

# Communiqué by the PIC Steering Board

The High Representative chaired a meeting of the Steering Board of the Peace Implementation Council (PIC) at the level of political directors in Brussels on 28 March. The BiH authorities were represented for part of the meeting by State Prime Minister Adnan Terzic; the State Minister of Justice Slobodan Kovac and the State Minister of Security Barisa Colak; and the two entity Prime Ministers Ahmet Hadzipasic and Dragan Mikerevic.

The meeting began with an update by the BiH delegation on Rule of Law targets that had been agreed between BiH and the PIC in September 2002. The Steering Board noted with satisfaction a number of major developments in recent months, in particular the creation of a State Ministry of Justice, the establishment of the State Court of Bosnia and Herzegovina, the enactment of the BiH Criminal Code and Criminal Procedure Code, and the progress made with the systematic restructuring of the judiciary and the Prosecutors' Offices. They noted that early adoption of entity criminal codes and criminal procedure codes, in conformity with BiH legislation, will be critical to combating organised crime and terrorism. However, the Steering Board were concerned that many of these positive developments in recent months had to be brought about by impositions by the High Representative.

Considering the next steps in the Rule of Law agenda, the Steering Board urged the BiH authorities to provide adequate funding for the newly established ministries and the reformed judicial and prosecutorial system; to press ahead with reform of the penal system; and to develop a comprehensive programme for seizing criminal assets. Implementation of the reforms underway is essential not least for BiH's aspirations for European integration. The Steering Board also urged that

there be a timely decision on the future of the Human Rights Chamber given the end of its mandate in December 2003.

Prime Minister Terzic and the two entity Prime Ministers then made a commitment to fulfil the Public Administration Reform targets drawn up in consultation with SDHR Enver Schrombgrens. The Steering Board welcomed the presentation, agreed with the targets, and stressed the importance of developing strategies in partnership with the BiH stakeholders. Reform of the public administration including reduction in the size and cost was one of the key issues in preparing for further EU integration. An impartial and effective civil service, combined with fair and transparent systems of public appointment, were essential to meet European standards. The Steering Board welcomed the adoption of Civil Service laws at the state level and in Republika Srpska, and the establishment and work of the related Civil Service agencies. However, they were seriously concerned about the recently tabled Federation Civil Service Law. They called on the Federation authorities to amend it to bring it into line with European standards. They stressed the importance of effective and early implementation of this Civil Service legislation.

The Steering Board discussed the Orao affair, which had gravely undermined the international credibility of BiH. The Steering Board expressed its deep concern at this affair, and the serious deficiencies that it had revealed about the command and control of BiH's armed forces. The Steering Board underlined that appropriate measures, taking into consideration the issues of systemic reform and political responsibility, were essential to prevent such a situation occurring again. The Steering Board expected full cooperation from all relevant authorities in BiH in this matter, in keeping with their obligations under the Dayton-Paris Peace Accords and as a member of the United Nations.. The Steering Board also stressed the need for defence reform in its own

right, in order to resolve issues at variance with the BiH Constitution and to prepare BiH for integration into Euro-Atlantic structures.

PDHR Donald Hays briefed the Steering Board on the economic reform agenda and in particular on the Elektroprivreda audits. He set out the action the international community had taken to address the serious abuses and structural problems that had been uncovered. The Steering Board welcomed these reforms and the initial steps taken by the BiH authorities, and agreed that the first step was to restructure the electricity sector to tackle fraud and provide a more efficient service to the citizen. The Steering Board were also concerned by BiH's unsustainable current account deficit and called on the BiH authorities to take measures to address this urgently. Recognising the serious economic problems facing BiH, they stressed the need to promote exports, investment, privatisation, and a more effective single economic space.

SDHR Bernard Fassier briefed the Steering Board on the OHR-ICTY plan to enable the effective domestic prosecution of war crimes cases in BiH, and their evaluation of the costs. The Steering Board supported the objectives of this plan. They agreed that it was essential that it should be adequately resourced, and clearly define responsibilities for establishing, implementing, and then transferring to BiH, the administration of the Chamber before it is launched.

The Steering Board concluded by welcoming the initiative by the High Representative and Prime Minister Terzic to co-chair a closed door retreat bringing together the Board of Principals and the BiH authorities to discuss the Economy, Rule of Law and European integration.