

Statement by the Peace Implementation Council Steering Board Ambassadors

The Ambassadors of the Peace Implementation Council's Steering Board express their concern that the functioning and the ability of the State institutions to respond to legislative and EU-integration requirements may be jeopardized by an inadequate State budget.

In order for Bosnia and Herzegovina to undertake critical reforms and make progress towards EU integration, it is essential for the State to have well-functioning institutions and to develop the agencies that have been created in the context of delivering EU related reforms.

Notwithstanding the importance of maintaining fiscal responsibility and the need for further budgetary adjustments at all levels of government, the Ambassadors of the Peace Implementation Council's Steering Board remind that the State Institutions must have the resources necessary to maintain and enhance their level of operations. We note that the State has made greater efforts than the Entities, particularly than the Federation, in fiscal consolidation, and that all of the additional budget support resources from international financial institutions in the past year have gone to the Entities, not to the State.

The Ambassadors of the Peace Implementation Council's Steering Board call upon the Fiscal Council to ensure that the state budget for 2011 is set at a level that allows effective and efficient functioning of the State institutions.