Communiqué of the Steering Board of the Peace Implementation Council

The Political Directors of the Peace Implementation Council (PIC) Steering Board met in Sarajevo on 24-25 February 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 the election of BiH to the United Nations Security Council as non-permanent member for a two-year term as of 1 January 2010. This represents an important opportunity for BiH to contribute constructively and responsibly to the resolution of current global challenges.

The PIC Steering Board welcomed recent progress made by BiH authorities to fulfil the requirements for EU visa liberalisation, and encouraged further efforts to comply with all the relevant conditions. It reiterated its support for BiH's EU perspective. It underlined the importance of BiH authorities continuing to implement the Interim Agreement and urged the BiH authorities to address the European Partnership priorities and the shortcomings identified in the European Commission Progress Report.

The PIC urged the BiH authorities to adopt, without further delay, a state level law on population census. Such a census is an essential tool for BiH's social and economic

development.

The PIC Steering Board continued its discussion on the prospects for transition from OHR to a reinforced EU presence on the ground 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.

In light of concern over the lack of progress since the last PIC the PIC Steering Board urged the competent authorities to ensure rapid progress in the following areas to complete the five objectives of the OHR work plan

· The PIC Steering Board welcomed completion of the State Property Inventory, which has been compiled under the auspices of the OHR within parameters defined by decisions of the BiH Council of Ministers. It urged the relevant authorities to urgently conclude an intergovernmental agreement on the apportionment of State Property.

· The PIC Steering Board urged the relevant authorities to sign an Inter-Governmental Agreement on Defence Property, in line with the BiH Law on Defence, through which the State would own property required for future defence purposes. The PIC Steering Board also noted with concern the increasing age of surplus ammunition, weapons, and explosives (AWE) of which an absolute majority is in the high-risk category while the rate of destruction is decreasing. We urge the relevant BiH authorities to remedy the situation by increasing the speed of destruction, rather than sale, of surplus AWE.

· The PIC SB welcomed the recent adoption of the RS Citizenship Law as a step towards meeting the necessary

obligations, which would allow the closure of the Brcko District Supervision. It urged the RS authorities to fulfil 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 had fulfilled their obligations under the Final Award.

The PIC Steering Board reiterated the need for a continued strengthening of fiscal coordination by ensuring the proper functioning of the Indirect Taxation Authority and the National Fiscal Council, and it also urged the BiH authorities to accelerate the implementation of the National Strategy for Dealing with War Crimes and the National Justice Sector Reform Strategy.

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 constitutional changes are necessary to 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. Delay in executing the recent judgment of the European Court of Human Rights would mean that forthcoming elections would take place under conditions incompatible with the European Convention on Human Rights and may therefore impact on the SAA. In this regard the PIC Steering Board welcomed initial steps undertaken by BiH authorities to amend the constitution, called upon them to complete this process in time for the next elections, and stressed that further constitutional changes would improve BiH's political functionality and facilitate BiH's EU aspiration.

In light of its previous expressions of concern about the prolonged political stalemate, the PIC Steering Board noted the long overdue election of a Mayor and the adoption of a budget in Mostar following the Decision of the High

Representative.

With special regard to the forthcoming general elections in October, 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. In light of recent episodes it expects public broadcasters to lead the way and to set a positive example to others. It expressed its full support for the independence of the Communications Regulatory Agency and urged the Council of Ministers to take the steps it is legally obliged to in order to ensure the proper functioning of the Agency, inter alia, by appointing the outstanding Board members without further delay.

The PIC Steering Board reiterated the importance of adopting and implementing, without further delay, the revised and UNHCR-endorsed Strategy for the Implementation of Annex VII of the General Framework Agreement for Peace (GFAP).

The PIC Steering Board repeated its call to BiH authorities to continue to cooperate fully with the ICTY, and it urged the competent authorities to fulfil their obligations under international law to facilitate the arrest of all ICTY indictees – in particular Ratko Mladic – and dismantle their support networks.

The PIC Steering Board welcomed the High Representative's Decision of 14 December 2009 to extend the mandate of the international judges and prosecutors working in the war crimes department of the Court of BiH. It called upon the BiH authorities to ensure that BiH's judicial structures have the necessary resources required to meet BiH's continued obligations in dealing with war crimes without recourse to internationals serving in executive positions. It also underlined that BiH should intensify its efforts in the area of judicial reform and combating organised crime, corruption, and terrorism and commended the role that BiH law enforcement

agencies have played in that respect. It welcomed the agreement between BiH and Croatia on mutual execution of sentences. It recalled however the need to close the impunity gap through extradition agreement with neighbouring countries.

In light of the challenging economic situation, the PIC Steering Board urged all BiH authorities to adhere to their commitments under the IMF Standby Arrangement, which include reforming public spending, in particular the system of cash transfers to individuals and families, by making it financially sustainable, socially equitable, and economically efficient. In this regard, the PIC Steering Board noted with satisfaction that progress in meeting the relevant conditions has been made at the state and entity levels, and encouraged the authorities to build upon this progress in the forthcoming period.

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 General Framework Agreement for Peace and relevant United Nations Security Council resolutions, and insisted on full compliance with the GFAP and the decisions of the High Representative in this regard.

The PIC Steering Board reminded the relevant BiH authorities and political leaders of their obligation to work together to address the pressing political and economic reform challenges for the benefit of their citizens. In that regard, it urged BiH leaders to refrain from divisive rhetoric and actions that, particularly in an election year, would further polarise the political atmosphere and impede progress in those critical areas. In addition, the PIC Steering Board urged the BiH authorities to provide full support to the Central Election Commission, thus enabling the conduct of free and fair elections.

The next meeting of PIC Steering Board Political Directors will take place in Sarajevo on 29-30 June 2010.