

Communique by the PIC Steering Board

The PIC Steering Board met at the level of Political Directors with the High Representative in Sarajevo on 4 April 2000. Preceding the meeting, BiH Minister for Foreign Trade and Economic Relations, Mirsad Kurtovic, Federation Minister of Finance, Dragan Covic, and RS Minister of Finance, Novak Kondic briefed the Steering Board on the progress of economic reform. Members of the Steering Board expressed concern at the Bosnian authorities' failure so far to move decisively on corruption, deregulation and measures to attract foreign investment. They warned that Bosnia and Herzegovina faced a rapidly escalating economic crisis if urgent reforms were not taken in these and other areas.

On the eve of the Municipal Elections, the Steering Board and the High Representative appealed to the citizens of Bosnia and Herzegovina to seize the opportunity and vote for change. Open list ballots offer the chance to empower individual candidates who can be held accountable for their activities. Voters should bring to an end the term of those parties and politicians that have been fostering a climate of ethnic segregation, obstructing the state-building process and preventing the implementation of refugee return and of civil society and economic reform. The Steering Board urged the citizens of Bosnia and Herzegovina to demand a leadership which will take charge of the country's economic destiny.

The Steering Board endorsed the High Representative's strategy to proceed with economic revitalization, intensify the struggle against corruption, strengthen the single economic space so that businesses are able to trade freely and foster an external trade regime so that Bosnia and Herzegovina can secure its place in the region. The Steering Board urged the

ministers to follow through on their commitment to harmonize banking legislation and regulations between the Entities as this will further reinforce the single economic space and promote a free flow of capital.

The Steering Board made it unequivocally clear that each privatization initiative should hinge on two fundamental considerations so that the citizens can benefit from the sale of assets of socially-owned companies:

- achieving the optimum value ; and
- ensuring that the purchaser has the capacity to effectively manage the enterprise.

The Steering Board called upon the High Representative to coordinate the international community's initiatives through the Economic Task Force and propose specific courses of action to improve future privatization transactions before the next Steering Board meeting.

The Steering Board affirmed that the High Representative should use his full powers to remove obstacles that choke economic growth and deprive the citizens of jobs and a fruitful economic life.

The Steering Board noticed with regret that since its last meeting on 8 February 2000 the Presidency of Bosnia and Herzegovina has failed to resolve the impasse over the Council of Ministers. The Board and the High Representative urged the Presidents to nominate on the basis of the Constitution and the decision of the Constitutional Court one Chair for the Council of Ministers and to see to it that, in the spirit of political compromise, the nominee will find approval of the House of Representatives as soon as possible.

The Steering Board and the High Representative commended the close cooperation between SFOR and the International Tribunal for the Former Yugoslavia that has led to a substantial number of arrests of persons indicted of war crimes, the most recent

example of which is Momcilo Krajisnik, in order to bring justice to the victims of war.

The Steering Board noted with satisfaction the inauguration of the Brcko District following the international award. The Steering Board commends the efforts of the Supervisor in advancing this process. The Board notes the importance of consolidating the progress to date by ensuring the passage of critical legislation by the Brcko District Assembly in the next several months.

The High representative announced that the Peace Implementation Council will meet at ministerial level in Brussels on 23-24 May 2000 to review the peace implementation process in Bosnia and Herzegovina.