

Communique by the PIC Steering Board

The Steering Board of the Peace Implementation Council

[Introduction/Partnership Parameters] The PIC Steering Board met at the level of Political Directors with the High Representative in Brussels on 13 September 2001. The Steering Board welcomed the opportunity to meet with a delegation of the BiH State and Entities Governments, headed by the Chairman of the Council of Ministers on 12 September to discuss the parameters of the enhanced partnership relationship between BiH authorities and the International Community. The Steering Board reiterated its readiness to support BiH institutions in their efforts towards stability and self-sustainability. In this context it stressed again the necessity not only of responsible governance but also of a total, immediate, and professional commitment to pressing and fully implementing, long-term, institutional, legal, and economic reforms as a prerequisite for full ownership and integration into EU structures. In this context the Steering Board welcomed and fully endorses the partnership approach taken by the High Representative geared towards significant and rapid progress in fulfilling PIC requirements. It welcomed the creation of the Consultative Partnership Forum, recently established by the High Representative, as an important step in this process. The Steering Board also stressed the importance of full cooperation with ICTY.

[Economy] The Steering Board took note of the increasingly dire economic situation in Bosnia and Herzegovina, highlighted by the recent downward re-evaluation of growth rates. While welcoming ongoing reforms in various areas, the Steering Board

regrets that the development of a single economic space has now come to a standstill. What are short-sighted political considerations seem to have become dominant as exemplified by the continued blockage of numerous laws, including EU road-map issues, by the Republika Srpska delegates in the State Parliament. The Steering Board calls upon all relevant BiH authorities at last to live up to the real challenges in a real partnership Bosnia and Herzegovina faces today by demonstrating responsible, professional governance and taking the required decisive and concrete steps towards the structural economic reforms so desperately needed to attract foreign investment and to create jobs. Political challenge to independent agencies is chilling in its long-term impact on developing a regulatory climate that will entice foreign investment.

[Streamlining] The Steering Board appreciates and supports the all-encompassing approach taken by the High Representative to recalibrating the current international civilian implementation structures in BiH. Present senior representatives of OSCE, UNMiBH, UNDP, UNHCR and SFOR welcome the serious and thorough approach taken by OHR. The Steering Board expects the IC Action Plan proposed by the HR, to be further elaborated in coordination with the IC and the BiH Government and to be presented for consideration by the Steering Board at its December 2001 meeting. This plan:

- will include clear benchmarks and an assessment of matching multi-year funding requirement;
- will identify core requirements and functions for the International Community, recalibrating its mandates and additional tasks as well as streamlining its field presence; and
- will include proposals on structural reforms towards integration of the different international agencies in BiH;

- will project a re-focused and accelerated Implementation Period for 2002 – 2005, to be followed by an additional phasing out of the IC's post-war engagement in BiH;
- will present options for a follow-up police monitoring mission.

[Election Law] The Steering Board welcomed the recent adoption of the Election Law by the BiH Parliament, satisfying not only one of the long-standing international benchmarks by filling a considerable gap in the organizational structure of BiH, while demonstrating that the newly elected authorities are ready for compromise on essential matters. The Steering Board now looks forward to its rapid and consistent implementation by BiH authorities.

[Financial Issues] The Steering Board endorses the recommendations of the Financial Experts' meeting of 19 July 2001 with the exception of the approval of the 2000 accounts to which the European Commission cannot agree.