

<u>Press Conference Following the Meeting of the Steering Board of the Peace implementation Council</u>

High Representative Valentin Inzko:

Ladies and Gentleman, thank you for coming today. While the Communiqué stands as the PIC's agreed text I want to give you a brief outline of our discussions over the last two days.

I will then hand over to the Brcko Supervisor and by principle Deputy, Rod Moore, for an update on the PIC views on Brcko.

The message to political leaders in this country from this meeting of the PIC can be easily summed up in the following way; you have created an opportunity, now you must take it.

Let me first mention the positive; delegations recognised a marked improvement over the last 6 months. There have been significant improvements: a Council of Ministers has finally been appointed; two long outstanding state-level laws have been adopted and we have the 9 March agreement on state and defence property. Dr. Lagumdzija told me that there has been new progress regarding state and military property today at the meeting of six leaders.

As important as all these developments are, what is far more important is what has made them possible – a return to political dialogue and compromise. In this context the PIC noted that the party leaders meeting on 16 May ended without agreement, expressing hope that progress will be achieved this month.

Clearly, without more compromise progress will not be possible; clearly there is progress and compromise and dialogue are possible. I wish to underline the PIC's opinion that this path should continue – the path of domestic responsibility and domestic progress.

So while 9 March agreement is greatly encouraging there is disappointment in the PIC at how slowly it is being implemented given that it is a 100% domestic agreement without other factors.

Throughout the last two days the PIC delegations were discussing how to support the progress we have seen.

At the PIC it was clear that delegations want to see party leaders supporting the institutions to deliver more, especially at the State level.

The PIC Steering Board was particularly sensitive to the elections in Srebrenica because of the genocide committed there.

Delegations made it clear that they expect all leaders and elected authorities should avoid provocative acts and instead support reconciliation and economic development and candidates for local elections should avoid inflammatory statements. Genocide and other war crimes cannot be denied. The PIC Steering Board remains fully committed to ensuring the unimpeded functioning of the Srebrenica-Potocari Memorial and Cemetery as well as ensuring that the annual commemoration is held to honor the victims.

I am bound here to mention that during the PIC the Turkish delegation requested the use of Bonn powers to amend the election law. Taking into consideration the long-term implications of the genocide committed in 1995, Turkey continued to urge the PIC SB to encourage and support the High Representative to make use of his powers, in case a consensus cannot be reached among local politicians to amend the Election Law for Srebrenica to enable 1991 registered voters to participate in the elections, as was the case in 2008.

It is clear to the international community that the second half of 2012 will be a critically important period if Bosnia and Herzegovina is to move to become a peaceful, viable state irreversibly on course for European integration.

Let me now hand over to the Brcko Supervisor who will set out the views expressed on Brcko.

Principal Deputy High Representative Roderick Moore:

Ladies and Gentlemen,

The High Representative has laid out the main conclusions of the PIC meeting. I would like to explain the decision in regard to Brcko in more detail – in my capacity as Brcko Supervisor.

With the support of the PIC Steering Board, with one exception, I have today taken a decision that I will suspend my day to day activities as Brcko Supervisor.

Let me explain what this means in practice.

- The Brcko Final Award Office will close. Closure will take place no later than 31st of August, 2012.
- I will suspend my mandate as Supervisor, and the responsibility for Brcko will be more firmly than ever in the hands of the local authorities and citizens of Brcko.
- The supervisor will however continue to exist as a legal entity with his authority. The Tribunal for Brcko will continue to exist.
- The Supervisor will continue to be responsible for notifying the Tribunal when the conditions for the closure of the Tribunal have been met as required by the Final Award. Until then the Tribunal will retain its jurisdiction and continue to carry out its mandate and may still modify the Final Award as necessary in the event of serious non-compliance by one or the other of the entities by means of placing the District or one of its parts under exclusive jurisdiction of one entity. This is not something we expect to be necessary, but there should be no doubt whatsoever that the Tribunal remains a tool that the International Community is fully committed to.

Maybe the best metaphor to use for ordinary people to understand today decision is the "freezer" metaphor.

What the PIC Steering Board has effectively asked me to do today is to put the mandate of the Brcko Supervisor in the freezer rather than terminating it.

Today's decision is a historic day for Brcko and for Bosnia and Herzegovina and it is recognition of the huge progress that the people of Brcko have made in rebuilding their local community.

The decision to close the Supervisors Office in Brcko and to suspend supervision is based on the impressive achievements that have been made thanks to the people and institutions of Brčko over the last fifteen years. These include the establishment of multi-ethnic institutions, significant refugee return, an integrated education system and building the foundations for full re-integration of the local community in Brcko in the future.

I am sure I speak on behalf of the citizens and authorities of Brcko District when I take this opportunity to thank my predecessors and the staff of the OHR Brcko Office for their dedication and hard work over the last 15 years. The progress that has been made in Brcko would not have been possible without them.

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Turkey is of the opinion that the maintenance of the supervisory regime in Brcko, until the necessary conditions are met, is of vital importance for the unity and stability of Bosnia and Herzegovina and therefore opposes the decision on the suspension of supervision.

Today's decision is a result of a lengthy review process by the PIC Steering Board that included direct consultations with representatives of Bosnia and Herzegovina, both Entities and Brčko District.

As a result the International Community is confident that the domestic authorities have the institutional capacity and the political will to serve the people of Brčko.

The decision that has been taken today has not been taken because all of Brčko's problems have been solved.

Brčko, like the rest of Bosnia and Herzegovina has major problems with crime, corruption, and administrative inefficiency. Significant initiatives are needed in order to make further strategic improvements in the Brčko business environment so as to attract investment and create jobs.

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The people of Brčko can continue to count on the active support of the International Community.

The international community remains fully committed to helping Brčko District. We will also continue to assist Brčko District to play its part in BiH's efforts to achieve full European and Euroatlantic integration.

The PIC Steering Board will be involved in monitoring and facilitating developments in Brčko.

The OSCE and EUFOR will maintain their presence on the ground in Brčko.

In addition, the European Union Delegation will establish an office in the District in the coming months.

And the OHR will continue to monitor developments in Brčko as we do throughout the country.

Thank you.