

COMMUNIQUE OF THE STEERING BOARD OF THE PEACE IMPLEMENTATION COUNCIL

The Political Directors of the Peace Implementation Council (PIC) Steering Board met in Sarajevo on 29-30 June 2010. The Chairman of the Council of Ministers of Bosnia and Herzegovina (BiH) and his two Deputies participated in parts of the meeting.

The PIC Steering Board welcomed recent initiatives to promote reconciliation and improve regional cooperation. It commended the actions of certain BiH political leaders to this end. At the same time it urged all political leaders to follow these examples and address open bilateral issues in a constructive spirit. It also welcomed the high level meeting of 2 June 2010 in Sarajevo, which among other things reaffirmed the EU's commitment to the European perspective of the Western Balkan countries and called for more regional ownership and intensification of the pace of reforms in key areas.

The PIC Steering Board welcomed the efforts undertaken by regional states to address the painful issues of BiH's tragic past and the recent groundbreaking visits and contacts of the leaders of the neighboring countries. It welcomed in particular the adoption of the Serbian Parliament's declaration on Srebrenica and the intention of regional leaders to attend the 15th commemoration of the genocide in Srebrenica and the reconciliatory message this carries. This is an opportunity to remember the victims and their families. Genocide in Srebrenica, war crimes and crimes against humanity committed in the course of the conflict in BiH must not be forgotten.

The PIC Steering Board welcomed BiH's progress in addressing requirements for EU visa liberalization and noted the European Commission's proposal to waive the short-term visa requirement for BiH citizens. It encouraged relevant authorities to rapidly fulfill the few outstanding requirements, so that the Council and the European Parliament can adopt the Commission's proposal in the coming months. The PIC Steering Board reiterated its support for BiH's EU perspective. It underlined the importance of proper implementation of the Interim Agreement, including commitments in the field of state aid, and urged BiH authorities to speed up delivery of the European Partnership priorities and address shortcomings identified in the European Commission's 2009 Progress Report.

In this regard, the PIC Steering Board urged the BiH authorities to adopt, without further delay, a state-level law on population census. A state-level population census is required for BiH to make further progress on the EU agenda and is an essential tool for social and economic development.

The PIC Steering Board also expressed concern over the delay in harmonizing the BiH Constitution with the European Convention for Human Rights (ECHR), as required by the December 2009 judgment of the European Court of Human Rights (*Sejdic-Finci vs. BiH*) and it urged BiH authorities to address this international legal obligation. Currently, BiH is in breach of the ECHR, the Stabilization and Association Agreement and the Interim Agreement. While reiterating that constitutional changes are not a part of the objectives and conditions for closure of the OHR, the PIC Steering Board remains convinced that this and other constitutional changes adopted in accordance with GFAP are necessary to fully comply with democratic principles as well as improve the efficiency and functionality of BiH's institutions so that they can be better equipped to serve the interests of BiH's citizens and meet future requirements for Euro-Atlantic integration.

The PIC Steering Board welcomed progress on the decision on movable defense property and BiH's further commitments to participate in international military operations. It however urges the authorities to remove the obstacles to initiate destruction of surplus weapons and ammunition immediately. NATO member states and Japan welcomed the decision by NATO in April 2010 that BiH can begin a Membership Action Plan once all immovable defense properties, identified as necessary for future defense purposes, are registered as property of BiH, for use by the BiH Ministry of Defense. NATO member states and Japan urged BiH authorities to comply with this condition. The PIC Steering Board reminded that the resolution of the defense property issue is also an objective for OHR's closure.

The PIC Steering Board continued its discussion on the prospects for transition from OHR to a reinforced EU presence in BiH. It reiterated that transition remains the goal as soon as the five objectives and two conditions necessary for OHR closure have been met. The EU Member States of the PIC Steering Board reiterated that the EU would not be in a position to consider an application for membership by BiH until the transition of the OHR to a

reinforced EU presence has been decided.

The PIC Steering Board expressed its concern over the lack of progress in addressing the relevant objectives for transition since the last PIC meeting in February. It urged the authorities to ensure that the five objectives of the OHR work plan are completed and to work to ensure rapid progress in the following areas.

- On the basis of the state property inventory, the state and entity level authorities need to complete their self-assessments on the current and future needs of state property. Subsequently, the competent authorities need to engage constructively on an intergovernmental agreement to settle respective ownership rights between the state and other levels of government. Resolution of this issue requires constructive dialogue leading to agreement between BiH and entity authorities. The PIC Steering Board urged the authorities in BiH to refrain from taking unilateral actions and reminded that such actions only have the effect of preventing resolution of the state property objective.
- The relevant authorities need to conclude an agreement on defense property, in line with the *BiH Law on Defense*, through which the state would own the property required for future defense purposes. The relevant authorities must also work expeditiously to destroy excess weapons, ammunition, and explosives in coordination with international donors.
- The PIC Steering Board noted with concern the assessment of the Brcko Supervisor regarding the reasons preventing completion of the Brcko Final Award. The remaining obligation to bring the *RS Law on Electricity* fully in line with the conditions necessary for the Brcko Supervisor to notify the Brcko Arbitral Tribunal that the entities have fulfilled their obligations under the Brcko Final Award is urgently needed.

The PIC Steering Board also reiterated the need for a continued strengthening of fiscal coordination by ensuring the proper functioning of the Indirect Taxation Authority and the Fiscal Council. It also urged BiH authorities to accelerate the implementation of the National Strategy for Dealing with War Crimes and to strengthen their engagement in the implementation of the National Justice Sector Reform Strategy in line with the commitment taken when adopting it.

With special regard to the forthcoming general elections in October, the PIC Steering Board urged all political parties and political leaders to campaign during the forthcoming elections in a forward-looking, constructive, and responsible manner. In this regard, it urged BiH leaders to refrain from divisive rhetoric and actions that — particularly in an election year — would further worsen the political atmosphere and impede BiH's overall progress, including towards full Euro-Atlantic integration. In addition, the PIC Steering Board urged the BiH authorities to provide full support to the Central Election Commission to ensure that the general elections scheduled for 3 October are both free and fair.

Furthermore, the PIC Steering Board underlined the importance of freedom of expression including free and independent media and urged all relevant media to report objectively and in line with the highest international standards. It expressed its full support for the independence of the Communications Regulatory Agency and urged the Council of Ministers to finally take the steps it is legally obliged to in order to ensure the proper functioning of the Agency, *inter alia*, by appointing the Director and outstanding Board members without further delay.

The PIC Steering Board welcomed the adoption of the revised, and UNHCR-endorsed, Strategy for the Implementation of Annex VII of the General Framework Agreement for Peace (GFAP). It urges the respective state and entity authorities to now ensure the Strategy's swift resourcing and implementation.

In line with the recent report of the ICTY Chief Prosecutor to the UN Security Council, the PIC Steering Board repeated its call to BiH authorities to continue to cooperate fully with the ICTY, and it urged the authorities to fulfill their obligations under international law to facilitate the arrest of all fugitive ICTY indictees — in particular Ratko Mladic — and to dismantle fugitives' support networks.

The PIC Steering Board repeated its call to BiH authorities to ensure that the BiH judiciary have the necessary resources to meet BiH's continued obligations to prosecute war crimes without recourse to international personnel serving in executive positions. It also underlined that BiH should intensify its efforts in the area of judicial reform and in combating organized crime, corruption, and terrorism and commended the role that BiH law enforcement agencies have played in that respect. The PIC Steering Board recalled the need to close the impunity gap in the region through extradition agreements with neighboring countries.

In light of the difficult economic situation, the PIC Steering Board urged all BiH authorities, and in particular the Federation, to adhere to their commitments under the IMF Stand-by-Arrangement and the World Bank Development Policy Loan. The PIC Steering Board also called upon BiH authorities to ensure that the state budget for 2011 is set at a level that ensures the effective and efficient functioning of state level institutions.

The PIC Steering Board underlined its strong commitment to BiH's territorial integrity and sovereignty in line with the Dayton Peace Agreement. It rejected any challenge to the High Representative's authorities derived from Article X of the GFAP and relevant UN Security Council Resolutions, and insisted on full compliance with the GFAP and the decisions of the High Representative. The PIC Steering Board reiterated full support to the High Representative and his authorities, and reminded the authorities in BiH to ensure the High Representative and his Office access to officials, institutions and documents in a timely fashion.

The PIC Steering Board expressed its appreciation for the remarkable contributions made by Principal Deputy High Representative and Brcko District Supervisor Raffi Gregorian to uphold the Dayton Peace Accords, particularly through his promotion of the rule of law, support to efforts to bring to justice persons indicted for war crimes, and moving decisively forward towards completion of the Brcko District Final Award; it welcomed Ambassador Roderick Moore, who will take over from Dr. Gregorian in due course.

The next meeting of PIC Steering Board Political Directors will take place in Sarajevo on 30 November-1 December 2010.