



Press Conference Following the Meeting of the Steering Board of the Peace implementation Council

High Representative and Special EU Representative, Valentin Inzko:

Ladies and gentlemen,

Thank you all for coming and sorry for keeping you waiting here. The discussion about Bosnia and Herzegovina was very lively. Also, the formulation of the Communiqué took a little bit longer this time. We left this very room here only almost an hour ago.

A copy of the PIC Communiqué will be distributed to you shortly, but I wanted to speak to you directly in order to explain some of the background to the main conclusions that have come out of this Peace Implementation Council meeting at the level of Political Directors.

Let me first say that we had a very interesting, very productive and also very constructive meeting today. We took a hard look at the serious political, social and economic difficulties Bosnia and Herzegovina is facing and we discussed practical measures to address these difficulties.

Let me first talk about the problems and then I will get on to the possible solutions. We reviewed the difficulties in forming governments following the October General Election. It's obvious. We also deplored that all governments are not yet formed, say on cantonal level and state level. We reviewed the persistent challenges to the authority of state institutions and we reviewed the failure to build consensus by parties that have found themselves with arithmetical advantages at different levels of government.

The Steering Board also expressed it's dismay that six months after the elections governments have not yet been formed at all levels, and this lack of urgency shows a fundamental disconnect between political leaders and the population. Many have shown that they are unwilling or simply unable to act in a forward-looking and constructive way that is essential for successful politics and a modern European democracy.

Since our last PIC session at the beginning of December, progress on implementing the 5+2 agenda has been notable only in relation to Brčko, and in this respect I would like to commend the efforts of my Deputy, Brčko Supervisor Roderick Moore. You will have a chance also to speak to him and ask questions, as this was also a topic which raised greater interest this time than usual – the Brčko question.

Otherwise almost nothing has been achieved by the BiH stakeholders. On the contrary steps have actually been taken, notably by the SNSD dominated authorities in the RS, to make agreement on state property harder. So, on the 5+2 agenda which is important for the transition, or if you like, the closure of the OHR, there was very little progress during the last few months.

We also heard presentations from some institutions, which we could call independent institutions, in Bosnia and Herzegovina. Concretely, we heard the presentation of President Novković of the HJPC, we heard the presentation of BiH Court President Kreso, we heard the Communications Regulatory Agency President Huseinović, and we also heard the Indirect Taxation Authority Governing Board Chairman Dragan Vrankić. So, these are all independent institutions and they received very, very strong support for their independence from the PIC members. The PIC members were also very impressed by what these personalities told us and there was also a lively debate about exposés. These institutions play a crucial role in sectors where progress is essential if Bosnia and Herzegovina is to complete its recovery, move forward on the road to EU accession and provide its citizens with basic guarantees of freedom, democracy and prosperity. The PIC gave these institutions its overwhelming support and said that political attacks on them must stop.

I should add that Ambassador Robbins of the OSCE also briefed the Peace Implementation Council on education reform in Bosnia and Herzegovina. And, while he rightly commended and praised the dedicated work being done by teachers throughout the country, he also drew attention to the systemic shortcomings in the education system, which have shortchanged Bosnia and Herzegovina's young people and seriously impaired the country's ability to compete in the global market and integrate into European society.

This is a reality which was reviewed yesterday and today by the Peace Implementation Council. Faced with this reality, the Peace Implementation Council examined ways of preventing Bosnia and Herzegovina's political elite from missing the chance of recovery and integration in Europe. The Steering Board expressed its full support for the measures I took in January in order to quash attempts of unilateral entity action in matters that concern the State. It also expressed its full support for the actions I have taken in the last week to prevent a basic and eventually dangerous dysfunction at the level of the Federation authorities.

The Steering Board also reiterated its full support for the OHR in addressing any attempt to challenge the Dayton Settlement or the institutions of Bosnia and Herzegovina. The International Community is in full support of the people of Bosnia and Herzegovina and their aspiration to join the European Union and NATO as citizens of a modern, democratic and sovereign country. This is why the preparations – which are now well advanced – to establish reinforced EU presence in Bosnia and Herzegovina are so important and so timely.

The Steering Board received a detailed briefing on the reinforced EU presence, and there was a very strong view that the EU Office and the OHR will be able to work closely and effectively together. Their spheres of activity will be clearly demarcated and progress in one sphere can help to facilitate progress in the other. This is why I have supported a decoupling of the EUSR from the OHR and moving this mandate to the future Head of the EU Delegation to Bosnia and Herzegovina – effectively creating one EU representative in Bosnia and Herzegovina to work alongside and with the High Representative.

You know that the recruitment process for the new Head of the EU Delegation, who will also be the European Union Special Representative, was finalised last Friday – that was the deadline – and we will now have interviews and hearings in Brussels. And, most probably in the next few weeks we will learn who the new Head of Delegation will be. This new Head of Delegation will take over, from me, the function of European Union Special Representative – this is according to the Lisbon Treaty. So, in future we will have just one European Union representative. But, he will double-headed – he will be Head of Delegation, like Mr. Kourkoulas in the past, but in addition he will receive the function of European Union Special Representative. Additionally he will receive some 20 – or more, or maybe less, but about 20 – additional staff members. You know that the European Union Delegation now has some 98 staff members – close to 100. So, in the future, most probably, there will be some 120 staff members for the reinforced EU Delegation, for the reinforced and strengthened EU presence.

This presence was discussed at length today. It was given full support by everybody, including non-European

states – some less, some more, but in any case, it was welcomed, it was taken note of that there will be a new delegation here, a strengthened delegation, which will also have some punitive measures, some possibilities.

In the meantime, the OHR itself and its presence was not discussed. Also, the closure of the OHR was discussed only, if you like, implicitly, indirectly – because we only discussed the 5+2 agenda. And, as you know, as long as the 5+2 agenda is not implemented there can be no transition or closure of the OHR. So, this was not a subject today, but we discussed in some detail the 5+2 agenda. The focus today was more on the strengthening of the EU presence in Bosnia and Herzegovina.

The Steering Board is committed to providing me and my staff with the support we need in order to complete the job that the OHR was established to do.

There is an equally strong view that the recent political disputes have pointed out the urgent need to reform the Constitution in a way that will allow the country to function efficiently. This does not mean centralisation, strengthening centralisation, but strengthening efficiency, and of course, all for the benefit of the citizens. This must be a priority as soon as the political situation makes it possible to open a new round of constitutional discussion.

Let me conclude with the following observation. The leaders of Bosnia and Herzegovina have got the country into a position where institutions are being frequently challenged or weakened, where the EU integration agenda is being neglected or where you have just lip services to European agenda. And also, unfortunately, urgent reforms are missing that could help create jobs and raise living standards for everybody.

The International Community has responded to this with disappointment because this is an unnecessary state of affairs and renewed resolve and initiatives are necessary. The International Community continues to believe that despite the efforts of its political leaders, maybe the negative efforts, Bosnia and Herzegovina can and will succeed in its Euro-Atlantic integration. And we intend to do everything necessary to ensure that this is what happens.

Principal Deputy High Representative and Brčko Supervisor, Roderick W. Moore:

As the High Representative noted, a little while ago there was substantial discussion on the issue of Brčko District, more specifically on the issue of the future of international engagement in Brčko District. This has been an issue which of course has occupied the attention of the Steering Board for a long time and certainly more intensely over the last few months.

Essentially, the Steering Board expressed great pleasure and great satisfaction with the tremendous amount of progress which has been made in Brčko District – progress which was witnessed first hand by the ambassadors of the Steering Board on 15 March when they spent a day in the District meeting with citizens and politicians, business persons, NGO activists, and so forth.

And, I think that in general the Steering Board ambassadors agree with my assessment and that of the High Representative, that the people of Brčko and the leaders of Brčko deserve a tremendous amount of respect and appreciation for what has been accomplished over the last decade or so in rebuilding a society which was completely torn apart and devastated by conflict. There are very few examples in history – that I can, certainly, think of – where a community which has been so destroyed and so ripped apart, in such a short time has been able to stitch itself back together in such a positive way.

There was also a great sense of satisfaction with the resolution of the infamous Brčko electricity issue. This was a new development following the last meeting of the PIC Steering Board. And, there was particular gratitude expressed towards our partners in the European Commission, to our partners in Brčko District, in Republika Srpska and in the Federation as well, in reaching agreement and conclusion on that issue. Now, as I have certainly announced publicly before, the resolution of that issue has opened the door and opened the path to fuller discussion on what happens next.

There was not a decision today by the Steering Board to terminate supervision of Brčko District nor did I take a decision, with the concurrence of the High Representative to notify the Arbitral Tribunal that the Tribunal should

close. However, there is optimism on the part of the Steering Board, optimism here in OHR, that we can get to that point – hopefully, in the relatively near future. We are currently reviewing very carefully the criteria which are laid out in the Arbitral Tribunal, which are required for closure of the Tribunal. We will be consulting very, very closely and continuously with our partners in the Steering Board in the period ahead.

So, nothing major to announce today. When you see the Communiqué you will see some optimistic language, and I think that reflects the hope that we all have that we can get to a point where the supervision of Brčko District can eventually be brought to a close.

Thank you.