

Communiqué by the PIC Steering Board

The Steering Board of the PIC met in Sarajevo on 30-31 July at the level of Political Directors with the High Representative, the first such meeting since the new High Representative took office on 27 May 2002.

The Steering Board fully supports the priorities established by Paddy Ashdown: first justice, then jobs, through reform. The Board also believes that, if implemented, the reforms discussed at this meeting will help set BiH irreversibly on the road to successful statehood and integration into Europe.

The Steering Board welcomes the establishment of an international Rule of Law Pillar in BiH. They believe this will play a crucial role in helping the BiH authorities reform and strengthen the justice system so that it can fight organized crime and corruption more effectively. The Board emphasizes that the Rule of Law Pillar will operate according to strict timelines. It calls upon the authorities to assist in the timely establishment of the High Judicial and Prosecutorial Council and in the restructuring of the Court and Prosecutorial systems. The Board further welcomes the creation of the Special Chambers and endorses the proposal of the High Representative to include national and international Judges and Prosecutors in a special Panel/Department for Organised Crime, Economic Crime and Corruption in the Court of BiH and the BiH Prosecutor's Office. The State Court will also contribute to the possible referral of certain ICTY cases to the competent state authorities, as foreseen by the UN Security Council.

The Steering Board commends the Election Commission and other BiH authorities for their work so far in organizing the first

elections to be held in BiH since Dayton under the exclusive control of the domestic authorities. The Steering Board underlines the importance of the 5 October elections. The citizens of BiH are faced with a choice. If they back reform, BiH has a chance of becoming a prosperous European state capable of providing opportunities for all its citizens, through the progressive adoption and implementation of European standards and legislation. If not, BiH is in danger of stagnating economically, with little chance of ever joining the European Union or other European and transatlantic structures. While the Steering Board does not support individual politicians or political parties, it does support the reforms and actions necessary for BiH to succeed as a state.

The Steering Board particularly welcomes the presentation by the BiH authorities on their economic reform targets, and the OHR's decision to act as facilitators rather than mediators in this process. These reforms are based on the framework agreements undertaken with the international community, especially the IMF and the World Bank, and on the European Union's Stabilisation and Association Process, and therefore they correspond with the underlying economic principles supported by the Steering Board. In particular, the Steering Board welcomes the commitment to a single economic space, and to creating a climate conducive to private enterprise, making government more efficient, delivering high-quality affordable public services, including a cost-effective social safety net.

Following adaptation and agreement by the Steering Board, these [economic targets](#) will now form a compact between the international community and the BiH authorities, guiding the reform process. The Steering Board will use these targets to judge the performance of the present governments as well as any government that comes to power after the elections.

The Steering Board looks forward to a similar presentation by

the BiH authorities at their next meeting on Rule of Law priorities, and provisionally agrees that this take place in Sarajevo in the fourth week of September.

The Steering Board endorses the minutes and recommendations of the Financial Experts meeting that took place on 18 July 2002 in Sarajevo. It expresses confidence that those recommendations relating to Financial Statements and Reconciliation would soon be implemented. The Board also welcomes the steps taken by the High Representative to streamline the field presence of the OHR, and the importance of this process continuing.

The Steering Board welcomes the renewal of the UNMIBH mandate to enable it to complete its core tasks of police reform and restructuring and to ensure a seamless transition to the EUPM that will commence its work on 1 January 2003. The Steering Board calls on local authorities and police officials to cooperate fully with UNMIBH to ensure that all police administrations are accredited by October. The Steering Board also calls on the BiH authorities to allocate the funding necessary to allow full deployment of the SBS.

The Steering Board welcomes the trilateral presidential meeting in Sarajevo on 15 July, in particular the recognition at that summit that constructive support of BiH's statehood by its neighbours is a key condition for regional stability and their integration into European and transatlantic structures.

Finally, the Steering Board thanks Paddy Ashdown for taking over the Office of the High Representative and welcomes his two new Senior Deputies, Ambassador Gerhard Enver Schroembgens and Ambassador Bernard Fassier. The Steering Board also expresses its thanks and gratitude to General John Sylvester for his distinguished service as COMSFOR, which comes to an end at the end of August.