

High Representative Sets Out the Challenge for the New Government

The High Representative, Paddy Ashdown, in a speech on Wednesday set out the six tests by which the international community will judge the next government: the six tests of seriousness on the reform agenda which need to be implemented over the next six months if BiH is to stay on track for delivering the people's priorities.

Addressing an audience of economic administrators and international investors at the Joint Institutions Building in Sarajevo, the High Representative called on the governments that will be formed in the aftermath of Saturday's elections to

- Reform the Council of Ministers so as to give BiH stable, effective government
- Reform the revenue system by beginning the process of establishing VAT at the State level and reforming customs
- Reform the political system by establishing Parliamentary Commissions to act as 'ethics watchdogs'
- Reform the business environment by rationalising taxation within BiH borders
- Reform the criminal justice system by making the State Court operational by 31 December and by supporting newly appointed judges and prosecutors
- Reform the public service by adopting and implementing civil service laws and ensuring that civil service appointments are merit based.

In his speech, the High Representative said that all the parties promised reform during election campaign; and he

called on the parties which will now form governments to match these words with deeds. He said that the so-called nationalist parties would have to work long and hard to convince the people of BiH and BiH's friends that they were now genuinely committed to the reforms this country needs.

He said that he was proposing these reforms, not imposing them. "We in the international community are ready to listen and ready to talk," the High Representative said, "provided that talk ends in action to improve the lives of the people of this country. Action to create more jobs. Action to deliver real justice. Action to make Bosnia and Herzegovina work." Challenging the political parties, he said that no change was not an option: "So I say to the incoming government, these are our proposals for making the heart of government work – what are yours?"

In a revamped Council of Ministers, the Prime Minister, the Treasury Minister and the Foreign Minister, each from one of the constituent peoples, would form an informal group of senior ministers to coordinate reform, while more portfolios could be added to the government, which should also be supplied with an adequate cabinet office.

"Is it realistic to expect stable, effective government when we play political pass-the-parcel from one Minister to another every year or so?" the High Representative asked. He called for greater continuity in government so that the BiH authorities can "speak with greater authority and consistency."

The High Representative noted that amendments to the RS and Cantonal Laws on Courts will shortly be put in place so that the High Judicial Council can start appointing judges in the next few weeks, building on systematic steps that have been taken in the last few months to strengthen the rule of law. He said getting the Criminal Procedure Code onto the statute book is now a priority.

Pointing out that “Bosnia and Herzegovina needs exactly the same reforms today as it did a week ago,” the High Representative called for immediate action on creating jobs, raising incomes and improving living standards.

Legislation which must be enacted in the short term includes the Law on Communications, which will cut the cost of phone calls, the Law on Statistics, which will allow for proper government budgeting and planning, and the Law on Land Registry Books, which will unlock millions of KM in investment. The High Representative also pointed out that over the next two years the cumbersome sales tax must be replaced with a more efficient value added tax, and revenue collection – currently largely dependent on a dysfunctional customs system – must be rationalised.

The High Representative announced that he has asked the European Commission to conduct a study of the BiH customs system and propose improvements. “We cannot expect the International Community to subsidise this country, when this country’s customs is, in effect, subsidising criminals,” he said. “If we want their help, we must put our house in order.”