



Communiqué by the PIC Steering Board

Maintaining Progress

The PIC Steering Board met in Brussels on 26 and 27 February 2007. As part of its session, it held meetings with the Presidency of Bosnia and Herzegovina and the Chairman of the Council of Ministers.

In line with its June 2006 decision, the PIC Steering Board reviewed closure of the Office of the High Representative (OHR), for which preparations have been ongoing since mid-2006.

In its deliberations, the PIC Steering Board took into account and assessed carefully the situation in Bosnia and Herzegovina and the region based on the High Representative's assessment. Following careful consideration, the PIC Steering Board decided against confirming OHR closure at this time.

The OHR will remain in place and continue to carry out its mandate under the Dayton Peace Agreement and specifically Annex 10 thereof, ensuring full respect of the Peace Agreement. In line with the general consensus of PIC Steering Board members, the aim is OHR closure by 30 June 2008. The PIC Steering Board agreed to review the situation at its meetings in October 2007 and February 2008.^[1]

Transition remains the goal. The extension of the OHR is intended to complete transition in the shortest possible time. The PIC Steering Board reaffirmed that it is in the interest of all for Bosnia and Herzegovina to take full responsibility for its own affairs. The policy of ownership remains the guiding principle. The International Community will help Bosnia and Herzegovina to make the final steps from peace implementation to Euro-Atlantic integration as soon as possible.

The PIC Steering Board expressed support for the ambitious reform agenda set out by the new Council of Ministers and looked forward to concrete progress in the coming period.

The Steering Board underlined that it would not tolerate any attempts to undermine the Dayton Peace Agreement. Political Directors recognised the stable security situation and reaffirmed that Bosnia and Herzegovina is a recognised sovereign state whose territorial integrity is guaranteed by the Dayton Peace Agreement.

The PIC Steering Board noted with concern that domestic actors in Bosnia and Herzegovina have challenged actions undertaken on the basis of Dayton and UN Security Council Resolutions under Chapter VII. The Steering Board reminds all institutions that Bosnia and Herzegovina's international obligations under the General Framework Agreement for Peace and the United Nations Charter must be respected. It calls upon the High Representative, in close coordination with the Steering Board Ambassadors, to take appropriate actions to ensure that Bosnia and Herzegovina fulfils these international obligations.

The PIC Steering Board underlined that the signing of the Stabilization and Association Agreement (SAA) between the European Union and Bosnia and Herzegovina will be of crucial importance. The PIC Steering Board urged the institutions and political parties of Bosnia and Herzegovina to meet the requirements for a signing of the SAA.

The PIC Steering Board took note of the decisions the European Union has taken recently with regard to the Office and the mandate of the EU Special Representative, which come into effect on 1 March. It looks forward to a continued exchange of information with regard to the respective roles of OHR and the EU Special Representative.

The PIC Steering Board instructed the High Representative to create a revised work plan focused on remaining Dayton implementation requirements and on consolidating the reforms of State-level institutions necessary for the stability and sustainability of Bosnia and Herzegovina.

The PIC Steering Board asked the High Representative to prepare a budget for adoption by PIC Steering Board Ambassadors before the end of March.

The PIC Steering Board welcomes the fact that political parties have now engaged in talks on the basis of the Police Reform Directorate report. It is for leaders of Bosnia and Herzegovina to reach an agreement. Talks must continue and all parties must adhere to the commitments made in the October 2005 Political Agreement, and specifically to the three EU principles contained therein. The PIC Steering Board expects the State and Entity governments to reach agreement on the report together with the proposed *Agreement on Implementation and Timelines* before mid-March. Changes to the report are possible, but only in line with the three EU principles. There is no time to negotiate a new police concept. Missing the March deadlines could result in significant delays in the signing of an SAA. The PIC Steering Board welcomed the High Representative/EU Special Representative's offer to the parties to facilitate reaching an agreement.

The Steering Board called on the authorities of Bosnia and Herzegovina, especially in Republika Srpska, to renew efforts to meet their international and Dayton obligations to cooperate fully with the International Criminal Tribunal for the former Yugoslavia (ICTY) – including playing a proactive role in apprehending all indicted war criminals, notably Radovan Karadzic and Ratko Mladic, and in transferring them to The Hague as well as in dismantling their criminal support networks proactively.

The Steering Board takes note of the judgment of the International Court of Justice concerning the Application of the Genocide Convention (Bosnia and Herzegovina versus Serbia and Montenegro) and in particular of the fact that States have an obligation to cooperate with the ICTY. The Steering Board urged all sides to take advantage of the completion of this case to come to terms with the past, including acknowledging that genocide occurred in Srebrenica. It is an opportunity to move on, work for reconciliation and focus on the issues important to the future of citizens of Bosnia and Herzegovina.

The Steering Board noted that a draft law regulating the relations between Brcko District and Bosnia and Herzegovina has been prepared for consideration and adoption by the authorities of Bosnia and Herzegovina. The Steering Board again noted that the draft law would provide the District with a means to protect its interest in relevant State institutions and recalled that such a law is necessary for creating the conditions for ending the Supervisory regime.

The Steering Board expressed its concern that despite its previous urgings for a satisfactory resolution to the issue

of VAT revenue allocation, the Governing Board of the Indirect Taxation Authority has still not agreed on a way to resolve the matter in a systematic manner. The Steering Board reiterated its hope that the issue can still be resolved by negotiations and concluded that the adoption of the draft Law and any related constitutional and legislative provisions, as well as a fair resolution of the dispute over revenue allocation, should lead to the withdrawal of all complaints currently pending with the Tribunal.

The Steering Board urges the Mostar City authorities to implement fully the Special Envoy's arbitral decision and the decisions by the High Representative in order to undertake the necessary steps to complete the implementation of the Mostar City Statute. The unification of the City of Mostar is crucial and remains an OHR priority.

The Steering Board emphasised that constitutional reform is an urgent priority for improving the functionality of the State of Bosnia and Herzegovina. The Steering Board welcomed the inclusion of constitutional reform as one of the new government's priority programme goals.

The Steering Board urged the government to advance the process of constitutional reform: firstly, to decide how to proceed with the package of constitutional amendments agreed to by six political parties in March 2006. The Steering Board reaffirmed its view that early adoption of the package would constitute a positive first step and basis on which to establish a broader process by mid-2007 that would help Bosnia and Herzegovina meet the requirements of a modern European state. In this context, the Steering Board expressed strong support for the work of the High Representative/EU Special Representative and the United States to facilitate constitutional reform, and welcomed the commitment of the European Union and the United States to work together to support further constitutional reform.

The PIC Steering Board expressed its appreciation of the many accomplishments to date of the High Representative and staff of the OHR. During the extension period, the OHR will focus its efforts on completing transition to full ownership. Political Directors expressed their support to the High Representative until the end of his mandate on 30 June 2007.

The PIC Steering Board will meet again at the level of Political Directors in Sarajevo on 18 and 19 June.

[1] Russia was unable to join this consensus and will make conclusions consistent with UN Security Council Resolution 1722, taking into consideration the above.