Bjelasnica Declaration

Putting People First

We, the executive and parliamentary representatives of BiH, following our retreat with the International Community in Bjelasnica on 23-24 April, reaffirm our commitment to urgent reform in our country. We intend to build on the achievements of our first months in office, such as the work of the Bulldozer Committee, through which BiH is leading the way in the region. We are determined to move this country decisively forward, towards integration with the rest of Europe, and to deliver a better standard of living for all our citizens.

We hereby declare that:

- We reaffirm our commitment to building on our achievements in the Justice and Jobs agenda, and in particular to its second phase focusing on a cleaner and better regulated business environment, simpler and lower taxation, privatization, and a rapid enhancement of exports.
- We will work energetically towards integration with the European Union, and specifically for a positive outcome in the Feasibility Study by implementing the measures set out the recent SAp report by the European Commission, especially those requiring priority action within the coming 6 months.
- We will continue to build the rule of law. We are determined to combat the menace of organized crime, using all the means at our disposal, especially closer co-operation with our neighbours.
- We will implement accelerated defence reform, to ensure that BiH is ready for PfP membership by January 2004.

Representatives of executive and legislative authorities of Bosnia and Herzegovina and their partners, the most important representatives of the International Organisations in BiH met in Bjelasnica near Sarajevo on Wednesday 23 and Thursday 24 April. They discussed a range of reforms that should be implemented in the next six months for the benefit of the citizens of Bosnia and Herzegovina. The conclusions of this meeting were as follows.

We commit to:

1) Reduce poverty by:

- Implementing a countrywide poverty-reduction strategy including the restructuring of government spending so as to improve the quality of social services and to reduce waste in government

2) Establish a business friendly environment by a number of methods, the most important of which are:

- Enacting Entity Civil Procedure codes, Entity Laws on
- Enforcement Procedure of Civil Judgements, and Bankruptcy Law in the Federation
- Training judges and court staff working in commercial chambers, and promoting alternative methods of conflict resolution
- Eliminating fictitious companies
- Funding SIPA, court police, additional state deputy
- prosecutors, and an adequate number of court personnel
- Funding Court and prosecutorial restructuring in both Entities.
- Setting up 15 Business Chambers in municipal courts by the end of 2003
- Reforming and simplifying taxes – moving sales-tax collection from point of sale to point of

production
- Establishing computerised business registry, simplifying business registration and combating bureaucratic harassment of business

3) Promote privatization and effective governance of public companies by a number of methods, the most important of which are:

- Amending Entity privatization laws
- Successfully privatising key strategic companies, and launching tenders for companies already prepared for privatisation
- Restructuring and reforming management of public companies
- Educating public on benefits of privatisation

4) Boost exports by:

- Getting the State Veterinary Office fully operational as a matter of urgency
- Adopting primary legislation to open up access to EU markets
- Improving the capacity of the BiH Institute for Standards, Metrology, and Intellectual Property to oversee the application of legislation enacting EC standards
- Developing action plan for countrywide export strategy – in the public and private sector
- Adopting EU quality oversight standards and regulations
- Educating civil servants in order to promote flexibility and creativity in attracting and sustaining investment

5) Accelerate the process of European integration by focusing on:

- Implementing at all levels of government the "priority areas" identified in the European Commission's 2003 Stabilisation and Association report
- Demonstrating an increasing transfer of responsibility from the High Representative to the local authorities
- Agreeing that the Directorate for European Integration (DEI), in cooperation with State and Entity Governments, will monitor and report, on a two-monthly basis, on implementation of the "priority areas" to ensure their completion by the end of 2003

In particular:

- Providing political support, full operability and credibility to the DEI, and tasking it with the production of a clear and comprehensive "European integration Strategy" for BiH, in line with the conclusions of the BiH Parliamentary Assembly;
- Successfully concluding the work of the Indirect Tax Policy Commission in accordance with the established timeline.

In view of the upcoming EU Summit at Thessaloniki with the countries of the Western Balkans, advocating on behalf of BiH and the region as a whole:

- a clear statement from the European Union that the EU wants BiH and the other SAP countries to become members of the Union when they have completed the necessary reforms;
- clear benchmarks for BiH and the countries of the region to meet in the justice and home-affairs field which, when achieved, would enable the EU to liberalise its visa regime;
- provision to enable BiH and the region to benefit from the experience of other transition countries, especially those which have recently qualified for EU membership;
- increased European funding for the region, and, in particular, no reduction in the CARDS program for BiH in the coming years.