

Joint Statement on the Federation - Rome, 18/2/96

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On February 18 in Rome, President Izetbegovic, President Tudjman, President Zubak and Vice President Ganic discussed the present status of the implementation of the Federation of Bosnia and Herzegovina and of the Dayton Federation Agreement at the invitation of the Italian EU Presidency. Representatives of the Contact Group and of the Office of the High Representative assisted in these discussions. They came to the following conclusions:

The Presidents reaffirm their strong commitment to the speedy implementation and full functioning of all institutions of the Federation. They welcome the establishment at the end of January of separate governments of the Federation and of Bosnia and Herzegovina as a major step. The Presidents reiterate the importance which they attribute to non-interference by either government in the competencies of the other government. The Federation and central government shall operate strictly within their respective constitutional and statutory mandates.

They agree that further steps are required to achieve the full political, economic and social integration of the Federation. The authority of the Federation Government and other Federation institutions shall be established throughout the whole Federation territory. Political structures competing with the Federation shall be dissolved promptly and their authority transferred to the Federation.

1. **Mostar** All participants in today's talks express their firm support for the work of EU Administrator Koschnick and condemn the recent attacks against him. They welcome the signature today of an agreement unifying the City of Mostar and pledge immediate and continuing support for its implementation.
2. **Customs Authority and Tax Administration** They agree to fully support and implement unified customs and tax systems in the Federation. Specifically they agree to establish the Federation Customs Administration by March 1. They pledge to eliminate the internal borders and establish Federation border posts by that date. The Head of the Federation Customs Administration shall be appointed by February 20 and the appropriate Federation accounts for customs revenue shall be established by February 22. The Director and Deputy Director of a unified Federation Tax Administration will be appointed by the end of February and a Tax Board established one month later. They endorse the request of the Federation Government to have an international observer mission for monitoring and assisting the unified customs system.
3. **Cantonal Borders and Municipalities** Presidents Tudjman and Izetbegovic endorse the settlement of cantonal boundaries as agreed in a map signed by the President and Vice President of the Federation today. Posusje, Grude, Ljubuski, and Siroki Brijeg shall form a new canton. The Law on Federation Cantons, which will regulate the boundaries in detail, shall be adopted by the Federation Assembly by March 10. If there is no agreement by that date, the issue will be submitted to the Federation Arbitrator.

Cantons and municipalities are to building blocks of the Federation and must be established without further delay.

4. **Refugees and Freedom of Movement** They note that full implementation of the earlier agreement to return refugees and displaced persons to four specific cities within the Federation has not yet occurred and pledge to move forward on this question expeditiously. They are satisfied that there is full compliance in Travnik and progress in Jajce and Stolac. Return of Croat families to Bugojno shall start immediately, with the full commitment of the Bosnian side.

They agree that the return of these 600 families is just a first step leading to a general return of refugees and displaced persons in a voluntary, orderly and phased manner, as agreed at Dayton.

They agree that the Federation Government shall immediately assure full freedom of movement and remove all checkpoints. It shall furthermore establish full political and religious freedom, and thus ensure a safe return of all refugees and displaced persons throughout the Federation territory.

They call on the International Police and IFOR to assist in assuring freedom of movement within their capabilities.

5. Pensions and Civil Service Salaries They call on the Federation Government to keep, in coordination with the IMF, the present average level of pensions and civil service salaries in the territory under control of the HVO, with the aim of reaching this level throughout the Federation territory.
6. Defense They recognize that the lack of a basic defense law creates uncertainties that are undesirable. An agreed, joint text will be submitted to the Federation Parliament at its next session.
7. Federation Anniversary They noted the upcoming second anniversary of the founding of the Federation and welcome a meeting to commemorate that date and take further steps to strengthen Federation.

Office of the High Representative