Decision annulling the Amendments on the RS Law on Pension and Disability Insurance from October 2000

In the exercise of the powers vested in me by Article V of Annex 10 (Agreement on Civilian Implementation of the Peace Settlement) to the General Framework Agreement for Peace in Bosnia and Herzegovina, according to which the High Representative is the final authority in theatre regarding interpretation of the said Agreement on the Civilian Implementation of the Peace Settlement; and considering in particular Article II.1.(d) of the last said Agreement, according to the terms of which the High Representative shall "Facilitate, as the High Representative judges necessary, the resolution of any difficulties arising in connection with civilian implementation";

Recalling paragraph XI.2 of the Conclusions of the Peace Implementation Conference held in Bonn on 9 and 10 December 1997, in which the Peace Implementation Council welcomed the High Representative's intention to use his final authority in theatre regarding interpretation of the Agreement on the Civilian Implementation of the Peace Settlement in order to facilitate the resolution of any difficulties as aforesaid "by making binding decisions, as he judges necessary" on certain issues including (under sub-paragraph (c) thereof) "measures to ensure implementation of the Peace Agreement throughout Bosnia and Herzegovina and its Entities";

Noting that it was stated in the Declaration of the Peace Implementation Council which met in Brussels on 23 and 24 May 2000, that "The Council urges the High Representative to use

his authority in accordance with his mandate to ensure full and accelerated implementation in all sectors of civilian implementation, including removing obstacles that stand in the way of economic reform";

Noting also that it was stated in the said Declaration that certain economic reforms were critical, and that under the heading "Enabling private sector growth" it was set out inter alia that "The Council urges the authorities to proceed with broad-based reform of taxation, the social security system and unsustainable governmental bureaucracy at all levels";

Bearing in mind the Annex to the Madrid Declaration of the Peace Implementation Council of 16 December 1998 which emphasised the need to ensure better governance and full transparency in public finances, and in which the Council urged the Entities to undertake comprehensive reform of the pension and health systems based on the principles of efficiency, financial sustainability, and maximum provision for private participation;

Considering the role and importance of a sustainable and transparent Pension and Disability Fund for the citizens of Bosnia and Herzegovina;

Considering furthermore that the need for the approval of a financially sound Law on Pension and Disability Insurance was recognised by Republika Srpska Officials and that legislation to this effect was adopted on 19 September 2000, (Official Gazette of the Republika Srpska, number 32/2000); that the indexation article contained therein was amended by the Law on Amendments to the Law on Pension and Disability Insurance on 7 October 2000 (Official Gazette of the Republika Srpska, No. 34/2000);

Noting that the indexation article of the above mentioned Law and Amending Law is not sustainable in relation to available resources and does not provide for the means to finance

minimum pensions based on a reasonable index.

Having considered, borne in mind and noted all the matters aforesaid, I hereby issue the following:

DECISION

The Law on Amendments of the Law on Pension and Disability Insurance of the Republika Srpska, published in the Official Gazette of the Republika Srpska, 34/2000 of October 2000 is hereby annulled.

This Decision shall be published without delay in the Official Gazette of the Republika Srpska and is to have immediate effect and come into force as from and including the 12 November 2000.

Sarajevo, 12 November 2000	Wolfgang Petritsch
	High Representative

Office of the High Representative