

Communique by the PIC Steering Board

The PIC Steering Board met at the level of Political Directors with the High Representative in Brussels, 7 December 2000.

The Steering Board and the High Representative mark the forthcoming 5th anniversary of the signing of the General Framework Agreement for Peace in Paris on 14 December 1995 by reaffirming their commitment to promote enduring peace and stability in Bosnia and Herzegovina. The Steering Board welcomes the democratic transitions in Croatia and the FRY and the commitment of their new authorities to the Dayton Accords;. the High Representative and the Steering Board look forward to working closely with Belgrade and Zagreb on the practical steps needed to normalise relations with BiH. These changes in the wider region have created new opportunities for BiH and opened its path to Europe. The EU, with the support of the international community, has responded by setting forth a clear agenda to realize BiH's European orientation. This agenda, articulated in the Zagreb Declaration and the Stabilization and Association Process is the context in which Dayton is to be implemented. The Steering Board calls for all concerned to cooperate democratically as fellow Europeans; for all refugees and displaced persons to be welcomed back; and for BiH to function normally at state and entity levels alike. This can only be achieved in a new social and political atmosphere in which the citizens of BiH finally look to the future in a spirit of reconciliation.

The Steering Board notes that the results of the most recent general elections in BiH as the expression of the political will of its citizens. For the first time since the war those parties committed to BiH European orientation received the majority in the legislative elections. The Steering Board expects to see the incoming executive and legislative authorities, at state as well as at entity level, in place and functioning effectively as soon as possible. The new authorities will be bound by the General Framework Agreement for Peace in BiH and all ensuing documents, in particular the Brussels PIC Declaration as well as the requirements of the EU Road Map and the criteria for accession to the Council of Europe. The authorities at all levels therefore will be required to meet all standards of a modern European state, as enumerated in the preamble to the Constitution of the BiH. Failure to meet these standards will have painful economic and political consequences for all citizens of BiH and will risk wider instability.

The Steering Board encourages the High Representative to engage with the new authorities, as they draw up their programmes with a view to ensuring proper prioritisation of work. The Board looks to the new authorities to demonstrate their commitment to BiH's European reform agenda by taking the actions set out below on key political and economic issues. In the event of undue delays and obstructionism by any group or individual aiming to block BiH's path to Europe, the Steering Board invites the High Representative to continue to use his powers to the full extent to guarantee implementation. It welcomes the intention of the High Representative to develop specific actions for the implementation of the points below.

The Steering Board calls upon the parties hoping to enter the authorities at all levels to commit themselves to take action in the following areas to demonstrate their will to govern for the good of all citizens of BiH:

- **ECONOMIC REFORM** – Carry out the reforms necessary to make BiH a single economic space, with particular emphasis on effective privatisation of public utilities such as Power III.
- **COMMON INSTITUTIONS** – Cooperate to build a functioning state, particularly through an effective Council of Ministers, fully supported politically and financially by the entities, that is capable of interaction on a basis of equality with other states and international organisations.
- **DEFENCE** – Cooperate to reduce defence expenditure in order to meet priority budget areas such as pensions, health and social welfare; to increase budget transparency; and to adopt and implement the Common Defence Policy.
- **FIGHTING CORRUPTION** – Adopt the OHR Comprehensive Anti-Corruption Strategy, take action to remove officials involved in corruption and bar them from holding future public office.
- **COOPERATION WITH ICTY** – Fully cooperate with ICTY to bring about the arrest or surrender of all remaining PIFWCs on the territory of BiH.
- **RELATIONS WITH NEIGHBOURS** – At the state level, establish as a first priority diplomatic

relations with the FRY, enhance relations with Croatia, and deal with the issue of SFRY succession.

- **MINORITY RETURNS** – Work together to accelerate the processes relating to minority returns, to ensure full and non-discriminatory implementation of the property laws and to provide a secure environment for minority returns.
- **CONSTITUENT PEOPLES** – Fully and speedily implement the Constitutional Court decision on the status of the three constituent peoples in BiH.
- **ILLEGAL MIGRATION** – Work together, and with relevant international organisations and governments, to curb illegal migration through BiH, trafficking in human beings, and the flow of narcotics.
- **HISTORICAL AND RELIGIOUS MONUMENTS** – Fully support and facilitate the reconstruction or repair of all significant historical and religious monuments and places of worship.

The Steering Board welcomes the undertaking of the new President and Government of the FRY to resume their responsibilities under the GFAP and to cooperate fully in the Dayton Peace process, acknowledging the sovereignty and territorial integrity of BiH. The Steering Board calls on both sides to establish diplomatic relations as soon as possible.

The Steering Board takes note of the Report of the High Representative on State Succession Issues of the Former Yugoslavia, submitted on 18 November. The Steering Board decided to continue the mediation efforts led by the High Representative.

The Steering Board notes the substantial acceleration of economic reform, achieved at the initiative of the International Community during this year. It acknowledges the High Representative's intention to reinforce the Telecoms Regulatory Agency and merge it with the Independent Media Commission.

The Steering Board acknowledged the Financial Experts report of 26 October 2000, and approved the OHR Operating Budget for 2001 at a level of 25,490,461 Euros. The Steering Board reiterated its support of the Independent Judicial Commission and encouraged member states to provide the additional funding required outside the OHR budget to render the IJC fully operational. The European Commission agreed that it would try to identify parts of the IJC project which would be eligible under the CARDS regulations up to a value of 900,000 Euros in 2001.