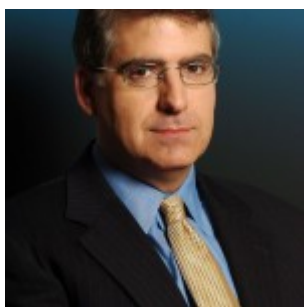


Foreword by Principal Deputy High Representative Raffi Gregorian at the Annual Conference on International Anti-Corruption Day



Good morning your Excellencies.

I just came from the presentation of the Global Competitiveness Report for 2009, and that is why I came in a little late. I apologize.

BiH is 109th out of a 133 countries measured in this Report. It now fits between Uganda and Cambodia. Each of the past three years BiH has been going backward, while other countries go ahead. Uganda, for example, moved up 20 places to be ahead of Bosnia and Herzegovina now.

It should come as no surprise to anyone in this room, at least I hope it should not come as a surprise, that there is a close correlation between corruption and competitiveness. In fact, corruption remains, as you know, an enormous and widespread problem in BiH at every level. But, in particular, the control of real property and the construction permitting process and the control of public companies by political parties through a patronage system is at the root of all this. I have discussed this and described it in detail in two previous speeches

before Circle 99.

Law enforcement agencies and prosecutors generally avoid corruption cases, especially those where there are grounds for suspicion that high-ranking officials are involved, even if such cases have been widely publicized and detailed in the media, both local and international.

There is also a significant level of political influence and threats exerted against the judiciary and law enforcement agencies. And coordination and cooperation between the prosecutors and police agencies remains weak, as you heard Ambassador Kourkoulas describe.

But, let us not also forget that the (key role of), what we say in English are “watchdog” organizations, those civil society members responsible for keeping an eye on the government and keeping it honest, such as Transparency International, have also been the focus of significant pressure. If I recall correctly it was not so long ago that they had to close their office temporarily here due to security concerns. I think the only other place where they had to do this was Belarus. So that gives you some indication of the level of political pressure here.

In most cases the incriminating trail of criminal activities and connection with misappropriation of public funds, mismanagement of public companies and irregularities in the privatization process leads to the top levels of power. This leads to the conclusion that most of these criminal activities could not happen without the direct engagement or knowledge or patronage of high-ranking officials.

Instead, the reaction to all of this, of course, has been, in *this* building, to not approve the extension of international judges and prosecutors working on these cases, even though it was quite clear to us, across the river from you, that there was a majority of parliamentarians who supported it – and that

was clearly evidenced in the work of the Constitutional-Legal Affairs Committee, which approved amendments for full extension of judges and prosecutors in both Chambers, including Organized Crime.

The people who are responsible for blocking it know who they are and they know why they are doing it. It is about 1 specific case out of 200 currently being looked at by the Special Department for Organized Crime. The other 199 cases, of course, will all suffer if they are not extended – these prosecutors. That includes terrorism cases, very serious ones. If I may remind you that about three years ago a suicide bomber was arrested here in Bosnia and Herzegovina, apparently with the intention of committing a terrorist act elsewhere in Europe. And just last month another terrorist cell was arrested here, the indictment has been prepared and trial should begin shortly. All of these cases, which are dealt with by the same prosecutors, will now be put at risk along with 199 other cases.

In the previous year BiH could have made much more progress, real progress in improving anti-corruption legislation and in harmonizing it with the ratified international documents. In addition, BiH has not made much progress in implementing the existing legislation and strategy aimed at curbing corruption. You have heard Ambassador Kourkoulas talk about this, as well as Mr. Belkić.

Instead, as we have already heard in an earlier example about weakening laws on political financing, there is also efforts by some members of Parliament to water down the conflict of interest law, to make it even less restrictive than it currently is.

The International Community, I believe, should continue insisting that BiH institutions and political parties take urgent steps to curb corruption, because the current situation is unviable, and if the situation here is unviable it affects

the region, it affects Europe, and it even affects my country.

The International Community will need to do its part to help and I am sure it will, and judging by the quality of the panel that is scheduled to speak today there is reason to hope that this event can contribute to our combined efforts to fight the scourge of corruption. So, my thanks to Transparency International and to the Norwegian Embassy for funding this, as well as to the significant and very high level of participation that I see here today.

Thank you very much.