

# **49th Report of the High Representative for Implementation of the Peace Agreement on Bosnia and Herzegovina to the Secretary-General of the United Nations**

## **Summary**

This report covers the period from 22 October 2015 to 15 April 2016. The reporting period has been dominated by several notable developments, including the submission by Bosnia and Herzegovina (BiH) of an application for membership in the European Union (EU). Other developments include the adoption of entity-level labor laws; first instance verdicts by the International Criminal Tribunal for the former Yugoslavia (ICTY) in the cases against Radovan Karadzic and Vojislav Seselj; and public indications by the Republika Srpska (RS) authorities that the RS referendum on the authority of the BiH state Court and Prosecutor's Office, and on the authorities and decisions of the High Representative, will not go ahead.

I take this opportunity to congratulate the citizens of BiH on their country's application to join the EU, and call on domestic leaders to continue and intensify efforts to advance the reforms needed for greater integration, so they can secure the lasting stability and prosperity to which their citizens aspire.

I strongly support the efforts of the BiH authorities to register the ownership of assets referred to as "prospective defense property" to the state, in line with the BiH Law on Defense and relevant decisions of the BiH Presidency, as a precondition for the activation of the country's NATO Membership Action Plan (MAP). I call on RS authorities to enable the registration of prospective defense property located on the territory of the RS to the state, as Federation authorities have been doing.

The 15 July decision of the RS National Assembly to hold a referendum directly challenging the General Framework Agreement for Peace (GFAP) was neither published in the RS Official Gazette nor implemented during the reporting period. I welcome the statements that have been made that the referendum has been put to one side, but also note that the RS National Assembly's decision has yet to be repealed. I note with concern that statements continue to be made by the RS President suggesting that this or another referendum might still be organized.

Challenges to state-level judicial institutions have continued during the reporting period, the most notable of which was a statement signed by the leading RS-based political parties refusing to implement the 26 November Decision of the BiH Constitutional Court regarding the unconstitutionality of provisions of the RS Law on Holidays, and threatening to boycott State institutions if legislation concerning the Constitutional Court of BiH is not adopted.

The reporting period was marked also by a number of renewed statements by officials from the RS calling for that entity's secession from BiH. Under the authority vested in me, I use this report to reiterate that the entities have no right to secede from BiH under the GFAP and that the sovereignty and territorial integrity of BiH are guaranteed by the GFAP, the BiH Constitution and international law.

The reporting period saw BiH mark the twentieth anniversary of the GFAP. While there is general recognition that the country has come a long way in the last two decades, there was very little euphoria, given the pressing social and economic challenges that many BiH citizens continue to face.

A terrorist attack carried out by a single attacker in Sarajevo on 18 November resulted in the death of two soldiers of the BiH Armed Forces. The attack once again highlighted the challenge facing the authorities in BiH in the fight against terrorism. Ever closer cooperation between the authorities at all levels remains of paramount importance.

Sharply divergent reactions to the ICTY's long-awaited verdicts against Radovan Karadzic and Vojislav Seselj reconfirmed the need for all relevant actors in BiH to proactively advance reconciliation and to refrain from actions that seek to deepen divisions. In this regard I was particularly shocked by the naming of a student dormitory in Pale (RS) after Radovan Karadzic only two days before he was found guilty of genocide by the ICTY. Its high-profile opening by the President of the RS sent an insidious message to those communities in the RS affected by the wartime ethnic cleansing for which Karadzic was convicted in first instance.

Given the complex environment that continues to prevail in the country, the presence of the EU military mission in

BiH (EUFOR) with an executive mandate remains of vital importance, enabling my Office and others in the international community to fulfill our respective mandates as well as reassuring citizens from all ethnic groups throughout the country of a safe and secure environment.

## **I. Introduction**

1. This is my fifteenth periodic report to the UN Secretary-General since assuming the post of High Representative for It provides a narrative description of progress made toward attaining the goals outlined in previous reports, registers factual developments, logs relevant citations relating to the reporting period, and provides my assessment of the implementation of key areas falling under my mandate. I have focused my efforts on addressing these areas, in line with my primary responsibility to uphold the civilian aspects of the GFAP. In this vein I have consistently encouraged BiH authorities to make progress on the five objectives and two conditions necessary for the closure of the Office of the High Representative (OHR) and have worked to preserve measures that have been undertaken previously to implement the GFAP.
2. My energies continue to be directed toward meeting my mandate as defined under Annex 10 of the GFAP and relevant Resolutions of the UN Security Additionally, my Office fully supports the efforts of the EU and the NATO to help BiH move along the path toward closer integration with those organizations.

## **II. Political Update**

### **A. General Political Environment**

3. Overall, the environment in BiH has been On the one hand the country has taken long-awaited steps toward membership with the EU, as evidenced by submitting its application for EU membership on 15 February and by the adoption of entity-level labor legislation. The readiness of the authorities to advance the reform agenda is the bright spot of the reporting period. I also welcome RS President Dodik's statement on 16 February that the announced RS referendum on the BiH judiciary and the authority of the High Representative would be put aside, although I note that the Republika Srpska National Assembly's decision of 15 July 2015 remains in place.
4. At the same time, the ongoing failure by the authorities to reach resolution on issues such as the publication of the 2013 census results, the EU coordination mechanism, the implementation of the BiH Constitutional Court's decision on Mostar, and delivering on outstanding IMF requirements, points to the pressing need for the ruling coalitions to enhance their efforts to deliver
5. Moreover, the readiness of some political actors to question and challenge the GFAP, including new attempts to undermine the sovereignty and authority of the state and its institutions, continues to cast a shadow over positive efforts to advance economic and social
6. Two actions stand out in this First, the explicit and public refusal on 29 November of the leading RS political parties to implement the BiH Constitutional Court's Decision on January 9th as the Day of the Republic, and their threats to boycott the institutions of BiH if associated legislative changes they demanded were not adopted.
7. Second, on 10 December, in response to a legally authorized police operation by the State Investigation and Protection Agency (SIPA) in Novi Grad, which included entering the premises of an RS police station, the RS Government adopted conclusions declaring "the RS Government and all RS institutions cease cooperation with the BiH Court, the BiH Prosecutor, and " These conclusions were subsequently supported by the RS National Assembly (RSNA). While the RS authorities eventually resumed operational cooperation under a signed Memorandum of Understanding, this apparent interference of politics into police work was unacceptable,

particularly at a time when agencies need to be strengthening their cooperation. Under the Constitution of BiH, the entities are explicitly bound to comply with the decisions of the institutions of BiH.

8. I must also note that the reporting period has been marked by a number of security-related incidents including a terrorist attack in Sarajevo on 18 November that left two BiH soldiers dead.
9. Additionally, several events occurred during the reporting period such as reactions to the ICTY's verdicts against Radovan Karadzic and Vojislav Seselj that once again highlighted the pressing need to advance reconciliation.
10. Ruling coalitions at the State and Entity levels remained intact during the reporting period after the Party for a Better Future (SBB) replaced the Democratic Front (DF) in the ruling coalition at the Federation level in November. The SBB looked set to enter the state-level coalition, until the party's president and its candidate for a ministerial post were arrested and charged by the state judiciary on obstruction of justice charges in February. This case is ongoing.

#### ***B. Decisions of the High Representative during the Reporting Period***

11. During the reporting period, I continued to refrain from using my executive powers in line with the PIC Steering Board's policy of emphasizing "local ownership" over international decision-making.

#### ***C. Five Objectives and Two Conditions for Closure of the OHR***

##### *Progress on Objectives*

12. During the reporting period, the authorities in BiH regrettably made limited progress toward meeting the outstanding objectives and conditions set by the PIC Steering Board necessary for the closure of the OHR (5+2 agenda).

##### *State and Defense Property*

13. The term "prospective defense property" refers to a defined list of immovable assets which should be registered to the state of Bosnia and Herzegovina in line with the Agreement on Succession Issues, the BiH Law on Defense and relevant decisions of the BiH. In addition to being part of the conditionality for BiH's participation in NATO MAP, progress on this issue is one of the outstanding objectives set as a prerequisite for OHR closure.
14. The direct registration of prospective defense property continued during the reporting period. To date, at least 21 locations have been successfully registered under the ownership of the state of BiH. Several other prospective properties are in various phases of registration, including registration of usage rights. Despite expedited efforts by the BiH Ministry of Defense and the BiH Public Attorney's Office to move the process forward, there has been a noticeable slowdown in further registration of property in recent months due to technical legal issues.
15. Additionally, the above-mentioned progress has been made only in relation to defense properties located on the territory of the Federation. Several requests submitted by the BiH Public Attorney for registration of specific properties located in the RS have been rejected (in first instance) by field offices of the RS Administration for Geodetic and Property-Related Affairs. The cited reason is an alleged "non-existence of a valid legal basis," despite the fact that the relevant decision of the BiH Constitutional Court from July 2012 clearly defines that the state of BiH is the titleholder of these properties, pursuant to relevant laws and regulations. Two of these decisions are currently under appeal, although there is little indication the RS Geodetic Administration would

change its view. A second-instance judgement is still outstanding in the property dispute before the BiH Court regarding the “Veliki Žep” prospective defense location in the Han Pijesak municipality in the RS. As elaborated in my previous reports, on 3 July 2015, the BiH Court rendered a first-instance judgement in this property dispute between the BiH State and the RS, in which it explicitly determined that – based on and pursuant to the Agreement on Succession Issues of the former SFRY – the BiH state has ownership rights over the property in question. In August 2015, the RS filed an appeal against this judgement and the procedure before the Appellate Division of the Court of BiH in the “Veliki Žep” case is ongoing.

16. Progress on the broader issue of how all State Property assets are to be apportioned among the levels of government remains. On 3 February, the BiH Parliamentary Assembly rejected a draft law submitted by two parliamentarians. The BiH House of Representatives (BiH HoR) then adopted a conclusion, requiring “the BiH Council of Ministers to prepare a draft *Law on the Use and Management of State Property* for entry into the parliamentary procedure no later than the end of 2016.” I hope this conclusion will facilitate a breakthrough so this issue can finally be regulated in line with the 2012 ruling of the BiH Constitutional Court.

#### *Fiscal Sustainability*

17. The OHR continued to follow, analyze and inform international partners on developments related to fiscal sustainability, including developments in the BiH Fiscal Council and the BiH Indirect Taxation Authority (ITA). The BiH Fiscal Council met once in the reporting period (on 10 November), focusing on a potential new arrangement between BiH and the IMF. The ITA Governing Board held five sessions, during which a new work practice emerged whereby state and entity Finance Ministers discussed and agreed on agenda issues in advance, thereby bypassing other members and narrowing the role of the Board to simply endorsing their views. As a result, some items such as the entity indirect tax revenue allocation coefficients and entity debt settlements did not appear on the Board’s agenda in the reporting period, despite Board regulations making regular coefficient adjustments and debt settlements obligatory.
18. Delayed adjustments of revenue allocation coefficients and debt settlements have also affected the ITA, which has been sued by both entities for loss of revenue resulting from such. This puts the ITA in a difficult position, since it is the entities themselves which have a decisive vote in decision-making on revenue allocation on the ITA Governing Board, while the ITA is only responsible for enforcement of Board decisions. These lawsuits seek a total of about BAM 25 million from the ITA. The BiH Constitutional Court has yet to decide on the ITA’s appeal against the final ruling by the BiH Court in favor of the RS in one of these cases. I am concerned that this issue could ultimately undermine the financial stability of the ITA.

#### *Brcko District*

19. On 11 March, the Presiding Arbitrator of the Arbitral Tribunal for Dispute over the Inter- Entity Boundary in the Brcko Area, Roberts Owen, passed away. I would like to take this opportunity to mark with gratitude the immeasurable contribution Roberts Owen made to entrenching peace and stability in the Brcko District and in Bosnia and Herzegovina as a whole. His historic role in resolving the status of an area that was unresolved at Dayton proved pivotal in making the Brcko District an example for Bosnia and Herzegovina and the world of successful postwar reconstruction and reintegration.
20. Problems with the adoption of the Brcko District budget for 2015 and a break of over two months in the work of the government and assembly marred the reporting. The budget crisis followed the Brcko District Appellate Court’s October ruling, taking the 2015 budget out of force due to violations of ethnic quorum requirements in its adoption. In order to ensure continued

financing in the wake of the court's decision, the District's Assembly was forced to amend the District's Law on Budget to allow for temporary financing to be extended through the entire year. The institutions have yet to adopt a 2016 Budget.

21. Blockage of the government and assembly began in January over a long standing dispute regarding the construction of a mosque in the town. The Serb-dominated parties in the ruling coalition first blocked sessions of the Government over the agenda that included the Regulatory Plan foreseeing the mosque. The Bosniak-dominated parties responded by blocking the work of the Assembly. After two-and-a-half months of blockage in the functioning of the District's institutions, the Supervisor engaged the parties, expressing concern about the situation and reminding them of their obligation to respect and implement the Final Award and the Statute. The disputed issue, while not resolved, was effectively put aside and both the Brcko District Government and Assembly resumed their work in March.
22. During the reporting period, my office continued to follow the adoption of financial laws related to the implementation of the *Memorandum on Institutional Cooperation and Exchange of Data* among the four tax administrations in These laws aim to improve transparency in the business environment, fight the grey economy, and harmonize the District legal system with the rest of the country. The Laws are now pending in the District Assembly.

#### *Entrenching the Rule of Law*

23. OHR facilitated the process of improving the BiH immigration and asylum legal framework through assistance in developing the new *Law on Foreigners* and *Law on Asylum*. OHR is also providing support in preparing lower legal acts needed for the proper implementation of the above legislation.

#### **D. Challenges to the General Framework Agreement for Peace**

##### *Challenges to the Sovereignty and Territorial Integrity of Bosnia and Herzegovina*

24. During the reporting period, officials from the SNSD, the ruling party in the RS, continued to advocate for the secession of Republika Srpska and the dissolution of Bosnia and Herzegovina, thereby directly challenging the GFAP and the sovereignty and territorial integrity of The RS President, who is also the President of the SNSD, continued to be the most frequent and vocal exponent of state dissolution. Through his public statements, the RS President has continued to claim, incorrectly, that the RS is already a state,[1] while Bosnia and Herzegovina is not a state,[2] to threaten that the country will fall apart if certain conditions are not met,[3] to opine on the inevitability of BiH's dissolution,[4] and to call for Republika Srpska's future independence.[5] He also claimed, incorrectly, that the BiH Council of Ministers is not a government.[6] The SNSD President was joined by party colleagues who have sought to argue that BiH institutions have no authority over the RS.[7]

##### *Proposed Legislation on the BiH Constitutional Court*

25. Following the decision of the BiH Constitutional Court concerning the provisions of the RS Law on Holidays and the 29 November Joint Statement signed by the leading RS-based political parties refusing to implement it, RS-based parties represented in the BiH Parliamentary Assembly have proposed a *Law on the Constitutional Court of BiH*, which would regulate the court's jurisdiction, decision-making, membership and certain procedural aspects.
26. While, according to the BiH Constitution, the BiH Parliamentary Assembly "may" (not obligatory) adopt a law that will change the *method of appointment* of the three judges selected by the President of the ECHR, the current proposal raises certain The law seeks to terminate the

mandate of the three international judges currently serving in the Court and provide modalities for their replacement by domestic judges. Besides the fact that the draft raises a number of issues under the Constitution of BiH, which foresees the presence of internationals, I have made it clear that the presence of international judges in the Constitutional Court of BiH is still critical at a time when the fundamentals of the Constitution are frequently challenged by political office holders. The Constitutional Court is the only domestic dispute-resolution mechanism of its kind, as the international community implements its policy of local ownership.

#### *RSNA Judicial Referendum Decision Apparently Put Aside*

27. I previously reported on the 15 July RSNA decision to hold a referendum in the RS on the validity of the legislation of the Court and Prosecutor's Office of BiH, and the applicability of these institutions' decisions on the territory on that entity, as well as on the authorities and decisions of the High Such a referendum would constitute an open challenge to the sovereignty of BiH and a violation of the RS's commitments and obligations arising under the BiH Constitution as set forth in Annex 4 to the GFAP as well as under Annex 10 to the GFAP. I welcome that so far no major steps have been taken to implement the RS National Assembly referendum decision, which at the time of writing has not been published in the RS Official Gazette, while the RS President and others have stated publicly that the referendum has been put aside. I note however that the decision has not been withdrawn.

#### *Potential Referendum on BiH Constitutional Court Decision*

28. Although the RS has not acted on the referendum on the BiH judiciary, there have been threats to hold a separate referendum on the BiH Constitutional Court ruling of 26 November 2015, which determined that provisions of the RS Law on Holidays designating 9 January as the Day of the Republic are All major RS-based parties rejected the ruling, subjecting the three international judges serving on the Court to sharp public criticism and calling for their removal from the Court. On 29 November, the Serb-dominated parties in the RSNA adopted a joint statement demanding a Law on the BiH Constitution Court that proposes a Court without international judges. They also threatened non-cooperation of RS representatives at the state level. The RS President announced in December, March and April that a decision would be taken at a future RSNA session to hold a referendum to confirm 9 January as RS Day. To date, no such decision has been taken and I continue to follow the issue closely. Under Annex IV of the GFAP, decisions of the BiH Constitutional Court are final and binding.

#### *Challenges to Peace and Security*

29. During the reporting period, several incidents occurred, which impacted on the overall political situation in the country.

#### *Terrorist Kills Two Soldiers in Sarajevo*

30. I take this opportunity to commemorate the lives of Armin Salkic and Nedeljko Radic, two members of BiH Armed Forces shot and killed on 18 November in Rajlovac near Sarajevo, and to express my deepest gratitude for their service to the citizens of BiH. 20 November was declared a Day of Mourning by the Council of In addition, allow me to express my deepest condolences to the countries and people of Bosnia and Herzegovina, Russia, France, Turkey and Belgium affected by recent terrorist attacks. Our respect and memory of the victims will only make us stronger in defending the values of peace and tolerance. Barbarism and terror will not prevail.

#### *Foreign Fighters Issue*

31. In April, the BiH Court sentenced an individual to one year of imprisonment for Terrorism and

Organizing a Terrorist The sentence followed a guilty plea agreement by which the perpetrator admitted that he had collected funds and left BiH with the aim of joining ISIL, despite knowledge of the 30 May 2013 UN Security Council decision which declared ISIL a terrorist organization. Having in mind there are more persons who left BiH to fight for such groups and subsequently returned to BiH, the BiH Prosecutor's Office continues with prosecutions.

#### *Inter-Ethnic Incidents*

32. Incidents continue to occur, which threaten to undermine inter-ethnic For example, the processions organized in March in Srebrenica and other municipalities by supporters of Vojislav Seselj to celebrate his first instance not guilty verdict raised fear amongst Bosniak returnees in a community that is still trying to come to terms with the crimes of the past.
33. Two incidents in Mostar raised concerns that the already heightened tensions in the city due to the ongoing failure to implement the BiH Constitutional Court's ruling could First a large Croat coat of arms was painted onto the Planinica hill above Mostar on 26 March. The next day an incident occurred in Mostar's Old Town with an engraved stone from the UNESCO-protected Old Bridge reading "Don't Forget" being thrown into the Neretva River.

### **III. State-level Institutions of Bosnia and Herzegovina**

#### **A. BiH Presidency**

34. The BiH Presidency continued to meet regularly during the reporting period, holding eleven sessions, as it sought to advance BiH's efforts to join the EU. Their efforts culminated with BiH formally submitting an application for membership to the EU on 15 February in Brussels. I have no doubt this date will be seen in time as one of historic significance for BiH.
35. Another important step was taken on 12 January, when the BiH Presidency ratified the State Border Treaty between BiH and Montenegro, the first border treaty BiH has ratified with a neighbouring country. The BiH Parliamentary Assembly had given its consent for the Treaty to be ratified on 10 December 2015.
36. The BiH Presidency continued to exercise its constitutional authorities with regard to defense. On 2 December, amid announcements of neighboring countries increasing their military capacities, the BiH Presidency tasked the BiH Ministry of Defense and the BiH Ministry of Foreign Trade and Economic Relations to monitor and regularly report on the full implementation of obligations by all sides of the Agreement on Sub-Regional Arms Control, in accordance with article IV of Annex 1-B of the GFAP. The BiH Presidency also adopted decisions on the destruction of defective ammunition and explosive ordnance stored in military facilities in BiH, extended the BiH Armed Forces' engagement in the international mission in Afghanistan, and requested approval by the BiH Parliamentary Assembly for its decision on participation of BiH police officers in the UN mission in Haiti.
37. On 8 and 9 March, the BiH Presidency visited Croatia and held meetings with Croatia's President and other senior officials. Talks focused on Croatia's assistance in BiH's efforts to join the EU, but also touched on more contentious issues, including a border agreement between the two countries, property disputes, and Croatia's intention to construct a nuclear waste facility close to its border with BiH. A joint session of BiH Council of Ministers (BiH CoM) and the Croatian Government was also announced.
38. Also on a positive note, on 11 November Serbian Prime Minister Aleksandar Vucic, accompanied by two members of the BiH Presidency and senior RS officials, visited Srebrenica for an investment conference, where Vucic brought substantial funds to be used for development

projects in The visit passed in a positive atmosphere and helped to repair the diplomatic damage caused by the incident which occurred in Srebrenica on 11 July when Vucic was attacked with rocks and water bottles.

39. On 17 March, Bosniak member Bakir Izetbegovic took over the rotating chairmanship of the BiH Presidency from the outgoing chair, Croat member Dragan Covic.

## **B. BiH Council of Ministers**

40. The BiH CoM continued to meet on a regular basis during the reporting period, holding 28 EU-related issues and economic issues stemming from the Reform Agenda for BiH and the associated Action Plan continued to dominate the agenda throughout the period. BiH CoM representatives attended the first meeting of the Stabilization and Association Agreement (SAA) Council in Brussels on 11 December 2015.
41. The convening of the first joint session of the BiH CoM and Government of the Republic of Serbia on 4 November 2015 in Sarajevo was a noteworthy and positive. The meeting focused on improving and intensifying cooperation and bilateral agreements in the fields of sustainable development, telecommunications, agriculture, environmental protection, trans-border cooperation, energy community, infrastructure, and social protection. Several protocols and agreements were signed including a protocol on cooperation in the search for missing persons.
42. Despite the intensified rhythm of BiH CoM sessions, the adoption of legislative changes has been less impressive, with the BiH CoM adopting eight new laws and amendments to fifteen existing laws.
43. The BiH CoM has adopted numerous other acts and decisions (information, reports, strategic documents) that seek to improve the economy, increase competitiveness, and advance economic and trade cooperation in the Improving foreign trade in the agricultural sector and protecting domestic products has also remained a priority. On 28 January, the BiH CoM adopted a Midterm Work Plan for 2016-2018 which focuses on macroeconomic stability, greater competitiveness and the reduction of poverty.
44. The BiH CoM adopted an Integrated Border Management Strategy for 2015-2018, which represents another condition from the Reform. It also adopted a revised Communications Strategy for 2016-2018. The BiH CoM took a decision to improve the functionality of the BiH Armed Forces, steps to intensify the fight against terrorism and money laundering, and adopted a new Migration and Asylum Strategy.
45. The BiH CoM made several important appointments to state agencies and administrative bodies, including a new *BiH Commission for Cooperation with UNESCO* and the *Joint Steering Board for Coordination of Implementation of UN Programs in BiH*.

## **C. BiH Parliamentary Assembly**

46. Both Houses of the BiH Parliamentary Assembly (BiH PA) convened regularly during the reporting period, with the BiH HoR holding nine sessions and the BiH House of Peoples (BiH HoP) holding six. Despite the regularity of sessions, legislative output remains limited. Just three new laws and six amendments to existing legislation have been fully adopted by this BiH Parliamentary Assembly since the beginning of its mandate. The BiH PA also adopted an Audit Report for BiH Institutions for 2014, and several special audits on impact analysis. The BiH PA adopted numerous other reports and initiatives, and gave consent to the ratification of international agreements. The BiH PA also acknowledged the Council of Minister's Action Plan for Implementation of the Reform Agenda on 2 March 2016. I hope this will facilitate an



acceleration of legislative output in the period ahead.

47. One factor in the slow pace of progress on legislation has been changes in the ruling coalition, with the Federation-based DF party being replaced by the two DF members in the Council of Ministers (Minister of Communications and Traffic and Deputy Minister of Defense) were removed in December, but their replacements have not been appointed following criminal charges being raised against the SBB president and that party's candidate for one of these posts.
48. On 10 November 2015, the BiH PA completed the appointment of BiH's three Ombudsmen for Human Appointments to the General Auditors Office were completed on 22 March 2016. Given the nature of their responsibilities, the independence of both of these institutions remains of crucial importance and I urge the authorities to make every effort to ensure it is maintained.

#### *Election Law Amendments*

49. Following the last general elections, an interagency working group was established under the auspices of the BiH Parliamentary to propose amendments to the BiH Election Law and the BiH Law on Political Party. The group agreed to several amendments in March, of both a technical and a substantive nature. While retaining a nominally open list system, the proposed amendments would raise the threshold for candidates to move up party lists from 5% to 15% for local elections and from 5% to 30% for other levels (canton, entity, state). The group also proposed to increase the number of signatures required for candidates to stand in elections. Gender representation quotas for candidate lists would remain at 40%, but without existing requirements preventing, for example, parties from putting all female candidates at the bottom of the list. The working group was unable to make progress on several key issues recommended by the OSCE Office for Democratic Institutions and Human Rights in its January 2015 report, such as reforms related to polling station committees, nor did the group tackle large political issues like changes to the Election Law required in order to implement the BiH Constitutional Court's ruling on Mostar. In regard to party financing, the working group accepted roughly half of the recommendations made by the Council of Europe Group of States against Corruption (GRECO). Under the law, any amendments which are to apply for the next local elections in October 2016 would need to be adopted and enter into force by 4 May, when the BiH Central Election Commission is scheduled to officially announce these elections.

#### **IV. Federation of Bosnia and Herzegovina**

##### *Federation Coalition Developments*

50. Following the departure of the DF from the coalition in the Federation, SDA, HDZ BiH, SBB, SBiH and A-SDA formed a new majority, appointing four new ministers to the government in October to replace the DF. The arrest of SBB President Fahrudin Radoncic in January on obstruction of justice and influence peddling charges has shaken the coalition, although SBB and SDA met twice in February to publicly reaffirm their commitment to the coalition, which continues to function.
51. The Federation Government convened regularly during the reporting period, holding forty-one. Twenty-one new laws and amendments to twenty-four existing laws have been adopted by the Government during the reporting period.
52. Both houses of the Federation Parliament have continued to convene regularly during the reporting period, with the Federation House of Representatives holding nine. The Federation House of Peoples held ten regular sessions in the same period. During this period, the Federation Parliament adopted eight new laws and amendments to fourteen existing laws.

*Court Ruling Raises Questions about Quorums and Decision Making in House of Peoples*

53. In November, the Vital Interest Panel of the Federation Constitutional Court rejected as inadmissible a vital national interest (VNI) request raised by ten delegates of the Serb caucus against amendments to the Federation Civil Service Law. The court's reasoning centered on the number of delegates required to initiate the VNI procedure, given the fact that only 13 delegates have been appointed to the Serb caucus in the House of Peoples, which should consist of 17 delegates according to the Federation constitution. Specifically, the Court ruled that the 2/3rds majority of the caucus required to initiate the procedure should be calculated based on the total number of delegates foreseen in the Federation Constitution (17) rather than on the actual number of sitting delegates (13). On this reasoning, 10 delegates were not considered sufficient to meet the 2/3rds threshold. The failure to appoint the full number of Serb members to the Federation House of Peoples has been a long-standing problem.
54. Opposition parties have claimed that the decision has more far-reaching consequences not linked to the Civil Service Law, in that it sets a new principle for calculating majority requirements for decision-making in the Federation House of Peoples. If applied, these parties believe this principle could put into question many other recent decisions, including the appointment of the government and several legislative acts. Given these potential implications, I am following this issue closely. The same parties have also raised concerns about the current system for appointing Serb delegates, which consistently fails to ensure that all 17 Serb delegates are appointed to the House of Peoples. This is an issue that must be addressed and I stand ready to assist the authorities to find a solution.

*Federation Constitutional Court Declares Government Decree on Appointment to Public Companies Unconstitutional*

55. On 19 January, the Federation Constitutional Court ruled that the controversial June 2015 government decree on appointments to public companies was unconstitutional. The decree transferred authorities previously exercised by individual ministers to the government as a whole, which triggered the departure of the DF from the coalition.

*Federation Labor Law Readopted*

56. In February, the Federation Constitutional Court returned the already adopted Federation *Labor Law* to the proposal phase before the Federation House of Peoples, over violations of the Rules of Procedure of the House and the Constitution in its adoption. The House re-adopted the law on 31 March.

*Amendments to Civil Service Legislation Rollback Previous Reform*

57. The Federation Parliament adopted amendments to the Federation *Civil Service Law* on 23 October under urgent procedure, which were widely perceived as a rollback of reforms previously undertaken to depoliticize the civil service. The amendments effectively convert a large number of previous civil service positions into direct political appointments.

*Legal Challenge to Government Work over Four-month Period*

58. On 25 February the Federation Vice President (DF) asked the Federation Constitutional Court to review the constitutionality of the work and decisions taken by the Federation Government between 15 June and 28 July. This was the period after one of the Bosniak ministers from the DF left the government and before he was replaced. The President based his complaint on the Federation Constitution provision that the government must be composed of at least seven Bosniak ministers, alleging that during this period the government included only six Bosniak

ministers and therefore worked unconstitutionality. He claims that all decisions, appointments and other acts adopted in that period were also unconstitutional.

#### *Mostar*

59. Political party talks intensified during the reporting period on the implementation of the 2010 ruling of the BiH Constitutional The PIC SB convened on 2 December and again underscored that "Mostar must remain a single, coherent, multi-ethnic unit of local self- government, with some level of local authority/administration below that of the city."
60. HDZ BiH and SDA discussions went on behind closed doors throughout the reporting period and in March it appeared as if an agreement could be imminent, possibly as part of a wider package that would address the Sejdic-Finci ruling of the European Court of Human In April, a meeting between the leaders of the HDZ BiH and SDA related to the Mostar issue failed to yield positive results. I have continued to press these parties and other political actors to make a breakthrough and I stand ready to assist them.
61. Sensing that the SDA and HDZ BiH may be reaching a consensus to divide the city along ethnic lines, other political actors including the SDP, DF, Nasa Stranka, the Croat Republican Party and a former Mostar mayor have come forward to promote their own proposals on how to implement the BiH Constitutional Court's Mostar's Serb Community has also engaged in efforts to find a solution with the assistance of the Serb Member of the BiH Presidency. The SDA's proposal eventually leaked and was widely perceived as a model for the ethnic partition of Mostar, resulting in strong public backlash. HDZ BiH promptly made it clear that it would not support the division of the city and that it would instead submit its own proposal into BiH parliamentary procedure.

#### *V. Republika Srpska*

62. During the reporting period the ruling coalition in the RS remained stable with the RS Government holding twenty-eight regular The RSNA has held nine sessions. The RSNA adopted twelve new laws and amendments to seventeen existing laws.
63. While the ruling coalition remained stable, relations between the two major parties in the coalition, SNSD and DNS, have become strained as DNS publicly criticized actions of the government and relations within the Relations between the ruling and the opposition block have remained tense with local elections foreseen in October 2016.

#### *Non-cooperation with the High Representative*

64. The reporting period has regrettably seen a continuation of attacks on the OHR and the High Representative in On 9 January, I began receiving several thousand postcards, sponsored by the SNSD that called for me, as High Representative, to "go home." A number of the postcards included death threats. The postcards were handed over to the BiH Prosecutor's Office, who will determine whether they contain grounds for prosecution. I am concerned that similar postcards were also sent to the international judges on the BiH Constitutional Court.
65. The RS authorities have continued their policy of denying the High Representative access to official information and documents required to fulfill his Under Annex 10 of the GFAP, all authorities in BiH are obliged to fully cooperate with the High Representative as well as with the international organizations and agencies as provided for in Article IX of the GFAP. The practice of the RS Government not to provide information and documents requested by the OHR goes back to 2007. Repeated calls by the PIC reminding them of their obligation to ensure the High Representative has full access to documents in a timely fashion have had no impact. This policy

contradicts the frequent claim from the RS that the entity respects the letter of the GFAP.

## **VI. International Criminal Tribunal for the Former Yugoslavia**

### *Former RS President Radovan Karadzic Convicted of Genocide in First Instance*

66. On 24 March, the International Criminal Tribunal for the former Yugoslavia (ICTY) rendered its first instance verdict in the case against Radovan Karadžić, the war-time President of the self-proclaimed Republika Srpska and the Supreme Commander of its armed forces. The ICTY found Karadzic guilty of genocide, crimes against humanity and violations of the laws or customs of war committed by Serb forces during the armed conflict in BiH. Karadzic was sentenced to 40 years of imprisonment. The ICTY found that Karadžić committed these crimes through his participation in four joint criminal enterprises. A common plan to permanently remove Bosnian Muslims and Bosnian Croats from the Bosnian Serb-claimed territory through the commission of crimes in municipalities throughout BiH constituted the overarching joint criminal enterprise, which existed between October 1991 and November 1995.

### *Serb Radical Party Leader Vojislav Seselj Found Not Guilty in First Instance*

67. On 31 March, the ICTY found in the first instance Vojislav Seselj not guilty on all counts of crimes against humanity and war crimes. The prosecution, which had asked for a sentence of 28 years, has said it will appeal the decision. Reactions to the verdict have been divided. RS President Milorad Dodik praised Seselj for his resilience and called the case groundless and politically motivated. The response among Sarajevo-based parties and commentators was generally one of shock and outrage, as it was in Croatia. Following the decision there were a number of troubling incidents reported of supporters of Seselj insulting and threatening Bosniak returnee communities in the RS during celebrations over the verdict. Seselj supporters formed a column of cars and drove around the streets of Srebrenica and Bratunac, waving flags of Seselj's Serbian Radical Party and shouting threats to kill Bosniaks as happened during the 1992-1995 war. Similar gatherings of supporters were reported in Bijeljina and Trebinje.

## **VII. Entrenching the Rule of Law**

68. Discussions within the EU-led Structured Dialogue on Justice continued during the reporting period and concentrated on new draft legislation on the BiH. There seems to be an emerging agreement that the provision regulating the criminal jurisdiction of the BiH Court should be redrafted in order to "objectivise" the criteria under which the BiH state currently has criminal jurisdiction to prosecute crimes prescribed by the entity codes. I have made it clear that the state level jurisdiction may not be diminished, as it follows the division of competencies between the state and the entities under the Constitution. In addition, an agreement appears to have been reached to create an additional BiH Appellate Court by transforming the current Appellate Panel of the BiH Court into a new institution.

69. I continue to be concerned about the tendency for political actors to put pressure on the judiciary in ongoing proceedings, not least by making strongly worded pronouncements. It remains vitally important that the judiciary is left to prosecute and rule on cases free from political pressure, but fully in line with the principles of professionalism and accountability. Similarly all those under indictment must be regarded as innocent until such time as they are proven guilty.

### *Anti-Corruption Efforts*

70. The implementation of 2014 Federation legislation to create a special prosecutors' department for fighting corruption and organized crime continues to be delayed due to a lack of allocated

budgetary In February 2016, the Federation Government proposed to amend the legislation to officially postpone the date of its application until 1 July 2017. At the moment, there are no guarantees that the administrative prerequisites for the legislation to become operative can be met even by that date. In parallel to this, legal uncertainty remains in regard to the jurisdiction over the prosecution of corruption and organized crime in the Federation.

#### *Domestic War Crimes Prosecution*

71. The deadline set for the strategic goal of processing all serious war crimes cases within seven years expired in December Since this goal was not achieved, the Supervisory Board for the Implementation of the War Crimes Prosecution Strategy initiated a discussion to identify reasons and revise the plans. The Board should also be in a position to assess whether EU-provided funds for war crimes cases processing are being spent properly by the authorities.

#### **VIII. Public Security and Law Enforcement, including Intelligence Reform**

72. The practice of political interference in operational policing remains a challenge, as seen through the continued delaying of appointments of police directors and independent boards, which select them and later monitor their The appointment of the Federation Administration Police Director is still unresolved due to an ongoing court dispute over the validity of an already conducted selection process. The appointments of new police commissioners in West Herzegovina Canton and Canton 10 are still outstanding. The appointments of independent boards have been delayed in Posavina, Tuzla, and West Herzegovina Cantons. At the state level, an initiative to remove the entire Independent Board under unclear legal circumstances threatens to create the perception of improper political influence in the work of this professional oversight body.
73. On 29 December, the Sarajevo Cantonal Assembly adopted a new Law on Internal The Una-Sana Cantonal Assembly adopted a new Law on Internal Affairs in first reading on 25 January 2016. On 27 October 2015, the Federation House of Representatives adopted new police officials legislation in first reading.
74. The new Republika Srpska Law on Police and Internal Affairs was adopted by the RS Assembly (RSNA) at the end of December However, disputes arose when the RS President refused to accept amendments on proportional representation of constituent peoples and so-called "Others" in line with the 1991 census in the RS police, as agreed with the Bosniak caucus in the RS Council of Peoples and as provided under the RS Constitution. In a procedural maneuver, the RSNA rejected the Law in early March 2016 to allow for the preparation of a new version of the law. On 7 April the RSNA adopted the new version, deleting reference to the 1991 census. The adopted version of the law refers to the 'last census' (conducted in 2013), which could have the effect of greatly reducing the obligation of the RS to employ minority police, if compared to the obligation arising from the 1991 census.
75. OHR continues to monitor changes to police legislation and encourage harmonization in jurisdictions throughout the country.

#### *Appointment of New SIPA Director*

76. On 5 November 2015, the BiH CoM appointed Perica Stanic as the new director of SIPA for a 4-year term, after a selection process conducted by the BiH Independent Board, following the dismissal of Goran Zubac from the post on 5 August 2015.

#### *Appointment of a New Intelligence and Security Agency Director*

77. On 19 November 2015, the BiH Council of Ministers appointed Osman Mehmedagic to the post

of the Director General of the BiH Intelligence and Security Agency.

## IX. Economy

78. While 2015 was generally assessed as positive in terms of BiH's economic recovery, the relevant BiH institutions noted a downward trend of industrial production and foreign trade in the first months of While it increased by 2.6% in 2015, industrial production fell in January 2016 by 3.3% compared to the same month in 2015. Likewise, BiH registered a 3.5% increase in exports and a 2.1% decrease in imports in 2015, while exports and imports fell by 1.2% and 2.4% respectively in the first two months of 2016. The deflation level of 1% registered in 2015 also characterized the beginning of 2016. A positive trend continued in the collection of indirect tax revenue, which is essential for fiscal stability at all levels of government in BiH. The Indirect Taxation Authority again registered a record collection in 2015 (BAM 6.357 billion or 1.9% more than in 2014), while the collection in the first two months of 2016 increased by 1.3% over the same period last year.
79. BiH's credit rating was affirmed by both Moody's Investors Service on 26 February ("B3 with stable outlook") and Standard & Poor's Ratings Services on 11 March ("B with stable outlook"). The World Bank's Doing Business Report for 2016 ranked BiH as 79th of 189 economies in terms of the ease of doing business, which is significant progress from the 107th place in the 2015 Particularly good ratings were assigned in the categories of Getting Credit (42nd), Trading Across Borders (28th) and Resolving Insolvency (38th).
80. In January, the average net salary in BiH amounted to BAM 829 and the average pension amounted to BAM 358, a 2% increase in both cases compared to the same month in 2015. Substantial deficits in pension funds led the RS to include its fund within the RS Treasury System to ensure regular monthly pension payments, and the Federation plans to do the same. The rise in pensioners continues to outpace contributors in both entities, and a low rate of contribution collection also exacerbates financial problems.
81. Unemployment fell 2 percent in January compared to January 2015 with the administrative unemployment rate at 43.2 percent (actual unemployment in BiH is estimated at about 27.7 percent). The share of youth unemployment in the total unemployment figure is about 60%. Foreign direct investments in the first nine months of 2015 amounted to BAM 388.9 million, a 33.8% decrease compared to the same period in 2014.
82. The banking sector in BiH is assessed as generally stable, but there are concerns about the stability of certain banks in the Last year's bankruptcy of *Bobar Banka* affected a number of public institutions, companies and individuals. SIPA - acting on a request by the BiH Prosecutor's Office - arrested a number of persons in connection with the bank's collapse, including the RS Banking Agency Director and the RS Investment-Development Bank Director. *Banka Srpske* has also had difficulties, resulting in the RS Banking Agency appointing a provisional administrator in November. A third RS-based bank, *Pavlovic Banka*, is also in a difficult position, mainly due to the domino effect of the previous two cases.

### *Fiscal Issues*

83. The overall fiscal situation was somewhat better in 2015, mainly thanks to a continued increase in indirect tax revenue collection and reduced foreign debt payment Fiscal challenges in 2016 may arise from the 26% increase in foreign debt payment obligations and further delays in international financial assistance. Negotiations on a new International Monetary Fund (IMF) program with BiH have been initiated but have not concluded at the time of this writing.
84. A challenge to BiH's fiscal stability also arises from increasing public At the end of 2015, BiH's

total public debt amounted to BAM 11.936 billion, a 3.6% increase over 2014. The foreign debt's share in this amount was BAM 8.401 billion, a 2.2% increase over 2014, while the internal debt's share in the total public debt is BAM 3.535 billion, a 7.1% increase over 2014. Compared to only five years ago the total public debt has increased by 26.2%. The foreign debt increase over this period is estimated at 34.4% and the internal debt's increase has been 10.4%.

85. Most public budgets for 2016 were adopted before the end of The Budget of BiH Institutions and International Obligations of BiH for 2016 amounted to BAM 1.720 billion, of which BAM 950 million is for financing State institutions and BAM 770.6 million for foreign debt servicing. While the financing of the State institutions will remain at the same level as the last four years, the foreign debt servicing in 2016 will increase by 26% over 2015.
86. The 2016 Federation Budget amounts to BAM 598 billion, an increase of 11 percent compared to 2015. It projects domestic revenues of BAM 1.886 billion (13% increase). The coverage of a deficit of BAM 712 million is planned from foreign long-term borrowing (BAM 312 million), and domestic short-term and long-term borrowing (BAM 360 million and BAM 40 million, respectively). The total planned borrowing represents 27% of the total expected revenue for 2016. Debt payments of BAM 974.9 million are foreseen (14% increase).
87. All ten of the cantons have adopted their 2016 The overall fiscal situation in the cantons improved in 2015, mostly due to the performance of indirect tax revenue, but accumulated deficits continue to burden most of the cantons. In Una-Sana and West Herzegovina cantons, these deficits are almost equal to the cantons' respective annual budgets. A serious challenge for some cantons (but also municipalities and cities) emerged following the decision of the Federation Minister of Finance to use the 2013 preliminary census results as the basis for the allocation of revenue to the cantons and other lower levels of government. The Minister's instruction triggered dissatisfaction in some Bosniak-majority cantons. The affected cantons demanded the annulment of the instruction, claiming that preliminary census results could not be used, and warned of criminal charges against the Minister. SDA, in addition, announced an appeal to the FBiH Constitutional Court should the instruction not be repealed.
88. The fiscal crisis facing the City of Sarajevo - due to the city's exclusion from the system of revenue allocation in the amended Federation *Law on Allocation of Public Revenues* in May 2014 - was resolved with the assistance of my Office, for which Sarajevo acknowledged the High Representative with the "Key of Sarajevo" award. A sound legal basis to ensure the allocation of revenues to the city was ensured when the Federation Parliament adopted necessary amendments to the Federation *Law on Allocation of Public Revenues* on 19 November.
89. The 2016 RS Budget was adopted by the RSNA in the amount of BAM 1 billion. The main reason for such a large budget is the inclusion of the RS Pension and Disability Insurance Fund in the RS Budget Treasury System. The budget projects total domestic revenue of BAM 1.689 billion (5% increase). The coverage of a deficit of BAM 558.3 million is planned from long-term borrowing (BAM 459.4 million) and domestic short-term borrowing (BAM 98.8 million). The total planned borrowing represents 24.8% of the total expected revenue for 2016. Debt payments of BAM 670 million are foreseen (31% increase).
90. The conclusion of a new financial arrangement between BiH and the IMF would ease fiscal pressures in both entities, particularly in the RS, which is already faced with serious liquidity problems as evidenced by delays in RS monthly budget payments.

#### *International Obligations*

91. On 16 October, the Energy Community Ministerial Council adopted measures against BiH for

persistent breaches of obligations arising from the Energy Community Treaty (ECT), in particular in relation to the gas. Despite the efforts undertaken during the reporting period by the BiH Ministry of Foreign Trade and Economic Relations to coordinate domestic stakeholders, no tangible progress has been made to ensure compliance with the ECT. The main reason for this is the continued difference of opinion of the two entities in regard to the extent of state-level regulation. BiH needs to demonstrate progress by the next meeting of the Energy Community Ministerial Council in October to successfully argue against continued measures.

## **X. Return of Refugees and Displaced Persons**

92. Upholding the right of refugees and displaced persons to return to their pre-war homes remains central to the full implementation of Annex 7 of the GFAP, which requires authorities at all levels “to create in their territories the political, economic, and social conditions conducive to the voluntary return and harmonious reintegration of refugees and displaced persons, without preference for any particular group.”
93. An environment that is conducive for sustainable return is equally important and requires the full implementation of the 2012 Return. In this respect, I remain particularly concerned by the ongoing difficulties returnees face in the education sector in several local communities, not least in relation to the use and name of official languages. It is for this reason that I have pressed the RS authorities to ensure all three official languages (Bosnian, Croatian and Serbian) are used equally in BiH.

## **XI. Media Developments**

94. The Public Broadcasting System (PBS) continued to face challenges, including funding. The existing system of tax collection through the three main telecom operators lapsed in December, and was extended for another six months while a permanent arrangement is sought. The BiH CoM instructed the BiH Ministry of Communications and Transport to establish a working group to examine possible collection models.
95. The failure to establish a PBS Corporation (to serve the three public broadcasting services) continues to hold back the overall PBS reform as well as the transfer from analog to digital. The draft proposal by the General Managers of BHRT, RTRS and FTV in March 2016 to enter into a consortium agreement rather than establish the Corporation points to the long-running refusal to implement the existing PBS Law.
96. The reporting period has also seen attempts to change the PBS Amendments put forward by the BiH Ministry of Traffic and Communications in March, proposed three channels within the BHRT, with programming adjusted to meet the needs of a single constituent people, broadcast accordingly from studios in Sarajevo (in the Bosnian language), Banja Luka (in Serbian), and Mostar (in Croatian). This proposal has yet to be voted on, but has already been publicly rejected by the two existing entity public broadcasters (RTRS and FTV).
97. I am also concerned about amendments to the RTRS Law adopted by the RSNA in first reading. In contrast to the provisions of existing state-level legislation, the amendments provide RTRS with the possibility to broadcast on more than one channel on its own frequencies.
98. On 3 December 2015, the BiH CoM appointed an interim General Director of the Communications Regulatory Agency, which regulates the electronic media. The process leading to the appointment of a new General Director by the BiH CoM is entering its final phase.

## **XII. Defence Matters**

99. The BiH Ministry of Defence-led Ammunition, Weapons and Explosives (AWE) Strategic



Commission continues to meet periodically to coordinate efforts to dispose of BiH's AWE. At 2,000 tons, the pace of disposal has almost doubled in the last year. Further progress is needed as ageing stockpiles and poor storage conditions mean the risk of accidental explosion remain. An agreement to establish a mechanism through which surplus stockpiles could be sold remains out of reach.

100. Regrettably, BiH will not meet its goal of becoming landmine free by 1 March. A new target date has yet to be agreed. On a more positive note, the Board of Donors on Mine Action has been reinvigorated and is now engaged with the BiH authorities to ensure improvement and greater scrutiny of mine clearance efforts.

### **XIII. European Union Military Force**

101. The European Union military mission in Bosnia and Herzegovina (EUFOR) continues to play an important role in supporting BiH's efforts to maintain a safe and secure This in turn assists my Office and other international organizations to fulfil their respective mandates. EUFOR's presence on the ground, including through its liaison and observation teams, remains an important contribution to stability and security.

### **XIV. Future of the Office of the High Representative**

102. The PIC Steering Board political directors met in Sarajevo on 1-2 December 2015 to underline the progress that has been made in implementing the GFAP, but also their unequivocal commitment to BiH's territorial integrity and The PIC Steering Board also reinforced the need to complete the 5+2 agenda, which remains necessary for OHR's closure. The next meeting of the PIC Steering Board meeting is scheduled to take place on 7-8 June 2016.
103. Since the beginning of my mandate in March 2009, the OHR's budget has been reduced by over 45 percent and my staff by over 51. Given these deep cuts, it remains essential that I am equipped with the budget and staff required to carry out my mandate effectively, as I am entitled to under Annex 10 of the GFAP.

### **XV. Reporting Schedule**

104. In keeping with the proposals of my predecessor to submit regular reports for onward transmission to the UN Security Council, as required by Security Council Resolution 1031 (1995), I herewith present my fifteenth regular. Should the UN Secretary-General or any UN Security Council member require information at any other time, I would be pleased to provide an additional written update. The next regular report to the UN Secretary-General is scheduled for October 2016.

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### **Notes:**

[1] "We are committed to the state. Just to be clear, we consider that Republika Srpska is a state...." RS President Milorad Dodik, speech reported in *Vesti Online*, 19 March 2016; "Srpska is a genuine Serb's desire for freedom. No freedom without state, and the state we live in is called Republika Srpska." RS President, *SRNA*, 28 February 2016; "My states are Republika Srpska and Serbia, and BiH is the place where I have to live." RS President, *RTS Upitnik*, 12 January 2016; "In essence Republika Srpska since its formation on the 9th of January 1992...had all of the elements of a state." RS President, *RTS Upitnik*, 12 January 2016; "Republika Srpska was formed on 9 January as a state, and it will continue to build its state-creating character." RS President, *Sputnik*, 2 January 2016.

[2] "Bosnia and Herzegovina is just an international border, an international recognition and nothing else,

and Republika Srpska is a state." RS President, *RTRS News (Speech in Batkovic)*, 25 February 2016; "Many people here don't understand nuances, and the nuance is in the fact that BiH is not a state." RS President, *RTS Upitnik*, 12 January 2016.

[3] "Maybe this is the last moment for Bosniaks to sit down and talk about political consensus in BiH, and with that economic [consensus]. If they won't, they are risk being abandoned in the future and that BiH will not be in the frame in which it is now." RS President, *Vijesti.ba*, 18 February 2016.

[4] "Bosnia doesn't have to function and there's no chance that Bosnia will function. It's a temporary, impossible country." RS President, *RTS Upitnik*, 12 January 2016.

[5] "I believe that Republika Srpska can one day become an independent state. The BiH we have is not a place where any people can affirm its national, economic and political capacity." RS President, *Vijesti.ba*, 2 February 2016.

[6] "On the other hand, BiH does not have a government, only the Council of Ministers - according to the Constitution, an auxiliary body to the BiH Presidency...And now you have someone somewhere saying that BiH has a government. Here lies the problem. If we allow the Council of Ministers to work as a government, the RS can close shop and wave goodbye." RS President, *Sputnik*, 27 February 2016.

[7] "The SNSD position is that BiH institutions do not have the supremacy over RS institutions and they should be used only to strengthen the RS position." SNSD Vice-President Marko Vidakovic, *Narodne Novine*, 10 March 2016.