

Declaration by the Steering Board of the Peace Implementation Council

Political Directors of the PIC Steering Board met in Sarajevo on 18 and 19 June 2007. The Presidency of Bosnia and Herzegovina as well as the Chairman of the Council of Ministers participated in the meeting.

The current political situation in Bosnia and Herzegovina is of grave concern to the Steering Board. There has been a severe deterioration in the political atmosphere, as well as threats by some non-state actors to take security into their own hands.

Responsibility lies with those political leaders who have blocked progress and undermined the political situation with their aggressive rhetoric. The International Community stands united: It will not tolerate any attempts to undermine the Dayton Peace Agreement and it will not remain passive in the face of provocative statements and acts.

The Steering Board reiterates that the policy of ownership remains the guiding principle. Political leaders have not lived up to their responsibilities. The Steering Board encourages the voices of moderation to speak up in order to promote reconciliation as well as a culture of negotiation and compromise. At the same time, the Steering Board underlines that the International Community retains the necessary instruments to counter destructive tendencies and that it will not allow attempts to undermine the Dayton Peace Agreement.

Since April 2006, there has been a near total deadlock in peace implementation and the delivery of reforms required for

a Stabilisation and Association Agreement (SAA). This political deadlock also threatens Bosnia and Herzegovina's economic prospects. The Steering Board expects to see significant progress on the numerous reforms set out in the Steering Board's communiqués since the October 2006 elections. The Steering Board is deeply concerned that Bosnia and Herzegovina has made no progress towards concluding the SAA despite the fact that the text of the SAA has been agreed. Initialling the SAA must be the number one priority for Bosnia and Herzegovina. However, due to a lack of political will, Bosnia and Herzegovina faces the prospect of falling behind all its neighbours in this regard.

Initialling of the SAA requires concrete and irreversible progress on police reform and cooperation with the International Criminal Tribunal for the former Yugoslavia (ICTY). The requirements regarding an agreement on police reform are clear. They include full respect for the three EU principles and have been set out in previous Steering Board communiqués. With sufficient political will, an agreement on police reform can be concluded at short notice.

The Steering Board welcomes the arrest of Zdravko Tolimir on 31 May and cites it as evidence that the authorities in Serbia and Bosnia and Herzegovina are able to find and apprehend indicted war criminals. The Steering Board calls upon Serbia, a Dayton signatory, and the authorities in Bosnia and Herzegovina, especially in Republika Srpska, to abide by their obligations under international law by cooperating fully with the ICTY, playing a proactive role in apprehending all remaining indictees – including Radovan Karadzic and Ratko Mladic – without further delay, dismantling their support networks and ensuring indictees are transferred to the ICTY.

With regard to the situation in the Srebrenica area, the Steering Board expects the Chairman of the Council of Ministers and the Entity Prime Ministers to make a coordinated effort to improve the situation in Srebrenica and welcomes the

creation of the Srebrenica Coordination Group to implement these efforts. The Steering Board also welcomes the appointment of Ambassador Clifford Bond as the High Representative's Envoy. It endorses the Envoy's emphasis on promoting public security, the prosecution of war criminals, improved social services, and more effective job creation as key steps.

The Steering Board also welcomes commitments made by BiH and RS authorities to increase their efforts to address the issue of those individuals on the so-called "Srebrenica List". Survivors should not have to encounter perpetrators of war crimes in government positions. In this context, the Steering Board agrees on the need to augment the BiH authorities' capacity to conduct investigations against war-crimes suspects and to prosecute them, and invites the International Community to consider how they can contribute financially in this regard. The Steering Board also emphasises the importance of continuing to assist with the identification of victims of war crimes.

The Steering Board reiterates that Bosnia and Herzegovina has, pursuant to the Dayton Peace Agreement, agreed to respect fully and promote the fulfilment of the commitments made under the Constitution of Bosnia and Herzegovina as set forth in Annex 4 to the said Agreement and recalls that the Security Council, acting under Chapter VII of the Charter of the United Nations, has called upon the parties to comply strictly with their obligations. Bosnia and Herzegovina remains obliged to abide by these commitments that are in no way affected by the judgment rendered by the International Court of Justice on 26 February. The scope of the judgment is clear: It relates to a dispute between two states and in particular to the responsibility of Serbia under the *Convention on the Prevention and Punishment of the Crime of Genocide*. It in no way imposes any legal obligation upon Bosnia and Herzegovina to amend the provisions of the Constitution of Bosnia and

Herzegovina.

The status of Srebrenica and the status of any other unit of government within Bosnia and Herzegovina can only be changed in accordance with the relevant constitutions and laws. The Steering Board emphasises that it will not accept any changes or calls for such change made in contravention of such legislation.

The Steering Board expresses disappointment at the lack of progress on constitutional reform, and notes the failure of political parties to reach agreement on a way to address the first package of constitutional amendments, and the failure of governing parties to come up with any agreed alternative.

The Steering Board welcomes the EU-US facilitation of recent talks with political leaders to discuss restarting constitutional reform and setting up a constitutional reform process. The Steering Board commends to party leaders the EU-US offer to support a process politically, technically and financially. The Steering Board again urges party leaders to set up this process as soon as possible and to take concrete steps to address the first package of amendments agreed in March 2006.

Consolidation of state-level institutions must continue. In this context, the Steering Board notes with concern recent suggestions that certain reforms could be reversed by means of returning competencies from State level to the Entities. In fact, in order to complete the reform agenda, some additional transfers of competency will be required in line with the Constitution of Bosnia and Herzegovina and relevant legislation. The Steering Board repeats its earlier calls for the adoption of a strong Fiscal Council Law, the Law on Obligations and the unification of banking supervision.

The Steering Board is deeply dissatisfied with the three-year failure of the State and entity authorities to reach an

agreement on the issue of apportionment of State Property, thereby necessitating the High Representative yet again to extend the ban on disposal of State Property. It calls on the Chairman of the Council of Ministers and the Entity Prime Ministers to reach finally an inter-governmental agreement and requests the High Representative to undertake efforts to bring this issue to a conclusion before the end of September.

The Steering Board welcomes progress in implementing the provisions of the BiH Law on Defence and Law on Service. However, it is increasingly concerned over delays in the transfer of ownership of defence property to the State of Bosnia and Herzegovina. The Steering Board calls upon the Chairman of the Council of Ministers and Entity Prime Ministers to agree, as a matter of urgency, the provisions of this transfer on the basis of the Transfer Plan put forward by the BiH Minister of Defence.

The Steering Board expresses its appreciation for the contribution to peace implementation made by Christian Schwarz-Schilling during his mandate. The Steering Board also expresses its appreciation for the work of the Senior Deputy High Representative Peter Bas-Backer.

The Steering Board welcomes the new High Representative and EU Special Representative Miroslav Lajčák. It looks forward to working with Ambassador Lajčák when he takes up his duties on 2 July 2007.

The Steering Board confirms that the Office of the High Representative (OHR) will remain in place and continue to carry out its mandate under the Dayton Peace Agreement, and specifically Annex 10 thereof, ensuring full respect of the Peace Agreement. The aim is OHR closure by 30 June 2008. The PIC Steering Board will review the situation at its meetings in October 2007 and February 2008.

The Steering Board will hold its next meeting in Sarajevo on

30 and 31 October 2007.