Press Conference Following the Meeting of the Steering Board of the Peace implementation Council

High Representative Valentin Inzko

Ladies and Gentlemen,

Thank you all for coming.

Unfortunately, Russia was unable to join the communiqué. You will understand that it is only right that I not explain why they decided to do so on their behalf. I am sure they will do it on their own.

This is regrettable and happened once before in 2008 during the time of my predecessor. This in no way reduces the role of the Russian Federation in the PIC Sterring Board which we respect.

The Communiqué lays out the conclusions of our meeting over the last two days – but I wanted to speak to you directly to give you an idea of the thinking behind some of these conclusions.

First of all, let me tell you that the discussion has been open, concrete, substantial, and comprehensive. It is no secret that there is serious concern within the international

community about the failure of Bosnia and Herzegovina's political leadership and institutions to meet the requirements for Euro-Atlantic integration and to take the country forward.

The message from the PIC Steering Board is very simple: political leaders and institutions – get your act together and start delivering concrete results for the benefit of the citizens and the country.

Yesterday, the PIC was briefed by Council of Ministers Chair Bevanda and one of his two deputies, Minister of Finance Spiric on what both acknowledged to be a rather disappointing lack of progress on several issues facing the ruling coalition in the state institutions. Of course, there was lack of progress both inside the government, but I think even more so in the Parliament at the state level, because since 2010 only four laws have been adopted apart from the budget.

After its meeting with the BiH representatives the PIC Steering Board began a detailed analysis of the difficult points in the country's progress. Specifically we discussed the following issues:

- the non-implementation of the European Court's ruling in the Sejdic-Finci case and other obstacles to the country's progress on the EU path;
- a worrying pattern of non-implementation of rulings by the highest court in the country, the BiH Constitutional Court. The BiH Constitutional Court has itself in 35 instances listed non-implementation. So this is not a single case or exception, like Mostar, it is a pattern, and it is a worrisome pattern;
- the failure to take the minimal steps needed to resolve defence property and also to unblock BiH participation in NATO's Membership Action Plan and advance the 5+2 agenda for OHR closure. It is timely to recall that, as far as military property is concerned, we are just speaking about 63 cases. Half of them are actually

solved, and only the rest need some work, but especially the political will;
- the failure to end government and institutional paralysis in the Federation;
- the failure to organise democratic representation and efficient government structures in Mostar;
- the failure to address an economic crisis that is spreading poverty;
- the failure to tackle corruption; and
- the failure to abandon divisive rhetoric and start focusing on solutions to the urgent problems that citizens face.

These failures stand in stark contrast to the advances made in neighbouring countries, which resulted in large part from the willingness of leaders to lead.

Many delegations at the PIC Steering Board wondered with good reason how it is that if Serbia's leaders had the courage and willingness to compromise on an issue as difficult as Kosovo, and at the same time BiH leaders are unable to compromise on Sejdic-Finci ruling. I would like to ask you – not demagogically but in substance – what is more difficult: to solve a case like Kosovo and Serbia, or to solve the case of Sejdic-Finci? Or even more drastic – to solve the issue of Kosovo and Serbia or to solve the Mostar issue, what is more difficult? I think political leaders should seriously think about it. And we have a very good example from the neighbourhood.

A number of delegations also expressed dismay at the apparent lack of urgency or sense of responsibility. Given that the policy of the PIC Steering Board, the OHR and the entire international community over the last several years has been to leave decision-making almost entirely with the BiH institutions, attempts at blaming the international community for the country's problems are simply hollow excuses.

Let me stress that the picture that has emerged is one of failing leaders – not failing citizens. Responsibility for Bosnia and Herzegovina's lack of progress can be laid at the door of a small number of politicians. This small number of politicians, unfortunately, is not delivering. Maybe you will also read about the details which emerged today from the European Parliament, where Doris Pack wanted to introduce a resolution about Bosnia and Herzegovina. This resolution will be accepted, or was accepted, but she also wanted to introduce an amendment to this resolution on Bosnia and Herzegovina whereby the membership of the Council of Europe would be suspended for Bosnia and Herzegovina and whereby also IPA funds and the Interim Agreement would also be suspended. This amendment did not go through. It failed, but it failed very narrowly. 305 deputies voted against the amendment, and 278 voted in favour of the amendment. So it was a very narrow vote, and it could almost happen if 14 or 15 votes would switch. I think this is a very alarming situation, and an alarm bell ringing to BiH and its political leadership. And actually it is the same tune as the warning of Stefan Fuele.

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The PIC members also discussed the ongoing Federation reform initiative. It was made clear that an element of constitutional, institutional and administrative reform will help reduce the cost of government and make it more efficient – and the Political Directors expressed their support for initiatives in this field, especially because it came also from local experts. And, of course, a sentiment was also voiced that the Federation reform should also take into account Washington and Dayton Settlement.

But it is also clear that if the institutions that are already in place are supported and strengthened, then politicians won't be able to block the system for their own ends.

The law, the courts, the regulatory agencies and statutory

bodies are there to protect citizens and to ensure that politicians are accountable. These institutions must be supported and strengthened and they have the support of the International Community.

In this respect I would stress that this PIC really took note of the fact that the International Community in Bosnia and Herzegovina is not primarily dealing with half a dozen powerful men – our engagement is with four million citizens.

It is clear that a tiny minority of political leaders have been unable or unwilling to represent the interests of these four million citizens – problems aren't decreasing: they are increasing.

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The PIC discussed ways of addressing specific challenges, including the Federation crisis, the obstacles that have been placed in the way of Euro-Atlantic integration, the repeated challenges to the Dayton Settlement and to the sovereignty of Bosnia and Herzegovina, the situation in Mostar, and the pain being inflicted on citizens by the economic crisis.

One area that directly affects citizens and which was discussed in some detail was that of the single identification number. A temporary solution, which would maintain a single system regulated at state level is within easy reach, yet some choose to obstruct as a pretence for breaking the system apart. There were a few members of the PIC Steering Board who said that, if this issue is not solved in a proper way, then this could also jeopardize the issuance of passports, but especially the travel of BiH citizens abroad. Without the single system of citizen numbers, the ability of BiH citizens to get visas may be jeopardized for some countries that still need visas in the future. Moreover, from the point of view of the Dayton Agreement, it is simply not acceptable for lower levels of government – like entities – to unilaterally

regulate matters already regulated under state legislation.

With regard to Srebrenica and Budak Church, clear views were expressed and please refer to our Communique which is quite explicit and extensive on this issue.

In the past we have called on political leaders to adopt more constructive and realistic postures; we have worked with them and wherever possible we have supported them.

But the results have not been encouraging and citizens, civil society, have to ask themselves whether changes are necessary or not and how long this can continue.

Principal Deputy High Representative Roderick Moore

I am going to talk to you about Mostar. As a matter of fact, there was substantial discussion on Mostar. Perhaps some of the most extensive discussions during the PIC were focused on the situation, political impasse and the crisis in Mostar. When you get a copy of the Communiqué, you will see that some of the strongest language is, in my opinion, in the paragraph dedicated to Mostar. And that is for a very straightforward reason. I think the International Community, and certainly the ambassadors represented in this room yesterday and today, are simply in disbelief that this issue has not been resolved by local political leaders in 2.5 years since the Constitutional Court issued its ruling. I think they used words such as deploring the failure of local political parties to resolve this issue in the last two-and-a-half years. This is incredibly important issue, not only in our view, but in the views of senior leadership of this country.

The obligation to respect the rulings of the Constitutional Court of this country, which is after all the highest court in Bosnia and Herzegovina, stems directly from the Dayton Peace Accords, specifically Annex 4 (the Constitution) which

specifies that decisions of the Constitutional Court are final and binding .

It was significant for the ambassadors in their discussion yesterday with the Chairman of the Council of Ministers Bevanda to hear him say repeatedly to us that it is simply unacceptable that decisions of the Constitutional Court can be ignored. He even went so far as to note, correctly, that it is a crime for decisions of the Constitutional Court not to be implemented. Of course, the crisis in Mostar originates directly from a failure of local political parties to do just that – to respect the rulings of the highest court in this country.

I think you are all aware that seven months ago, again in this room, the OHR with full support of the Steering Board initiated a process to try to facilitate a compromise solution for the problem, the crisis Mostar. We launched this process because we were convinced then, and we are convinced today – the entire International Community as represented in the Steering Board is convinced – that this issue in Mostar is solvable. Certainly in my view, as the High Representative said, it is a less complicated issue than Kosovo. We believe very strongly that there are available compromises that would be fully in line with the decisions of the Court, the Constitution of the Federation and the canton, and of course that would in no way jeopardize or harm the interests or any constituent people in Mostar. This is a fixable problem. It is a solvable problem with a minimum dose of good will and creativity.

As part of this facilitation effort, we have held well over 100 meetings with eight political parties who are represented in Mostar and in the state Parliament. We had innumerable telephone conversations with them, and we had dozens of coordination sessions with the Steering Board. And in fact we kept the PIC Steering Board involved, informed and supportive of this facilitation effort every step of the way. We have

done nothing without consulting with the Steering Board.

The bad news is that it is the unanimous view of the Steering Board that the two largest parties represented in Mostar – the SDA and the HDZ-BiH – have so far been wholly inflexible and have shown zero willingness to consider possible compromise solutions in Mostar. When we launched this process last October in this room with all eight parties, every single party – including those two that I just mentioned – committed to us, not just the High Representative and me, committed to the entire Steering Board that they would participate in this process on the basis of an expectation that a compromise would be the only solution, and recognition that no party would obtain all its objectives. Unfortunately, the PIC Steering Board concluded today that those two parties – the SDA and HDZ BiH – have not lived up to their commitment they made to the Steering Board to participate in this process on that basis. Not only have they rejected all new ideas put on the table by other participants in this process, but they are still sticking stubbornly to the very same ideas and very same proposals they had before this facilitation process started – despite the acknowledgement of virtually every participant that those ideas do not have and will not have the political support to be adopted in local institutions.

On the other hand, the good news is that the majority of participants in this process have so far demonstrated a willingness to consider new ideas that could potentially lead to a compromise solution.

Many of these ideas are encapsulated in a so-called compromise framework document which was first discussed with all 8 participating parties about two months ago. I saw a press report yesterday or the day before suggesting that there is a new document out there. That is actually not accurate. This is a document which was prepared about two months ago and shared with all eight participating parties.

It is significant that the PIC Steering Board today publicly and explicitly endorsed this compromise Framework Document as the most realistic basis currently available upon which a compromise solution can be constructed which will ensure implementation of the rulings of the Constitutional Court of Bosnia and Herzegovina.

Equally significantly, the Steering Board called on OHR to bring the facilitation process to a conclusion on the basis of very focused and targeted talks which would be based upon the parameters in this compromise Framework Document. And these parameters are narrower than when we started this facilitation process several months ago.

It is also significant that the SB made it clear that any party that fails to agree to a compromise solution on this basis will bear responsibility for failing to meet its obligations under the Peace Agreement. This is a very weighty responsibility, certainly.

All 8 parties will be invited to participate in these talks, and when this idea had been informally discussed with them, the large majority of parties have already agreed to participate in talks on the basis of the parameters of this compromise Framework Document. We certainly hope that all parties will take up this opportunity to try to finally bring this matter to a close. I think it is a truly real opportunity to resolve a crisis which has resulted in very real consequences for the people living in Mostar – the only people in this country unable to vote last year. I think that is a travesty. We saw the fiscal crisis which had very concrete consequences on the people of Mostar. The City Council is not functioning in Mostar, and so on. There is an opportunity to resolve this issue now and we certainly hope and expect that the parties will take advantage of that opportunity.