

Communique by the PIC Steering Board

The PIC Steering Board met at the level of Political Directors with the High Representative in Brussels on 30 October 2001. The Steering Board welcomed the opportunity to meet with the World Bank and the International Monetary Fund as well as SFOR, OSCE, UNMIBH and UNHCR to discuss the Economic Reform Agenda for Bosnia and Herzegovina. It appreciated the recent establishment of the Coordination Body for Economic Development and European Union (EU) Integration, and called upon this body to work in close cooperation with the International Community as part of the overall partnership process.

The Steering Board took note of the less than satisfying economic transition process in BiH. The Steering Board again urged BiH authorities to increase the tempo of implementation of the economic reform agenda, which is not only imperative for higher investment and employment levels but also an indispensable requisite if BiH does not want to fall even further behind its neighboring countries in the EU Stabilization and Association Process. It called for a well-balanced mixture of macro- and micro-economic reform activities in Private Sector Development, Public Finances, Social Policy and Labor, Public Utilities and Agriculture, and defined a single economic space in BiH, regional integration in the South East European Region and rapprochement to European Union structures as key features. It directed OHR's Economic Task Force to accelerate the economic agenda implementation and to monitor the process overall. The Steering Board also considered the establishment of a single customs administration at the State level. It urged BiH authorities to establish a single customs duty revenue account

and to agree on a distribution formula. It took note of the OHR 2002 Economic Action Agenda and urged further development of the agenda with the key IC players and BiH partners. The Steering Board expressed its severe disappointment of the painfully slow pace at which the Entity governments have been implementing the agreement on the allocation of excise taxes to the place of consumption, creating distortion and hindering the creation of a single economic space.

The Steering Board welcomed the update on progress made in developing an International Community Action Plan for streamlining and urged all concerned to complete the outstanding preparations in order for the IC Action Plan to be presented to the Steering Board sufficiently in advance of its December 2001 meeting to permit the Steering Board members to prepare fully.

The Steering Board reiterated its support for the High Representative's Media Reform Strategy, underlining the importance of a free, independent and self-sustainable media sector as a cornerstone of democracy. It requested the High Representative to continue to counter political interference with the freedom of the media. The Steering Board also welcomed the launch of Federation TV and the removal of the unlicensed signal of Croatian Radio & Television on 27 October. It expressed its gratitude to the Croatian Government and Croatian Radio & Television for the direct support provided to the new Federation TV Service. The Steering Board recognized this as an important step in implementing the High Representative's Second Media Restructuring Decision to develop a BiH State-level Public Broadcasting Service for all the citizens of BiH.

The Steering Board urged the authorities in both Entities to speed up the process of implementing the "Constituent Peoples Decision" and agreed with the High Representative's proposal

to increase his active engagement in this process with a view to its accelerated implementation.

The Steering Board supported the adoption of the Citizens Identification Protection System (CIPS) legal package by the BiH Parliament, and views the CIPS initiative as a primary cornerstone for building State competence over civil administration, particularly in the context of BiH's response to international terrorism. The Steering Board fully endorses the intention of the High Representative to move forward rapidly on the CIPS project to ensure that the BiH State exercises its authority in conformity to the letter and spirit of the Council of Europe (CoE) and EU standards on data protection and to applicable CoE and International Civil Aviation Organization (ICAO) standards on identity documents.

The Steering Board recalled the constitutional requirement for BiH Presidential Elections next year, and called on the BiH authorities to finance and increase urgently the pace of preparations for general elections in October 2002. Immediate establishment of the BiH Election Commission and rapid and consistent implementation of the rest of the election administration by BiH authorities, in coordination with the OSCE Mission in Bosnia and Herzegovina, are now required for elections to be held on schedule in October 2002.

The Steering Board looks forward to the imminent reconstitution of the Commission to Preserve National Monuments and welcomed OHR's ongoing work with the Entities and State to draft legislation that will ensure a comprehensive, harmonized structural approach to implementation of Annex 8 Decisions by the end of the year.

The Steering Board discussed requirements for OHR's 2002 budget and took note of the key figures in the proposed

budget, which will be presented to SB Financial Experts on 15 November.