

Speech by HR/EUSR Christian Schwarz-Schilling at a Roundtable organised by Germany's Konrad Adenauer Foundation

The EU Role in Bosnia and Herzegovina and the Transformation of the Office of the High Representative (OHR) into the European Union Special Representative (EUSR)

Bosnia and Herzegovina After the Elections: Update on Reforms (Police, Military etc.)

I would like to express my gratitude to the Konrad Adenauer Foundation for inviting me to speak today about the role of the European Union in Bosnia and Herzegovina and about the future of this country.

However, as the last High Representative I see myself before a task of completing, within a very tight timeframe, huge outstanding matters that still lay ahead of this country, so it can have a realistic chance on its path to Europe.

Tasks such as police reform, finalization of public broadcasting services reform and better cooperation with the UN Tribunal for War Crimes in the Hague (ICTY) all represent requirements for signing the Stabilization and Association Agreement with the European Union.

Another issue is the issue of constitutional reform aimed at developing the Dayton Agreement – which was created to end the war – into a modern European Constitution with efficient decision-making mechanisms, clear division of responsibility between the State and lower levels of authorities and the protection of human rights.

During the last year election campaign we heard some nationalistic rhetoric, but the Elections took place in a stabile and safe environment. As it was possible to predict, the process of formation of government has unfortunately lasted for several months, but it will be effectively completed and the governments shall be formed by the end of February.

Still, it is possible to see progress in many areas. Economy of BiH is the fastest growing economy in the Southeast Europe; there is no inflation; the currency is stabile; banking system is stabile and taxation system is efficient. In addition, BiH successfully signed the Free Trade Agreement (CEFTA). This has created the basis for greater investments and regional economic integration within the Southeast Europe.

BiH became a member of the NATO's Program Partnership for Peace and can now proceed with fulfilling the NATO standards. This came as the recognition of difficult and successful job that has been done in the security and defense reform areas.

In addition, strong State institutions were created such as SBS (border control), SIPA (internal security), HJPC (judiciary), Court of Bosnia and Herzegovina (organized crime), Ministry of Defense of BiH (security), secret service of BiH etc.

It is true however that the first attempt to implement the constitutional reform, ten years after the Dayton, has failed after long negotiations. After a few weeks of parliamentary debate, there were two votes lacking for the two-third

majority to adopt the reform. It is painful but certainly a usual process in democracy. This process has to continue.

EU Role in BiH

- EU engagement in BiH is enormous. To assist BiH on its path to Europe, all available mechanisms of different pillars of the EU system are being used:
- EUFOR, the biggest EU military mission, keeps peace.
- EUPM, the first engagement of crisis management and civilian institutions in the context of the European Security and Defense Policy; it assists the BiH police forces in their efforts to introduce European standards.
- EUMM makes analyses and provides information, as well as maintains permanent contact with local political structures.
- European Commission is providing assistance in reconstruction of the country and its democratic transformation, and it is negotiating with BiH on the Stabilisation and Association Agreement.
- EUSR has a mandate to coordinate the activities of the international community and to provide political support for the reform processes.
- There is a possibility that the Stabilisation and Association Agreement with the EU could be signed on spring, which still depends on compliance with the criteria: police reform, public broadcasting sector reform, cooperation with the International Criminal Tribunal for former Yugoslavia.

Transition of the institute of the High Representative into the institute of the Special Representative of the European Union

- The decision to start closing down the Office of the

High Representative (OHR) was made in June 2006 by the Steering Board of the Peace Implementation Council. There is no direct connection between the implementation of certain reforms and the existence of OHR. Preparations for closing down the office at the end of June 2007 have already begun. The final decision, which will be made at the end of February 2007, will depend on the functionality of state institutions and security in BiH and the region. Analysis and estimate as to whether the decision on closure is timely and adequate must be made with full care and responsibility, given the current internal political and regional security.

Priorities for the new Office of the EU Special Representative

- If the OHR is closed down soon, the new office of EUSR will fully support the local institutions on their way to Europe. In addition, its task will be to coordinate the EU missions in BiH. EUSR will represent the General Secretary and the EU High Representative and the EU Common Foreign and Security Policy in Bosnia, and will be the most senior political representative of the EU in the country. In connection to the EU Special Representative, it is certain that he will not keep the Bonn powers.

Constitutional reform

- Constitutional reform in Bosnia and Herzegovina is one of the key aspects of my mandate as the EUSR, just like the high commissioner Solana and commissioner Rehn noted in their report to the Ministerial Council.
- Even if this is not a formal requirement for accession to EU, it is nevertheless clear that, given the long-term perspective, BiH can have a future in Europe only

if its constitution conforms to European standards, which are already determined and will not be adjusted to fit the Bosnian reality.

- This should be the basis for a new, more comprehensive phase of reforms, in which the existing mechanisms of veto and obstructions must be overcome.
- Now, after the elections, the parties are arguing whether they should again vote on the package of reforms that was discussed in April. Mathematically, the parties that support this package have reached a two-thirds majority in the parliament. This attempt, which should take place quickly and seriously, would represent a serious step towards a comprehensive reform.
- In my capacity as the EUSR I received a strong mandate from the EU to initiate this reform process, in close coordination with the United States.

Nationalist tendencies in Republika Srpska, the final status of Kosovo

- The election campaign and nationalist rhetoric were indeed disturbing.
- The constitutional-legal situation is clear. RS is an entity in the State of Bosnia and Herzegovina and does not have the right to hold a referendum on independence. At the same time it is important to note that RS is a strong and integral part of constitutional reality in BiH. The situation in Bosnia and Herzegovina will not be affected by developments in Kosovo, or anywhere else for that matter.
- Belgrade accepted this fact as well.

Historical challenges and conclusions

- The challenges that Bosnia-Herzegovina as a post-

conflict and transition society is facing are very complex.

- True, Europe must also assume its own responsibility and obligations in the region of West Balkans.
- Bosnia-Herzegovina, just like its neighbouring countries, will be granted these prospects for the future as soon as it completes the reform processes necessary for that purpose. It is my task to assist this country in that and direct the developments towards the accomplishment of this great objective.
- While a number of successes have been achieved, like the creation of strong and effective state institutions and stable, democratic conditions, the ongoing inter-ethnic tension, developments in the region (Kosovo) and economic stagnation still represent a risk.
- The prospects of EU accession and EU's engagement are factors that affect the motivation of BiH for painful reforms, but those are also the factors that can be used as a corrective in case things develop in a wrong direction.
- The political integration into the EU is, at the same time, the only model for a lasting regional association of the Balkan states.
- Finally I would like to stress that Bosnia-Herzegovina can offer numerous human and economic potentials to the EU.
- Both the EU and Bosnia-Herzegovina will come out of the integration process as winners.