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(Acts adopted pursuant to Title V of the Treaty on European Union)

JOINT ACTION

of 2 February 1998

adopted by the Council on the basis of Article J.3 of the Treaty on European Union in support of
the Bosnian Peace Process

(98/117/CFSP)

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on European Union, and in particular Articles J.3 and J.11 thereof,

Having regard to the general guidelines contained in the conclusions adopted by the European Council in Dublin on 13 and 14 December 1996,

Whereas a new Government in the Entity of the Republika Srpska took office on 19 January 1998;

Whereas the new Prime Minister Milorad Dodik has given his commitment to cooperate fully on the implementation of the Dayton/Paris Peace Agreement;

Whereas the formation of the first Government in Republika Srpska committed to implementing the Peace Agreement offers potential for major progress towards sustainable peace and reconciliation in Bosnia and Herzegovina;

Whereas assistance by the international community remains conditional on compliance with the Peace Agreement and subsequent obligations as reaffirmed at the Peace Implementation Council held in Bonn on 9 and 10 December 1997;

Whereas the European Union recognises that the new Government needs the full support of the international community in rapidly ensuring the effective functioning of the Government through emergency financial assistance;

Whereas the Council on 26 January 1998 adopted conclusions whereby it was agreed that the Union should develop its cooperation rapidly with the new Government to help it begin to function effectively;

Whereas the High Representative has called for effective and swift international assistance for the new Government and has decided to establish a dedicated account for this purpose;

Whereas the Union has contributed substantially to the implementation of the Peace Process and now considers that the formation of the new Government offers the potential for substantial cooperation with the Republika Srpska authorities;

Whereas in order to ensure the consistency of the Union's external activities European Community additional measures in support of the new Government should also be considered in the near future to go beyond this first step,

HAS ADOPTED THIS JOINT ACTION:

Article 1

This joint action aims to provide, on an exceptional basis, rapid short-term assistance to the new Government of the Republika Srpska to help it bring stability in Republika Srpska.

Article 2

1. To this end, a maximum amount of ECU 6 million shall be charged to the general budget of the European Communities for 1998.

2. The amount stipulated in paragraph 1 shall be managed in accordance with the European Community procedures and rules applicable to the budget.

3. This amount shall be made available immediately to the dedicated account, established and managed by the High Representative to support the new Government to enable it to begin to function effectively by contributing to the temporary financing of public service salaries from 1 December 1997. The High Representative shall be made responsible and accountable for disbursement of funds from this account.

Article 3

The aim of the Union assistance is to help the new Government of the Republika Srpska in its aim of establishing a coherent and transparent budgetary framework, thereby providing a sound basis for possible further assistance.

In particular, the Government of the Republika Srpska is expected to:

- establish rapidly the 1998 budget in a manner satisfactory to the IMF,
- work closely with the Customs and Fiscal Assistance Office (CAFAO) and other international organisations on restoring control over the collection of customs duties, excises and sales tax revenues,
- implement the common Bosnia and Herzegovina (BiH) customs tariff schedule,
- submit to Parliament draft legislation on the reform of excises and sales taxes.

The High Representative shall regularly report to the Council and the Commission on the operation and may suspend assistance from the dedicated account in the event of the Government of the Republika Srpska acting in a way contrary to the objectives and criteria set out in this joint action.

Article 4

The Council notes that the Commission in support of the objectives of this joint action intends to come forward with proposals where appropriate for project assistance in support of the new Government.

Article 5

The Council invites the High Representative to encourage wider international assistance in support of the objectives of this joint action and will participate fully in these efforts.

Article 6

This joint action shall enter into force on the day of its adoption.

Article 7

This joint action shall be published in the Official Journal.

Done at Brussels, 2 February 1998.

For the Council

The President

R. COOK
