



Statement by the High Representative Valentin Incko at the Press Conference

Thank you for coming in such great numbers.

Raffi Gregorian will address you as Brčko Supervisor in a few moments but first I will outline the results of the PIC's deliberations over the last two days.

Bosnia and Herzegovina is once more on the radar of international attention, and last month's joint visit by High Representative Solana and US Vice-President Biden was extremely important in that it sent a strong signal of unity between the EU and the US. It sent a clear joint message that Bosnia and Herzegovina has no alternative to European and Euro-Atlantic integration.

Essentially the results can be summarised as follows; if this country is to become a part of the EU and NATO and if there is to be a step change in the engagement of the international community in BiH, then Bosnia and Herzegovina's politicians need to work actively towards meeting European priorities.

In the three months since the last PIC session there have been steps forward in the work of the Council of Ministers and the BiH Parliament but not all the priorities and conditions have been met, so that today we have not made the decision on OHR transition.

Our communiqué should be available to you later in the course of the day, but let me draw your attention to four points.

First, the PIC once again called for a political process that will engender the dialogue and the compromise that are needed in order to move this country forward.

This is something I will also be working to ensure. How this goal is going to be achieved is less important than the

end result; it can be in the institutions or amongst political leaders or a combination of both but the current stagnation is not acceptable.

How political leaders react to this call will decide whether they will be viewed as a partner to the international community, or as a problem.

Second, regarding the five objectives, the Peace Implementation Council focused on resolutions for the issues of apportioning ownership of state property between the entities and the state, and defence property. This has to be the first priority of any agreement.

While the PIC welcomed the BiH Council of Ministers' decision to set up a state property Inventory Working Group, its RS members have prevented it from making any constructive progress. It has met regularly, but it has not been able to agree on the scope and the methodology of the inventory.

Political leaders must agree on the principles which will enable a state property intergovernmental agreement and a law to be completed.

On defence property – crucial to cementing defence reform and achieving the country's aspiration to become a NATO member – the PIC noted the BiH Presidency Decision determining surplus ammunition, weapons, and explosives, but was expecting to see the Presidency adopt an actual disposal plan instead of directing the Ministry of Defence to form an advisory commission which has – unfortunately – not even been formed yet.

On immovable defence property, progress is even less satisfactory. Due to delays from the Ministry of Defence, the data needed for the eventual Transfer Agreement foreseen under the 2005 BiH Law on Defence have not yet been collected.

As a result of the lack of progress in addressing these last two objectives, the PIC couldn't consider taking a decision on the closure of the OHR today.

For the PIC the OHR's closure is not axiomatic. Only if the country is moving in the right direction can a decision on transition be contemplated, and it appears that politicians from both entities and the state are not interested in doing what is necessary to make it possible.

There will not be a transition for transition's sake. OHR's closure is an indication that the country and its institutions have matured enough to take on the challenges posed by the EU and NATO integration process.

Third, the PIC condemned in the strongest terms the undermining of state institutions, which has continued despite clear international condemnation.

I believe that the RSNA conclusions are now behind us and that we need to focus on the future.

Finally, the PIC welcomed the agreement between BiH and the IMF Mission on the stand-by arrangement, which will now be subject to IMF Executive Board approval, and called upon all BiH institutions to implement the agreed measures and proceed with economic and social reforms.

On the positive side, the PIC did note that the rate of passing legislation through Parliament has picked up slightly from last year.

It is clear to all of us that the only way to progress is by refocusing on the EU agenda. There is no alternative to this, for the European Union is the best solution for Bosnia and Herzegovina in political, economic and security terms.