

PIC Steering Board discusses ORA0 affair (Amended 27 November 2002)

Today in Brussels the Peace Implementation Council's Steering Board Political Directors met with BiH President Mirko Sarovic and RS Prime Minister Mladen Ivanic to discuss the ORA0 affair. The High Representative, Paddy Ashdown, following the discussion said that the Steering Board considered the interim report submitted by the Republika Srpska authorities inadequate, and the investigation needed to continue with international involvement.

The High Representative told Sarovic that this was the most serious failure by the state of BiH to uphold its international obligations since the war ended seven years ago – he did not believe the RS authorities understood the seriousness of the affair. The PIC Steering Board underlined the need for a full and public investigation to identify those responsible, and far-reaching reforms to ensure that this never happens again. The High Representative said that the PIC Steering Board welcomed progress made towards a state-level arms export control regime, but highlighted that BiH needed to go much further.

The High Representative also reported on the discussions regarding essential upcoming economic reforms in BiH. There was agreement that unless the state and entity governments accelerated the implementation of root-and-branch economic reform there would be serious consequences for all BiH citizens. Unifying the customs systems will end duplication and fraud, introducing VAT at the state level will simplify taxation, and reduce and harmonise business regulations across BiH. The PIC Steering Board was united in stating that these measures were necessary at the state level to promote a

genuine single market that would attract foreign investors.