the average net salary (€404) and a

3.7 per cent increase in the average pension (€172).⁵ Furthermore, industrial

production dropped in the Federation by 11.6 per cent, but it increased in Republika

Srpska by 19 per cent.⁵

49. A Stand-by Arrangement with IMF has helped avert the country's looming

financial crisis. On 24 March 2010, the IMF Executive Board completed the first

review of Bosnia and Herzegovina's economic performance under

the Stand-By

Arrangement and approved the immediate disbursement of both the second and the

third tranches of IMF funding. This totalled €138.4 million, with the Federation

receiving two thirds and Republika Srpska one third of funding. Moreover, on

2 Central Bank of Bosnia and Herzegovina.

3 Ministry of Foreign Trade and Economic Relations of Bosnia and Herzegovina.

4 Statistics Agency of Bosnia and Herzegovina.

5 Directorate for Economic Planning of Bosnia and Herzegovina.

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8 April 2010, the Board of Executive Directors of the World Bank approved a

Development Policy Operation for Bosnia and Herzegovina in the amount of

\$111 million, which is intended to provide budget support to accelerate the

implementation of priority public expenditure reforms. The approval of the World

Bank funds and the IMF disbursement reflects the progress made in meeting the

country's commitments to both institutions. The Federation, however, still faces

acute political difficulties in properly implementing the agreed conditions.

50. As for the economic reform agenda, the Governing Board of the Indirect

Taxation Authority has repeatedly failed to agree on new indirect tax revenue

allocation coefficients and has not performed the temporary and final rebalancing of

collected and distributed indirect tax revenues. Both obligations, coefficients and

rebalancing, are explicitly required by the Rulebook on Methodology for the

Allocation of Indirect Taxes that was adopted on 24 June 2008. There has likewise

been no agreement within the Council of Ministers on the appointment of a new

Director of the Authority, although the mandate of the incumbent expired on

8 December 2008. On the other hand, on 24 November 2009, the Indirect Taxation

Authority Governing Board agreed on a temporary methodology for the allocation

of road toll tax revenues,⁶ thus finally unblocking over €28 million from the Single Account.

51. During the reporting period, the Bosnia and Herzegovina Fiscal Council

endorsed the establishment of two bodies relevant to the IMF

Stand-By

Arrangement and approved the distribution of the IMF Special Drawing Rights

funds between the entities. It also agreed on the manner of allocation of European

Union macrofinancial assistance worth €100 million.⁷

52. The settlement and transfer of the previously distributed SFRY succession

funds was completed on 31 March 2010 in line with the High Representative's

Decision of 18 September 2009, when the Law on the Distribution, Purpose and Use

of Financial Assets Obtained under Annex "C" to the Agreement on Succession

Issues was enacted.⁸ This Decision was triggered by the Bosnia and Herzegovina

Fiscal Council's conclusion of 6 March 2009 providing for the distribution of more

than €87 million to the entities without a proper legal basis and depriving the State

and the Brcko District of any share, compounded by the failure of the relevant

authorities to address those problems by the 15 September 2009 deadline set by the

Peace Implementation Council's Steering Board on 30 June 2009.

53. In the energy sector, there have been no major developments since the High

Representative's decision of 18 September 2009, which was

enacted in response to

6 The temporary methodology foresees that 10 per cent of total road toll tax revenues be allocated

for reserves, with the rest being allocated to the Federation (59 per cent), Republika Srpska

(39 per cent) and Brcko District (2 per cent). In the event of a difference between the permanent

and temporary methodologies, the 10 per cent reserve will be used for debt settlement.

7 According to the Fiscal Council's agreement of 1 April 2010, 10 per cent would be allocated to

the institutions of Bosnia and Herzegovina, 60 per cent to the Federation and 30 per cent to

Republika Srpska.

8 According to the decision, 17,089,284.11 KM was reallocated to the institutions of Bosnia and

Herzegovina and 5,126,785.23 KM was reallocated to the Brcko District from the Single

Account.

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the plans of Republika Srpska⁹ to dissolve the existing State Electricity

Transmission Company. This posed a threat not only to the company itself but also

to electricity transmission in the entire territory of Bosnia and Herzegovina and

between the country and its neighbours. The High

Representative's decision is now

being fully complied with in practice, and the management structures of the State

Electricity Transmission Company have been restored, as required. However, the

decision-making in the company remains effectively blocked. As a result, there are

no investments in the electricity transmission grid, although funds are available in

this regard.

54. On a more positive note, the country's banking sector appeared stable during

the reporting period and should be further strengthened as a result of the recent

decision of the European Bank for Reconstruction and Development to provide a

credit line of €50 million to the Bosnia and Herzegovina Deposit Insurance Agency.

55. The State and entity budgets for 2010 were adopted before the end of 2009.

However, both the State and entities may struggle to meet all their commitments due

to the continuing shortfall in revenues.

VIII. Return of refugees and displaced persons

56. There are still about 117,000 persons registered as internally displaced, more

than 7,000 of whom live in poor conditions in collective

centres. Some of the

internally displaced have lived in such conditions for over 15 years.

57. During the reporting period, the Council of Ministers re-adopted the revised

Strategy for the Implementation of Annex VII of the Dayton Peace Agreement. The

Bosnia and Herzegovina House of Representatives has also endorsed the strategy,

and it is currently awaiting adoption in the Bosnia and Herzegovina House of

Peoples. The draft strategy provides a basis for the resolution of problems of

displaced persons, which still are serious. It would provide for the development of

return programmes for refugees and displaced persons and open up the possibility to

address the needs of those who cannot or do not want to return to their pre-war

homes.

58. The Office of the United Nations High Commissioner for Refugees remains

the lead international agency in the refugee sector in Bosnia and Herzegovina. The

Office of the High Representative will continue to support its efforts to ensure full

implementation of Annex VII.

IX. Mostar

59. By December 2009, which is more than a year after the municipal elections,

the Mostar City Council had yet to elect a Mayor or to adopt a budget for 2009. As a

result, the High Representative was compelled to issue a Decision Enacting an

Amendment to the Statute of the City of Mostar, which ensured the possibility of

9 The “Special Conditions for Electricity Transmission in the Republika Srpska” aims at illegally

delegating all sole responsibilities of Transco to its Banja Luka, Sarajevo and Mostar

operational centres (three out of four), thus de facto instructing them to act as independent

electricity transmission companies whose areas of responsibility do not cross the IEHL.

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electing a Mayor in all future third rounds of voting, and, exceptionally, empowered

the Mayor to proclaim the budget if the City Council failed to adopt it in a timely

manner.

60. As a consequence, the Mostar City Council re-elected (by a simple majority) a

new Mayor of Mostar on 18 December 2009. When the Mostar City Council failed

to approve a budget, the new Mayor – also pursuant to the High Representative's

decision – used his new authority to proclaim the 2009 city budget on

23 December 2009. With the Mayor elected and the budget adopted, the city's trade

unions ended the strikes that had been crippling city services, which soon returned

to normal. By the end of the reporting period, the Mostar City Council had still not

adopted an annual budget for 2010, although the deadline for doing so had expired

on 31 March.

61. Despite the many obstacles that have been encountered in the last 18 months,

and on the basis of the progress above, the High Representative decided in March

that progress in Mostar had been sufficient to permit closure of the Office of the

High Representative in Mostar from 30 June 2010. The Office of the High

Representative will, however, maintain a three-person team in Mostar, charged with

monitoring developments in Mostar and the region.

X. Brcko District

62. As underlined by the High Representative in his previous report, the failure of the State and entities to meet their obligations arising from the Brcko Final Award made it necessary for him to enact amendments to several pieces of legislation relating to Brcko on 18 September 2009. For their part, the State and entities were required to assent by publishing these decisions in their respective official gazettes.

Authorities of the State, the Federation and the Brcko District complied with their obligations, but the Republika Srpska authorities did not. As a result, the Brcko District Supervisor has not been able to certify that the entities have fulfilled their obligations arising from the Arbitral Awards and, thus, he has not been able to proceed with the final steps leading to termination of supervision by the Peace Implementation Council Steering Board. By the end of the reporting period, the Republika Srpska authorities had yet to fulfil the remaining condition related to electricity and unblock the State Electricity Regulatory Commission.

63. The above-mentioned amendments on electricity stipulate that both entity

electricity producers have an equal obligation as a public service to supply electrical

power to the Brcko District. The share that each producer supplies to Brcko is a

matter of agreement, but if none is made by the end of October of any given year,

then a default supply ratio of 50:50 becomes operative. Since Republika Srpska did

not publish the High Representative's decision in the entity official gazette or

recognize the law, no agreement was reached to this effect for 2010, and the default

50:50 option took effect. In this regard, the Republika Srpska electricity provider

would provide power to the District from January through June 2010, to be taken

over by the Federation counterpart from July onwards. The Brcko Supervisor has

continued discussions with the Republika Srpska authorities on the matter, as there

appears to be agreement in principle on most issues. In the meantime, Republika

Srpska remains in non-compliance with the Brcko Final Award.

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64. On a more positive note, after initially rejecting the law, the Republika Srpska

authorities adopted in February the Republika Srpska Law on Amendments to the

Law on Citizenship in the identical form as the High Representative enacted it on

18 September 2009. Republika Srpska authorities have since prepared further

amendments to this legislation, which should come into effect in the second half of

May 2010. They set out the specific means by which Brcko residents can exercise

their right to declare or change their entity citizenship. The Federation has

meanwhile failed to follow suit, even though it had more time to enact the necessary

amendments. In combination, these delays mean that Brcko District residents will

not have to wait to exercise their right to declare or change their entity citizenship.

Entity citizenship is a requirement for District residents to vote for candidates

running for State and entity offices in the October general elections.

65. The political situation in Brcko District has remained relatively stable over the

reporting period. The all-party “concentration” government in the District had a

good start, not least owing to the introduction of a coordination body that was

established through a post-election political party agreement designed to facilitate

political agreements on all major issues. Efforts have continued to ensure that

Brcko's institutions will be able to "function effectively and apparently

permanently" after the end of supervision. During the reporting period, the

Supervisor enacted four Supervisory Orders. Of these, three were of a technical

nature, one amending an earlier Supervisory Order, and two amending the Statute of

the Brcko District and a related piece of legislation needed to reflect the adoption of

Amendment I to the Bosnia and Herzegovina Constitution, which ensures the Brcko

District's effective access to the Bosnia and Herzegovina Constitutional Court.

66. Moreover, with the aim of ensuring the equality of all constituent peoples in

Brcko District and encouraged by the agreement reached in November

2009 between all political parties and representatives of relevant associations of

victims and war veterans, the Supervisor enacted a Supervisory Order on

Monuments which facilitates and regulates the erection of a monument for fallen

soldiers of the Army of the Republic of Bosnia and Herzegovina and one for the

Croat Defence Council, as well as a monument dedicated to all civilian victims of

war. All agreed that the existing monument to the Army of the Republika Srpska

would remain.

67. During the reporting period, the Brcko District Judicial Commission, with the

aim of implementing obligations stemming from the State War Crimes Strategy,

issued a decision terminating the application of the ex-Yugoslav Criminal Code,

replacing it with provisions from the Bosnia and Herzegovina Criminal Code

relating to war crimes and related criminal offences committed in the jurisdiction of

Brcko District. Two indictments for war crimes were raised under these new

provisions during the reporting period.

68. The Bosnia and Herzegovina Indirect Taxation Authority reported that

KM 30.11 million had been allocated to Brcko District for the period January-March

2010. This represents a 3.6 per cent increase compared with the same period last

year and roughly 22 per cent of the projected revenues in the

Brcko District budget

for 2010. The average salary in Brcko District has increased by 8 per cent, standing

at KM 790 per month.

69. As far as Brcko District is concerned, implementation of the High

Representative's decision enacting the Law on the Distribution, Purpose and Use of

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Issues has been completed. The Bosnia and Herzegovina Indirect Taxation Authority

has transferred KM 5.1 million to the District from the Single Account. As regards

the settlement of mutual debts between Brcko and the entities, Brcko District signed

a protocol with the Republika Srpska Health Insurance Fund in February 2010. No

similar protocol with the Federation has been signed as yet.

XI. Defence reform

70. The interest of NATO in progress made by Bosnia and Herzegovina remained

high throughout the reporting period. NATO representatives discussed Bosnia and

Herzegovina's application for a Membership Action Plan in both December

2009 and in April 2010. Before the latter discussion, the NATO Secretary General,

accompanied by the permanent representatives of member States in the North

Atlantic Council, visited Sarajevo on 23 March 2010. The visitors pressed the

respective authorities to deliver more progress ahead of the informal meeting of

NATO Foreign Ministers in Estonia on 22 and 23 April 2010, at which Bosnia and

Herzegovina's application for the NATO Membership Action Plan was due to be

reviewed.

71. In April 2010, the Bosnia and Herzegovina Presidency duly approved the

deployment of a static security unit to ISAF as part of the Danish contingent in

Regional Command South and tasked the Bosnia and Herzegovina Minister of

Defence to send a letter of intent to NATO military headquarters. Meanwhile, the

Bosnia and Herzegovina Minister of Defence applied for financial and technical

assistance from the Government of the United States of America for the destruction

of all quantities of small arms and high-risk ammunition, mines and explosives,

representing a significant percentage of the surplus ammunition to be destroyed. Yet,

on the third issue of interest to NATO – resolution of prospective immovable

defence property – Bosnia and Herzegovina's political leaders remained as divided

as they have long been on the wider State property issue.

72. Therefore, while NATO Foreign Ministers decided at the summit in Tallinn on

22 April 2010 to offer Bosnia and Herzegovina the Membership Action Plan, they

conditioned the start of the country's first Annual National Programme on the

achievement of an appropriate solution regarding immovable defence property,

signifying that all such properties identified as necessary for future defence

purposes must be officially registered as property of the State for use by the Bosnia

and Herzegovina Ministry of Defence. This important decision came after Bosnia

and Herzegovina had reached the end of its first two-year Individual Partnership

Action Plan cycle in December 2009. Bosnia and Herzegovina had completed and

submitted an Individual Partnership Action Plan self-assessment document to NATO

for 2010-2012 during April 2010.

XII. Intelligence reform

73. The leadership of the Intelligence-Security Agency of Bosnia and Herzegovina

continued its efforts to consolidate the Agency, actively assisted by the Bosnia and

Herzegovina Parliamentary Committee for Oversight of the Intelligence-Security

Agency of Bosnia and Herzegovina. During the reporting period, the Council of

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Ministers and the Bosnia and Herzegovina Presidency made small improvements in

their executive control over the Agency, as seen by the timely adoption of its Annual

2010 Intelligence-Security Policy Platform (a set of annual policy guidelines for the

work of the Agency).

74. The Joint Parliamentary Committee for the Oversight of the Intelligence-

Security Agency of Bosnia and Herzegovina has carried out its responsibilities in a

competent and informed manner. However, the subsequent discussions in the Bosnia

and Herzegovina Parliamentary Assembly on the Annual 2010
Intelligence-Security

Policy Platform showed that the allegiance to the State
remained weak. The Policy

Platform of the Agency has yet to be adopted by the Bosnia and
Herzegovina

Parliamentary Assembly.

75. On 22 April 2010, the Council of Ministers agreed to
extend the mandates of

the three Directors of the Agency for a final four-year term.

XIII. European Union military force

76. The European Union military mission in Bosnia and
Herzegovina (EUFOR)

continued to provide a military force of some 2,000 personnel
and retained the

capacity to bring in over-the-horizon reserves. Its
headquarters and peaceenforcement

capability remained based in the Sarajevo area, but liaison
and

observation teams continued to be present throughout the
country. The presence of

EUFOR in the field provided crucial reassurance that citizens
in general still feel to

be necessary. Given the difficult political environment, it
remained important that

EUFOR retained the capacity to deploy troops throughout Bosnia
and Herzegovina

at short notice. EUFOR also continued to work closely with the Bosnia and

Herzegovina Armed Forces.

77. EUFOR continued to play a key role in contributing to a safe and secure

environment that, in turn, helped the Office of the High Representative and other

international organizations to fulfil their respective mandates. As such, EUFOR

continued to serve as an important factor of stability in the country. On 25 January

2010, the European Union decided to start capacity-building and training support to

the Bosnia and Herzegovina Armed Forces while underlining its commitment to the

country's efforts to maintain a safe and secure environment. The Council of the

European Union also expressed its readiness, should the situation so require, to

maintain an executive military deployment, under a United Nations mandate,

beyond 2010 to support the efforts of Bosnia and Herzegovina to maintain a safe

and secure environment. The High Representative considers it important for EUFOR

to retain an executive mandate for at least some months after transition from the

Office of the High Representative to a reinforced European Union presence. The

European Union Special Representative has continued to offer political guidance

and support to the EUFOR mission.

XIV. European Union Police Mission

78. Under its new mandate, the focus of the European Union Police Mission has

shifted to the fight against organized crime. The Police Mission retains a residual

capacity for the implementation of police reform measures, including the long-

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standing initiative of securing greater budgetary and legal independence for police

directors and commissioners from the respective Ministries of Interior. The joint

efforts of the Office of the High Representative and the European Union Police

Mission in this area have continued during the reporting period, with a focus on

working with the Federation, cantonal and Republika Srpska authorities on their

respective internal affairs laws.

XV. Decertified police officers

79. In January 2010, the Republika Srpska National Assembly adopted the

Republika Srpska Law on Police Officials, which, inter alia, regulates the issue of

persons denied certification by the International Police Task Force in line with the

letter of the President of the Security Council of April 2007. In April 2010, the

Republika Srpska Constitutional Court ruled against challenges to certain provisions

in the law not related to the provisions on persons denied certification that had

prevented the law from coming into force. This ruling has cleared the way for the

law to enter into force upon official publication, at which point Bosnia and

Herzegovina will have completed the final step in implementing the requirements

set out in the above-mentioned letter of the President of the Security Council.

XVI. Media developments

80. The reform of the public broadcasting system continued to proceed slowly.

Owing to the continuing lack of political support for the creation of a unified

system, cooperation among the three public broadcasters remains poor. Many

elements of the State-level public broadcasting system legislation, which was

adopted four years ago, have still not been put into effect. The Board of the public

broadcasting system has yet to adopt a statute or register the system's corporation

(which is responsible for streamlining the activities of the three broadcasters).

81. The Communications Regulatory Agency, which is responsible for regulating

the telecommunications and electronic media sectors, remains in a difficult position

as a result of the continuing failure of the current authorities to appoint either its

Council or general director. Not for the first time, the Council of Ministers has

allowed party-political interests and wrangling to take precedence over the public

interest in having functional institutions. As a result, the Agency has had an acting

general director for more than two years. The delays in these appointments have

already had a negative impact on the functioning of the Agency, particularly as a

number of decisions prepared by it have been put on hold by the Council of

Ministers.

82. In terms of media freedom, the reporting period has been characterized by

numerous assaults on that ideal on the part of political parties. On 4 April 2010, the

High Representative issued a public statement warning officials that it was essential

for the media “to report freely, accurately, and fairly from all parts of the country”.

Of particular alarm are efforts led by elected officials to deny certain media access

to information or to influence their editorial policies. Both the Organization for

Security and Cooperation in Europe Representative on the Freedom of the Media

and the European Parliament have both repeatedly expressed their concern over the

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media situation in Bosnia and Herzegovina. In the recent report of Freedom House,

Bosnia and Herzegovina is ranked 97 among 195 countries in the table of Global

Press Freedom.

XVII. European Union Special Representative

83. The European Union Special Representative has continued to coordinate the

various missions of the Union on the ground. In line with his

mandate, the

EU Special Representative has offered local political guidance to EUFOR and the

European Union Police Mission. In addition, the European Union Special

Representative, together with the EU delegation, has organized the European Union

Task Force meeting with the relevant Bosnia and Herzegovina authorities with the

aim of facilitating EU-related reforms.

84. The EU Special Representative, in particular, in the light of the forthcoming

general elections and the election campaign that will precede it, has intensified his

efforts during the reporting period to reach out to parliamentarians, political parties,

media, civil society and non-governmental organizations, social partners, as well as

young people in order to promote Bosnia and Herzegovina's EU perspective. The

EU Outreach Programme, which entered its third phase in the autumn 2009, aims at

broadening and deepening the domestic debate on EU-related issues, as well as

fostering active domestic support for the country's integration into the EU. In

addition to continuing the Parliament for Europe project and a

wide range of other

activities with the electronic and print media, in February 2010, the EU Special

Representative started cooperation with a civic network of 34 non-governmental

organizations from across the country to engage political parties in dialogue

sessions advocating major reforms from the EU agenda.

85. In April 2010, the EU Special Representative, together with other EU heads of

mission, launched a tour of municipalities in order to raise the profile of EU issues

in the run up to the general elections in October. These activities reflect a newly

adopted EU communication strategy encompassing all EU actors on the ground and

which aims to ensure coherent and consistent EU messages to the public of Bosnia

and Herzegovina.

86. The EU Lisbon Treaty entered into force on 1 December 2009. As a

consequence, the European External Action Service is being developed by the

relevant EU institutions.

XVIII. Bosnia and Herzegovina and the region

87. Bosnia and Herzegovina's relations with its immediate neighbours, Croatia,

Montenegro and Serbia, have improved during the reporting period. The President

of Serbia has repeatedly made constructive statements supporting Bosnia and

Herzegovina's European perspective as well as the country's sovereignty and

territorial integrity. He did so again during a visit to Bosnia and Herzegovina on

12 April, shortly after the Serbian Parliament adopted a resolution condemning the

war crimes in Srebrenica in 1995. This represents a major development that should

contribute to further reconciliation and better relations between the two countries.

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88. The President of Croatia also visited Bosnia and Herzegovina on 12 and

13 April and, publicly expressing his deep regrets for Croatia's role in the atrocities

committed in the 1990s, demonstrated his readiness to lead by example when it

comes to reconciliation.

89. Turkey has also been very active in fostering improved relations between

Bosnia and Herzegovina and its neighbours, in particular with Serbia. Through the

organization of high-level trilateral meetings with Bosnia and Herzegovina and

Serbia on one side and Bosnia and Herzegovina and Croatia on the other side,

Turkey has actively attempted to contribute to further improve relations in the

region. On 24 April 2010 in Istanbul, the Heads of State of Bosnia and Herzegovina,

Serbia and Turkey signed a joint declaration designed to stabilize and enhance

mutual relations between Bosnia and Herzegovina and Serbia. In addition to

specifying areas of cooperation and confirming Bosnia and Herzegovina's territorial

integrity, it envisages high-level bilateral visits of the Bosnia and Herzegovina joint

Presidency to Belgrade and of President Boris Tadic to this year's commemoration

of the genocide in Srebrenica. Other senior representatives from the region have

also indicated their readiness to attend the Srebrenica commemorations.

XIX. Future of the Office of the High Representative

90. The Peace Implementation Council Steering Board met at the level of political

director twice during the reporting period, on 19 and 20 November 2009 and again

on 24 and 25 February 2010. At both meetings, the Peace Implementation Council

expressed its concern over the political situation in the country and, in particular,

regarding the lack of progress in addressing the remaining objectives and conditions

for the closure of the Office of the High Representative. As a result of the Bosnia

and Herzegovina authorities' failure to meet those objectives and conditions, the

Steering Board has thus far been unable to take a decision on the closure of the

Office of the High Representative. The next meeting of the Steering Board of the

Peace Implementation Council is scheduled to take place on 29 and 30 June 2010.

91. While working towards transition, the High Representative has decided to

reduce the staff in the Office by over 20 per cent as of 1 July this year. In

consequence, the Mostar office will be closed, and there will be significant staffing

reductions in the Brcko District office. Reductions are also planned in the offices in

Banja Luka and Sarajevo. As of July 2010, the Office of the High Representative

will have a total of 168 staff members.

XX. Reporting schedule

92. In keeping with the proposals of my predecessor to submit regular reports for

onward transmission to the Security Council, as required by Security Council

resolution 1031 (1995), I herewith present my third regular report. Should the

Secretary-General or any Security Council member require information at any other

time, I should be pleased to provide an additional written update. My next regular

report to the Secretary-General is scheduled for November 2010.