## **Chairman's Conclusions - Vienna 17 February 1999**

## **Contact Group**

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The Contact Group met to review implementation of the December 16 Declaration of the Madrid Ministerial Meeting of the Peace Implementation Council. In particular, the Group discussed progress in implementing the five priority areas identified at its November 10 meeting in Washington.

The Contact Group Was briefed by Presiding Arbitrator Roberts Owen regarding the Brcko Arbitration Tribunal's current round of hearings. The Group reminds both parties to the arbitration that, in accordance with the provisions of the Dayton Accords, the Arbitrator's decision shall be final and binding, and they are obligated to implement it without delay.

The Contact Group expressed support for the efforts of the High Representative to bring a prompt and definitive conclusion to the Presidential crisis in the Republika Srpska. The Group expressed grave concern over President Poplasen's misuse of his constitutional authority to nominate a prime minister. The Contact Group noted that interference by President Milosevic in the internal affairs of Bosnia and Herzegovina constitutes a significant violation of Belgrade's obligations as a guarantor of the Dayton Accords, and raises the concern that President Poplasen has ceded his constitutional role to foreign government. The Contact Group will support strong action by the High Representative, in accordance with the provisions of the Republika Srpska Constitution and the Dayton Accords, if President Poplasen continues to refuse to nominate a candidate for prime minister acceptable to the RS Assembly.

The Contact Group congratulated the High Representative and his staff for their outstanding implementation document submitted to the February 2 donor's review meeting. That document lays out the precise requirements for full implementation of the ambitious agenda established at Madrid, Contact Group members noted the preconditions established at Madrid for achievement of the PIC's goals, and called on the Bosnian parties to fully comply with the PIC's pre-conditions before the full donors' meeting is convoked.

The Contact Group noted that at its November 10 meeting one of the top five priorities identified was developing and reinforcing Bosnia's central institutions, including adopting a permanent election law. The Group noted the formation of a central government and tentative plans to expand the number of ministries, to include creation of a ministry of finance. The Group focused on the status of drafting a new permanent election law and expresses its concern over the slowness of this process. The Group laid out its views on the principles which should underlie this key element of Bosnia's new democracy including increasing pluralism and coalition building, and addressing the disenfranchisement of those Bosnian citizens who do not choose an ethnic identity.

The Contact Group under-scored that further progress towards construction of a democratic political system depends on civilian control of armed forces. The Group called on the High Representative to bring the entity constitutions into conformity with the provisions of the Dayton constitution concerning the proper role of each member of the Joint Presidency regarding their command of armed forces. The Contact Group noted the strong efforts made by Croatian Foreign Minister Granic in the areas of refugee return and border control to fully discharge Croatia's obligations as a guarantor of the Dayton Accords. The Group noted that forthcoming national elections to the Croatian Sabor will have profound repercussions throughout the region. The Contact Group advised the High Representative that the Croatian constitutional provisions mandating seats in the Sabor for persons living outside Croatia, including in Bosnia, is a violation of democratic norms and Dayton's provisions on dual citizenship.

Accession to the World Trade Organization by Croatia and Bosnia and Herzegovina will be key steps in the stabilization of the region and their eventual incorporation into the European Union. The Contact Group reviewed progress towards development of the private sector in Bosnia and Herzegovina. It praised the progress made in the Republika Srpska towards development of a market economy and expressed concern over the lack of equal progress in the Federation.

The Contact Group reviewed the status of plans by the Refugee Return Task Force for a significant increase in returns in 1999, the forth return season since the signing of the Dayton Accords. The Group called on all parties to facilitate the work of the Task Force.

## Office of the High Representative