Statement on the BiH Economy at the Meeting of experts nominated by the PIC, representatives of international financial institutions and aid organisations, the BiH authorities and OHR

Representatives of the BiH authorities, led by the Chairman of the BiH Council of Ministers Adnan Terzic, BiH Foreign Minister Mladen Ivanic, and BiH Treasury Minister Ljerka Maric joined economic experts nominated by the Peace Implementation Council, and representatives of the international financial institutions and aid agencies at a meeting in Brussels on Wednesday under the chairmanship of the High Representative, Paddy Ashdown.

The object of this meeting was to forge a consensus on the priority of economic reforms over the next 18 months to two years, and to coordinate donor and investment strategies so as to secure the maximum positive impact in terms of economic self-sustainability for BiH and improved living standards for its citizens. The meeting offered a forum for the BiH authorities to present their near and medium-term economic strategy.

The International Community commended the BiH authorities on the results achieved so far in implementing the six-month action plan drafted and approved by the three governments in the summer of 2003, and urged the governments to implement the

remaining commitments in the plan on schedule by the end of February 2004. They drew attention to the need for tax and regulatory reform, industrial and administrative restructuring, and the importance of the application of business laws, and they highlighted the importance of providing an effective social security net to support that process.

The International Community welcomed the approval by the three prime ministers and finance ministers, on 2nd December, of the four-year mid-term development strategy (PRSP). The Council of Ministers delegation pledged to secure approval of the PRSP at the state and entity level by the end of December and to present it to the State Parliament by the end of January. The meeting took note of the Government's expressed external financing needs, which it consider necessary for speeding up reforms, especially in the area of moderating the social impact of accelerated structural reform. The CoM will organise a consultative donors meeting in Sarajevo in Spring.

The participants agreed to arrange a follow-up meeting in 2004.