

High Representative's Farewell Speech to the BiH House of Representatives

Mr. Speaker, first of all let me thank you for facilitating this address to your parliament today. This was the venue in which I laid out my priorities on my first day here, almost four years ago. So it is fitting that I should be here to address you again on this, the last full day of my mandate, in Bosnia and Herzegovina.

In that first speech to you on the 27th May 2002 , I defined my task as to work with you to achieve two key priorities. First, to put this country irreversibly on to the road to statehood and second, to put BiH on to the road to membership of the Euro-Atlantic family.

Today, I believe that we can say that we have, together, substantially achieved that aim.

It has been a tough journey. We have had to move fast. I make no apologies for that. We had to move fast before the gates of Europe closed and BiH was left behind as the black hole of the Balkans. Few predicted we could make it back in 2002.

Few predicted that only 10 years after the worst war in Europe in the second half of the 20th Century, a devastated BiH could now be the BiH on the way to Europe.

Few predicted that we could successfully unite two suspicious entity armies into a single coherent state level military force.

Or that with the introduction of VAT we would have a single system of indirect taxation by the first of January this year.

Or a single state level intelligence service.

Or a fully operational State Investigation and Protection Agency and State Border Service.

Or an effective Council of Ministers with a non rotating Prime Minister.

Or a single state customs service.

Or a single judiciary operating under a single state law.

Or a re-united Mostar City Administration.

Or the basis for a single state structure, for BiH's fractured and broken police system.

Or, that Bosnia would have, in such a short time open the negotiations that will lead to a Stabilisation and Association Agreement with the EU.

Or that perhaps finally, after 10 years of failure to deliver even a single war criminal to the Hague , Banja Luka and Belgrade would have in the last year transferred 11 of Karadzic's henchmen to the International Criminal Tribunal.

My only regret is that Karadzic and Mladic themselves are not amongst them. Whatever our successes, this is a failure. And the job will not be over until the two primary architects of Bosnia 's pain and major war crimes face justice in the Hague .

Notwithstanding this, a huge amount has been achieved in the last four years.

And I pay tribute to this Parliament and to the leadership of the governments of BiH that this has been done.

But the job is not over.

We have succeeded in creating the broad outline structures of

a modern light level European state, governing a highly decentralised country. The next task is to make these institutions functional and reform the constitution so as to better serve the citizens of BiH.

The peace stabilisation phase of BiH's journey is now drawing to a close – and the second phase, BiH's long journey to European statehood, has begun.

The era of Dayton is ending and the era of Brussels is opening.

And that also has a consequence for the International Community's engagement here.

In that first speech in May 2002 I said that one of my jobs was to get rid of my job – that success or failure would be measured by how close we could get to the point where BiH did not need a High Representative.

Well that point is now clearly visible. It is within reach.

The OHR is now half the size it was when I came. We are increasingly handing over to you the responsibility for reform.

I hope that the pace of this process will quicken in the months ahead. Under my distinguished successor Christian Schwarz-Schilling, I am convinced that it will.

In that first speech, I set two other key priorities. Justice and Jobs.

Perhaps these should have been priorities earlier. For Justice and Jobs are the building blocks of a prosperous and modern democracy.

But over the last four years, we have reformed the judiciary, established a single, BiH run High Judicial and Prosecutorial Council free from political influence and put in place the

comprehensive legal framework for effective prosecutors and courts.

We have established a new criminal procedure code and criminal code which, though initially imposed by me at the state level, were later adopted at the state and entity level and have become an accepted and operational fact of Bosnian legal life.

We have established a State Court which has proven itself strong enough to tackle organized crime and prosecute even the most powerful in the land. And a War Crimes Chamber, capable of trying, in BiH, those who have committed the most heinous crimes against the people of BiH.

But you cannot build a justice system over night and I share the disappointment of Bosnians and Herzegovinians who see that the criminals are still too strong and the rule of law is still too weak.

That is why it is so important that we have, albeit with difficulty, laid the framework for a single, modern, professional European standard police service.

Over the next months the new BiH police force will take form through the work of the Police Directorate which held its first meeting last week. The work of this directorate is perhaps the most important priority for 2006. Not just because the people demand the rule of law and not the rule of criminals, but because implementing police restructuring is a key prerequisite for EU membership.

We have also begun to set higher standards in BiH's politics.

Over the last three and a half years, we have established that no one, but no one was above the law, however mighty they may be, however powerful their position in the community.

In public life, we have taken firm action together, to strip away the wholly unjustifiable network of legal protections

that some politicians used to surround themselves with. We abolished the blanket laws on immunity that had been so widely and blatantly abused. We have limited the flagrant abuse of the pardon laws. We have begun to establish standards of ministerial responsibility. And we have tried to cement into BiH's political culture, the principle that anyone holding senior political office, if indicted, should stand aside so as not to devalue the office they hold.

My other main priority was jobs.

I said at the start that we could not create jobs or reduce unemployment overnight.

But I said we could lay the foundations for this in the future: by reforming the economy so that instead of destroying jobs and deterring investors, we would start creating jobs and attracting business, both from within BiH and beyond.

And it is starting to work.

Bosnia and Herzegovina remains in the relatively early stages of a difficult economic transition. The same transition that your neighbours are undergoing, and which the countries of Central and Eastern Europe, the new members of the European Union, have already undergone.

But we have begun to build a single economic space and we have steadily cleared away, one by one, the tangle of regulation and red tape that made this country one of the most difficult places to run a business, anywhere in the world.

Two years ago, it took over a hundred days to register a business in Bosnia, the longest waiting period in the region. This period has already halved and by April could be down to less than ten days, one of the fastest in the Western Balkans.

And this month, VAT replaced sales tax throughout the country raising public revenues, cutting back tax evasion and

providing a firm basis for this country's public finance and business development – including desperately needed job creation.

These economic improvements have not yet been felt on the lives of most of BiH's citizens. Unemployment is still too high, and too many talented young people still want to leave the country.

But BiH's economy is now growing at last, despite the massive downturn of international aid over the last few years which many predicted would bankrupt the country and reverse the slow improvement in living standards.

Well, that downturn hasn't happened.

The opposite has.

BiH has the lowest inflation in the Western Balkans, and one of the fastest growing economies: 5.6% growth last year. Foreign direct investments have almost tripled since 2001. Exports have grown by 25% on a yearly basis and will continue to grow. Industrial production – after the slump in 2001 – has turned around and is growing at around 20%.

Now, we need to recognise that all this is all from a very low base. Corporate restructuring needs to remain the top priority including forceful application of bankruptcy and liquidation procedures, otherwise growth levels will not be sustainable.

But the ground has been prepared for real and tangible improvements in living standards. The long curve of economic decline in BiH has been reversed and the long slow tough climb to European prosperity has begun.

Nevertheless, the tide will only have been turned when ordinary people start to feel the full effects. That is why economic reform must remain a priority.

So much for the record.

What about the future?

Well, that will be up to my successor Christian Schwarz-Schilling to discuss with you. And I know it is his intention to consider this carefully with you before setting his targets. And I believe that is both wise and right.

Nevertheless, I hope you will allow me, on leaving, a brief glance ahead.

The last time I spoke to you in July last year, I mapped out a vision of BiH: the progressive hand over to domestic institutions; a domestic vetting process; a timetable for the scale-down of the IC and the transition of OHR to an EUSR led-mission.

OHR has had extraordinary powers to deliver progress, by removing recalcitrant officials and imposing legislation.

Some of you believe these powers were excessive and have been maintained for too long.

But most citizens think that they were necessary in the immediate post-conflict period, when an obstructive housing official could prevent refugees returning to Srebrenica, or key government functionaries were regularly shown to be protecting war criminals.

But BiH is now on the road to Euro-Atlantic integration.

It is time to make a break with the past and leave behind the imposition that have been required to ensure progress.

But if this is to happen you here in Parliament need to demonstrate your readiness to take the responsibility to keep moving BiH forward.

The process of letting go may be painful on all sides.

You, and yes often even we in the International Community,

have grown used to expecting OHR to solve problems if consensus cannot be reached: indeed the 'backstop' of an HR imposition has often been adopted by all sides as the default position. BiH's politicians feel free to argue the case for one side, without any effort to build consensus, secure in the knowledge that in the end the HR will ride to the rescue.

This is how it has been in the past.

But it cannot continue to be like this in the future.

If you – indeed we – cannot make this change, BiH cannot get to Europe. It's as simple as that.

And that change must certainly come in what will surely be one of the biggest challenges for you, both this year and beyond: Constitutional Reform. The aim is a simple one. To make BiH a functional, cost-effective state, in line with EU requirements and so ready to join Europe. You have to cut the cost of Government, which impoverishes citizens and stifles the economy. Constitutional change, now much talked about is not an end in itself. It is the means to create a State that puts service to its citizens before salaries for its politicians. No country can prosper which spends up to 70% of its citizens taxes on government, and only 30% on its citizens.

When I arrived back in 2002, I said that this country faced a fork in the road.

Would BiH take the road back to division and instability?

Or would it take the other road – the road of reform – that led to a different kind of future, a future in mainstream Europe?

Well you have chosen the road that leads to Europe.

It is a tough agenda.

And also the right one.

But you will not reach that destination through the door of the High Representative. Those decisions cannot be made in my office. They have to be made here in this Parliament and next door in the Council of Ministers.

The work-load is formidable.

Lithuania had to pass 300 laws to make it to the European Union. You will have to do no less. And above all you must seize this opportunity while the gates of Europe are still open for you.

You will need a Council of Ministers that concentrates on the European tasks, not on Entity and ethnic squabbling.

You will need a Parliament that pulls together, is prepared to work long hours – all hours, weekends, nights, holidays, if necessary – to get the job done.

The government and opposition will need to form a common front on European issues. No country has ever got to Europe without this.

You will need to grow a more powerful civil society. This is not something the international community can do for you. But a strong civil society is a key European requirement.

Another very tough thing has to happen in BiH before the European journey is over. It requires a change of mental attitude and that is the toughest thing to change of all. But BiH has no option. BiH has to learn that in Europe individual rights are protected individually not collectively. That each citizen is defined by their individuality, not their ethnicity.

One other thing.

You will need to allow the younger generation of leaders to come through and take the helm. The present generation has taken BiH through the gates onto the European road – but

frankly, I am not sure that BiH's wartime generation can steer this country through the process that ends in EU membership. BiH politics needs new and younger faces and I hope they will start appearing at the next election.

Is there one among you, in this room, or in your parties, or perhaps someone not yet involved in politics watching this on the news, who is prepared to help secure for this country the stable, prosperous European future that is now there to be won?

A future where once again your differences are not just tolerated, but celebrated as a source of shared national wealth.

Where that almost paradoxical Bosnian tradition of unity through diversity once again binds the communities of BiH together.

Is there one among you who has the vision to build that future, and the courage to lead this country towards it?

Your future is in your hands now – not mine, or my successor's.

How you reach that destination, and how long it takes is up to you.

But I am absolutely confident, as I leave, that you will reach that destination.

That one day, sooner rather than later, this remarkable, beautiful country with such a wealth of talent, resources, culture and tradition, will be restored to its rightful place as a fully integrated part of Europe and will be regarded as one of this continent's little jewels.

I am confident that BiH will never have to make its way in the world on its own, without the help and support of its friends. The era of Brussels, as of Dayton, is one in which

the International Community will support your efforts to join the EU and NATO.

For myself, I want to thank you.

For the help you have given me.

For your patience at my mistakes.

For the courtesy and welcome you have given myself and my wife.

My wife and I will leave a piece of our heart here. So we will be back, to see friends and re-visit old haunts. We will come, not as international officials, but as tourists and friends to add to the growing swell from Europe coming to marvel at this place of beauty and hospitality and welcome.

I cannot now imagine the pattern of my life without that bit of it which has, not just over the last four years – but over the last fourteen – been involved with Bosnia and Herzegovina.

It has been a privilege working with you for the ordinary people of this country, in order to begin building a functional state in a country to which I have grown deeply attached.