



**Remarks by High Representative and EU Special Representative Valentin Inzko At a Press Conference to mark the conclusion of the PIC Steering Board Meeting**

Ladies and gentlemen,

Thank you for coming.

This has been an useful PIC. We went through all of the key issues very thoroughly..

We reaffirmed

- the steps that are necessary to resolve outstanding issues including the inventories of State and Defence property – which, as you know, is part of the 5 plus 2 agenda,
- the steps required to end the supervisory regime in Brcko,
- the steps that are necessary to ensure the efficient and smooth operation of the State Electricity Transmission Company, Transco.

Throughout the two days of discussion there was a focus on addressing and resolving the practical difficulties that are preventing faster progress

- Progress towards Euro-Atlantic integration
- Progress towards the transition of the OHR, and – indirectly –
- Progress towards tackling the twin economic and political problems, and in particular we talked about the IMF agreement

We invited Prime Minister Spiric and Finance Minister Vrankic and Security Minister Ahmetović to join us in our consultations because we believe it is time that the state institutions act as they will be required to act when Euro-Atlantic integration picks up speed – that is, to take full responsibility – increasing responsibility – for representing Bosnia and Herzegovina and negotiating on its behalf at international meetings.

Now, let me tell you what else we discussed and what we agreed.

The way the authorities have been able to do the progress in the last months for visa-free travel is encouraging. There are some things that still have to be done and they must be done as soon as possible.

However, this is a positive start.

The European Partnership and the Interim Agreement require the BiH authorities to implement a whole series of steps – in the economy, the justice system, the security system and the administrative system to prepare the country to take its place in Europe.

I simply cannot stress enough that these steps will help tackle the economic crisis. They will help get Bosnia and Herzegovina back to work; they will help put food on kitchen tables.

So the same focus that was applied to visa-free travel has to be applied to the rest of the reform agenda.

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The Steering Board was completely *dissatisfied* with what has been done – or rather what has NOT been done – to implement the 5 plus 2 agenda. The following steps must be taken as a matter of urgency: The elections are not and should not be an excuse for doing nothing.

- The authorities need to conclude an intergovernmental agreement on apportionment of State and Defence Property. All the progress on the 5+2 has basically been made by the OHR. And that is unacceptable.
- Now that the RS authorities have enacted a Citizenship Law, meeting one of the requirements for ending the Brcko District supervision, they must deal with the electricity issue. This is one of the last issues left to be resolved concerning Brčko, and as you know the matter of Brčko is one of the five objectives.
- The authorities must ensure the proper functioning of the Indirect Taxation Authority and the National Fiscal Council. It seems extraordinary that we have to remind the leaders of BiH that economic coordination is of paramount importance – at a time when companies are shedding jobs right across the country and public finances in the Federation are in jeopardy.

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The Steering Board reminded the authorities that although constitutional change isn't a requirement for closing the OHR it IS a requirement for making Bosnia and Herzegovina work, and progress faster towards the EU..

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Full-scale electioneering has now begun and depressing evidence of this is the prevalence of divisive and sometimes abusive public rhetoric. The Steering Board has called on the Council of Ministers to ensure that the Communications Regulatory Agency, which is responsible for ensuring that TV election coverage is consistent with modern European standards, is fully staffed and fully supported.

We will be watching this situation closely as the campaign proceeds.

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The Steering Board also called on the authorities to fulfil their obligations in regard to refugee return and war crimes processing.

You are aware that the issue of refugees is in some ways related to the issue of a population census, which we also discussed as next year a census will be carried out in every single country in the world. In order for that to be possible in 2011 it is necessary to first conduct a type of pilot census this year. We only have two months left. If we fail to do this, Bosnia and Herzegovina could be one of perhaps only two countries in the entire world where a census will not be carried out. We have all appealed to the BiH authorities to do ensure this is done. However, as you know, this issue is attached to the issue of refugee return, or at least that is how it has been presented in the past.

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Finally, the Steering Board reaffirmed some political realities, which are not all that new:

- The International Community wants the transition from the OHR to the EUSR to be carried out, but will NOT do this until the criteria have been met – the five objectives and two conditions. They have to be fulfilled.
- The ONLY body now working constructively to fulfil these criteria and secure closure of the OHR – is the OHR, which is paradoxical in a way. We are the ones that working the most on this matter, but it is the local authorities that should really be doing the work.
- The International Community will NOT tolerate any attempt to undermine the territorial integrity or sovereignty of Bosnia and Herzegovina. We also emphasized our full support for the Dayton Agreement and the relevant UN resolutions concerning Bosnia and Herzegovina and the Dayton order.

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Our common aim to get Bosnia and Herzegovina out of its present political and economic crisis and back onto the road to Euro-Atlantic integration was reaffirmed.

Of course, in the first part of the Communiqué you will see that the member states congratulated Bosnia and Herzegovina for achieving its most significant foreign-policy success to date, that is, for being elected as a member of the Security Council.

Now, I would be happy to take your questions.

**BHT1, Aida Omerhodžić:**

I would like to know how the members of the Steering Board reacted to the statement made by the Chairman of the Council of Ministers, Nikola Špirić, in which he assured the Peace Implementation Council that it is extremely important that the International Community abstains from involvement in the election process.

**High Representative and EU Special Representative Valentin Inzko:**

Yes, we heard this and to some extent we agree with the statement. We certainly will not be involved in a political-party sense. That is absolutely clear. However, we would like to see certain things happen. For example, it is extremely important to us that, as was the case in Bileća, a great number of citizens cast their vote in the elections. The figure there was 70 percent, and last time, I think, it was only 60 percent. So, we would like to see citizens vote in the elections. It is important that we look at the policy agenda that each party puts forward – whether a European component is included, whether attention is given to the economy, their policy on education, etc. We will definitely review all of the programs, and possibly comment on them. We may also express our support for some new ideas. But we will certainly not support any one party in particular.

**Nezavisne novine, Mirza Ćubro:**

Will the possibility of closing the OHR be reconsidered before the next elections? Also, why has one of the two conditions for the closure of the OHR – a stable political situation in Bosnia and Herzegovina – been forgotten?

**HR/EUSR:**

I think that the amount of time left before the elections is insufficient for the closure of the OHR. Let me just tell you this, after the decision is taken, a minimum of 90 days is required to close the OHR. And after the closure, at least six months are needed for the liquidation phase. I believe that the general understanding among the members of the Peace Implementation Council is that the closure of the OHR will not take place before the elections.

The second condition – a stable political situation and full implementation of the Dayton Peace Agreement – was talked about in less detail today. But we did discuss these matters indirectly. When we talked about the Dayton principles, you will see in the Communiqué that we were very clear on the matter of implementing the Dayton Agreement and support for the Office of the High Representative – everything is clearly stated. However, I will be honest and say that we did not go into depth on the second condition. But we did look at all of the aspects.

**Journalist #3:**

How do you comment on certain allegations that the OHR had malicious intent when compiling the state property inventory and the fact that the Government of Republika Srpska will be discussing the inventory today?

**HR/EUSR:**

Well, I could then say that it was the land registries and cadastres that had malicious intentions, as we analysed their records and just copied their information. If we received a document from a registry in Banja Luka or Sarajevo that a certain building, such as a military barracks, or that certain land is property of the state, we just copied and compiled those records. And that is how we arrived at the figure of 1,000 units of state property. The inventory also shows that there are also approximately 21 units of state property abroad, in seven different countries. Yes, in foreign countries – in Dubrovnik and in London, possibly an embassy. We strictly adhered to the definition provided by the Council of Ministers, which in 2006 and last year said that all property registered as of 1991, after the

breakup of Yugoslavia, should be looked at and that an inventory of state property only should be made. You know – but maybe you are not that old – that in former Yugoslavia there was public property, social property and state property. We concentrated only on state property, in accordance with the Government definition. However, we know that one of the political parties here in the Federation claims that 17,000 units of state property exist. In Banja Luka they say that this figure is exaggerated by 1,000 units. But really, do not criticize us in regard to this matter. We just presented the situation as it is in the land registries and cadastres. Nothing else. We did not introduce anything new. Therefore, I do not think that our intentions can be described as malicious.

### **TV Pink BiH, Adrijana Domazet:**

I have a very ordinary question, actually it may even be quite banal. Your report from the meeting of the Steering Board of the Peace Implementation Council was not very encouraging. As the High Representative for Bosnia and Herzegovina, what progress do you really think we, as a country, can make considering the current situation in Bosnia and Herzegovina?

### **HR/EUSR:**

I will give you a clear answer. However, it is one that you will not be happy with. I am sorry to have to repeat myself, but when I first came to this country as an ambassador, on the day of my first name-day in this country, on 14 February (*as my name is Valentin*), the main news in your newspapers was the opening of the bus line Iliđža – Sarajevo. That was a big sensation. The buses were not owned by GRAS, they were UNHCR buses. You also know that at the time there were three presidents and only three ministries in existence. Also, that was when Krajišnik refused to attend the inauguration. Sessions were held at the Museum. Everything was like some sort of parody. People refused to recognize BiH as a country. Of course, a single currency did not exist. Four different currencies were in use, as well as four different passports, four different vehicle registration plates, etc. There was no national flag nor anthem. Well, the anthem still does not have any words. Actually it does, but they have yet to be adopted. And when you look back at the past, it is apparent that enormous progress has been made in the last 15 years. However, in the last three years no progress has been made. That is the difference.

I apologise if I once again repeat things that I have said many times before. Joschka Fischer gave a speech, his famous speech in 2000, saying that Europe needed a constitution. Now we have the Lisbon Agreement. It took 10 years. The European Union has been being built for 50 years. So, these 15 years... Of course, you have only one life to live and all of this seems too slow, too long and too little. Yet, in perspective, a lot has been done. However, unfortunately you are probably right to say that much more could have been done. Fifteen years after the war, Germany had its first *Wirtschaftswunder* – economic miracle – and they have continued to progress. They received less foreign capital than BiH. The Marshall plan was in place there. But, *per capita*, and some even say in total, there was much less money in Germany.

I truly believe, as I know your people well, that these talented people can make more of this country, can make better lives for themselves. But, in order for this to be possible it is of course necessary to have the right framework – the political framework, the economic framework. It is scandalous that it takes several months to form a company, while in the USA it only takes one day to do so, and there you can just slide your card through to pay all taxes. Why should that not be possible here also? You know better than I do what goes on here, in the hospitals for example – cutting to the front of the line, etc.

Unfortunately, Bosnia and Herzegovina is one of Europe's biggest talent exporters. Unfortunately. Of course, I am aware that we exported Schwarzenegger who could never have become a mayor in Austria, yet is the Governor of California. And you have a great number of such cases – people who are successful abroad. I would truly like to see the realization of the conditions necessary for Bosnia and Herzegovina to become a prosperous, normal country. You already lived in prosperity before the war – the largest factories in former Yugoslavia were in Bosnia and Herzegovina – and you know what that means and that this was a result of your abilities. That is why I believe in Bosnia and Herzegovina. However, I am aware that the conditions are not optimal. I hope, and I often repeat this, that you will use your Bonn powers at the election on 3 October and change the situation, elect new people, make use of the open lists, etc. in order to bring about change and I hope that you will look at the results achieved by the ruling coalition with a critical eye.

**BN TV, Slađana Jašarević:**

How can you or the team that carried out the inventory of state property guarantee that the land registries really provided full and accurate information on state property, considering the fact that 85 percent of the listed state property is in Republika Srpska? There is more state property in Banja Luka than in the entire Federation of BiH.

**HR/EUSR:**

You reproach me for this, but if 85 percent of state property is in Republika Srpska, then does that not mean that RS is wealthy? I think that the statistics should be looked at from a different point of view. For example, how many units are in Republika Srpska and how many in the Federation? When you look at the statistics in terms of square kilometers, then Republika Srpska really does have a lot of state property, but, for example, one of the military barracks in RS has 80 square kilometers of land. And by looking at things that way, considering such barracks and some other state property, such as forests, then we arrive at the figure of 85 percent. However, let me say this once again, we received that data in Republika Srpska from Mr. Gligorić who is the *Director* of the RS Administration for Geodetic, Property and Legal Issues. Therefore, none of this should come as a surprise to anyone in Republika Srpska. We received this information from them.

Now, is everything in the Federation with regard to the inventory correct? It appears that way to us. However, anything is possible. I have heard that a state prosecutor is already reviewing our list to check for changes. We used both primary and secondary information sources, and therefore we believe the inventory is more or less correct. But, in any case, if it is not accurate, the local authorities have had years to do the inventory, and yet failed to do so even when in April last year they decided that the state property inventory had to be finished by 30 September. I find that it does not make sense to want the closure of the OHR, the transition to be completed, but fail to fulfill the necessary conditions for that to happen.

**RTRS, Gvozden Šarac:**

What exactly did you mean when you said that the International Community will not tolerate any attempts to undermine the territorial integrity of BiH and why has no obvious condemnation of the actions of the FTV – comparing the leadership of Republika Srpska with Nazi war criminals – been made?

**HR/EUSR:**

You will see the resolution. Territorial integrity is mentioned, as it has been disputed by some – and as you know, there has been talk of a referendum.

We have also reacted to the video that was taken from Facebook and broadcast by the FTV. We want the Communications Regulatory Agency to handle that matter. We do not approve of what happened. I personally commented on the matter. I have said that it is unacceptable. However, it was our opinion that we should not address individual cases at the meeting. We meet every four months and do not want to discuss individual incidents at these meetings. You are aware of the vicious attacks directed against Mr. Raffi Gregorian. You are very well aware of them. As well as of the attacks against myself – statements made that my Decisions are criminal, etc. I will not cite them all. We did not mention any individual cases at the meeting, but we did discuss the media situation.