

Address to the UN Security Council



Dear Mr. President, Excellencies, Ladies and Gentlemen,

Thank you for giving me the opportunity today to present my third report as High Representative, since taking up my duties in July 2007. I hope, my update will give you a better understanding of the overall situation in Bosnia and Herzegovina, where we now stand, and what challenges we will be facing in the period ahead.

When I spoke to you in May, Bosnia and Herzegovina had – after lengthy delays and much international engagement – adopted the long-awaited police reform laws, that were the key condition for the country to sign a Stabilisation and Association Agreement with the European Union. The signing of the Stabilisation and Association Agreement on 16 June was an important milestone on Bosnia and Herzegovina's journey towards the European Union.

This is the first contractual relationship between Bosnia and Herzegovina and the European Union ever. It provides an opportunity for the people of Bosnia and Herzegovina to put their tragic recent history behind them, and build a peaceful and prosperous future for them, inside the European Union.

However, despite progress on the Euro-Atlantic agenda, the political situation remains difficult, as the old and

fundamental challenges in Bosnia and Herzegovina stay in place. There is still not enough understanding for the need to engage in dialogue, to compromise and to meet each other half way, so that the country can move forward. It is of some comfort, naturally, to note, that this has not spilled over onto the security situation, which remains stable. However, the nationalist and ethnic agendas have continued to prevail over the agenda that actually should matter – the Euro-Atlantic agenda.

As a result, the signing of the Stabilisation and Association Agreement, progress toward visa liberalization with the European Union and the decision by NATO to begin an intensified membership dialogue with Bosnia and Herzegovina, have not delivered the change in approach we need, and they have not resulted in the much needed momentum for reforms.

In the past months we have seen negative and nationalist rhetoric from all quarters continuing to be the norm, instead of the exception. There have been numerous challenges to the Dayton Peace Agreement, both against the state and its structures and against the existence of Republika Srpska as one of the two entities of Bosnia and Herzegovina. Such attitudes directly impact on the political situation, by undermining inter-ethnic trust and making compromises even more difficult. And this needlessly slows down Bosnia and Herzegovina's path towards Euro-Atlantic integration.

The municipal elections in October further hardened the positions on all sides.

Let me offer you concrete examples: Over the past months, the Republika Srpska authorities have on numerous occasions challenged the institutions, competencies and laws of the state (listed in the report). In mid-October, the Republika Srpska National Assembly restated its conclusions of February this year, whereby it considers, that the Republika Srpska has

the right to hold a referendum on secession from the state of Bosnia and Herzegovina.

We have also seen political games being played at the direct expense of the Rule of Law, with the Republika Srpska Government officially denying the obligation for administrative bodies in that entity to co-operate with law enforcement and judicial bodies of the State, in a case, where they were conducting a pre-investigation, related to some contracts awarded by the Republika Srpska Government. Although in this case the Republika Srpska, after too many weeks, eventually delivered, these challenges are serious and require our full attention, since the rule of law is one of the pillars of a democratic state. In this respect, all individuals and all institutions in Bosnia and Herzegovina must cooperate with the state law enforcement and judicial bodies without conditions.

Of similar concern, are the difficulties my office has been encountering with Republika Srpska a number of times, when it comes to co-operating with the High Representative, as required by Annex X of the Dayton Peace Agreement. Repeated refusals to hand over requested documentation is again a very straightforward issue of respecting and meeting legal obligations, directly stemming from the Dayton Peace Agreement.



The recent criminal action, initiated by the Republika Srpska Government against a number of local and international officials, including my Principal Deputy, alleging a conspiracy to destroy that Entity, is another case in point. This is move against the action of the OHR in particular and against the international community as a whole. In this respect, I would like to remind you, that my Office has employed citizens of 37 countries over the last 13 years. It is the commitment of these – but also other – countries, that has made progress possible in Bosnia and Herzegovina. And it

is our responsibility not to allow the legacy of the Office of the High Representative to be undermined.

But challenges and negative rhetoric have come from all sides. In particular, the member of the Bosnia and Herzegovina Presidency Haris Silajdzic, has been continuously advocating his private political agenda, using his office and international fora, such as the UN General Assembly, to question the right for the Republika Srpska to exist. His unwillingness to respect the constitutional arrangements of Bosnia and Herzegovina were also reconfirmed in his recent letter to the Heads of State of the EU and the NATO countries. Such attitude only contributes to the Republika Srpska's suspicion towards Bosnia and Herzegovina and will not take the country anywhere.

All these events and the negative political climate, have resulted in marked decline in addressing reform. In particular, since the start of the municipal election campaign in the summer, there has been little progress in delivering the five objectives and the two conditions which have been set by the Peace Implementation Council, to allow for the closure of the OHR and transition to a stronger EU engagement in Bosnia and Herzegovina. There has also been very little progress in addressing the European Partnership priorities.

In particular, the state level institutions have suffered in this environment. The Parliamentary Assembly has clearly been underworked and it has only adopted 22 new laws in the first two years of its mandate. The Council of Ministers and the Presidency have also suffered from inter-ethnic tension and mistrust.

Let me underline, that Bosnia and Herzegovina, in order to move forward towards Euro-Atlantic integration, will need to change the way it conducts politics. Zero sum politics will need to be replaced by a politics based on compromise and a

readiness to meet each other half way. I cannot overemphasize this point. This is fundamental for a stable and forward looking country.

However, – while it is clear, that the political situation in Bosnia and Herzegovina continues to be difficult and fragile, it is also important to underline, that we have seen some encouraging signs in the past few weeks.

On 8 November, the presidents of the largest Bosniak, Bosnian-Serb and Bosnian-Croat parties, (SDA, SNSD and HDZ), agreed to a Joint Statement on a number of issues, many of which are of key importance for the future of the country: the three political parties agreed on a way forward on the objectives, which have been set for the transition of the Office of the High Representative to stronger EU engagement, as well as on constitutional reform and on a population census. Many of these issues, including the latter two, have been political stumbling blocks for months, and even years.

This is a positive agreement and was rightly welcomed by the EU Foreign Ministers on 10 November and the Peace Implementation Council Steering Board on 20 November. Overall, the joint statement offers the potential to break the current political deadlock. It is now important, that the proposals of the joint statement are put into concrete form, discussed and adopted by the relevant institutions in Bosnia and Herzegovina. In this respect, the decision by the Council of Ministers, shortly after the agreement, to concretely address these issues, is an encouraging development. The international community's role should be to support the political leaders in Bosnia and Herzegovina in these efforts. Ultimately, domestic-based compromise and consensus are the best – if not the only – way forward for Bosnia and Herzegovina.

Another important event during the reporting period was the

arrest of Radovan Karadzic in July. This arrest and the earlier apprehension of Stojan Zupljanin, to which the law enforcement agencies in Bosnia and Herzegovina contributed, is a sign of Bosnia and Herzegovina's willingness to move forward in this regard. The country has made significant efforts to maintain satisfactory cooperation with the ICTY.

Another area I would like to mention, is the economy. Bosnia and Herzegovina will, like most countries, face significant challenges on the economic front in 2009. All political leaders in Bosnia and Herzegovina are aware of this, and they have showed a readiness to take measures to address the situation. In November, the Council of Ministers decided to increase the guarantees for bank deposits to 10.000 EURO. Secondly, the State and the Entities have stepped up their efforts to better coordinate their fiscal policies.

Despite this good news, we must remain focused on the big picture. The positive steps, we have seen in the last few weeks, can easily be unraveled with new negative rhetoric and unilateral actions by any of the political leaders.

My primary task in the reporting period has been to facilitate the delivery by the BiH authorities of the five objectives and two conditions, set for the closure of OHR and transition to a reinforced office of the EU Special Representative.

You will remember, that the Peace Implementation Council Steering Board in February this year set five objectives, that will need to be delivered by the BiH authorities:

1. Acceptable and sustainable resolution on state property;
2. Acceptable and sustainable resolution of defense property;
3. Completion of the Brcko Final Award;
4. Fiscal Sustainability;

5. Entrenchment of the Rule of Law

In addition to these objectives, the Peace Implementation Council Steering Board agreed, that two conditions need to be met: the signing of the Stabilisation and Association Agreement and a positive assessment of the political situation in Bosnia and Herzegovina by the Peace Implementation Council Steering Board.

Even though all of these priority reform areas were established some time ago, and all were previously recognized by the authorities of Bosnia and Herzegovina as obligations, achieving these objectives has not been easy.

The Peace Implementation Council Steering Board has met twice since I was last here in May, first on 25-26 June and then most recently on 19-20 November.

Overall, the Peace Implementation Council has taken the view, that there has been progress in implementing the conditions for transition from the Office of the High Representative to a European Union Special Representative, but a lot still remains to be done by the authorities in Bosnia and Herzegovina to complete the work.

At the Peace Implementation Council meeting on 19-20 November, the PIC members underlined, that further efforts are in particular required in resolving the issues related to State and Defense property and the future status of the Brcko District, before it can take a decision on the transition from the OHR to the EU Special Representative. It agreed to strongly engage on both these issues in the weeks and months to come, in support of the Office of the High Representative, in order to reach solutions by spring.

This will not be easy, but it is a prerequisite for the transition, which all PIC Steering Board members agree to.

This means, that the OHR will continue to carry out its mandate under the Dayton Peace Agreement into 2009. The next Peace Implementation Council meeting, at which the OHR's future shall be considered, will be held on 25 and 26 March next year.

The recent Peace Implementation Council meeting also marked the beginning of the PIC's discussion about the overall architecture of the International Community's future engagement in Bosnia and Herzegovina.

All the capitals of the members of the Peace Implementation Council share the assessment, that we must fully focus on our re-engagement in the country, in order to fulfill our mission. In this respect, our priority focus will have to be delivery of the OHR work plan – but at the same time, it is clear, that the International Community and the EU in particular, will need to start preparing for the next step.

This approach, and the European Union's readiness to assume a greater role in Bosnia and Herzegovina, after the closure of the Office of the High Representative, has been welcomed by the Peace Implementation Council. It will now be important for the EU to have a detailed and convincing strategy in place, when the time comes for transition. This will greatly facilitate a decision on the transition and the way ahead.

The EU Foreign Ministers recently (10 November) gave a clear signal of determination to move forward in this direction, and welcomed a joint report by High Representative Solana and Commissioner Rehn on a stronger and more robust EU engagement in Bosnia and Herzegovina in the future. This report will serve as a basis for elaborating a renewed EU strategy for Bosnia and Herzegovina in the next weeks and months.

I underline again the importance of the international

community giving Bosnia and Herzegovina the sufficient and the deserved attention. The recent focus, which has resulted in a series of high-level discussions on Bosnia and Herzegovina, and a number of high-level visits to the country, have clearly had their affect.

There is no doubt, this has contributed to the political agreement reached by the biggest political parties on 8 November. It is important, that the UN, EU and the wider international community ensure a proper follow up: We have our responsibility in Bosnia and Herzegovina and must live up to it.

Finally, I consider the Resolution of the UN Security Council on 20 November, to extend the EUFOR/Althea mandate for an additional year, as another strong commitment and a sign of unity of the international community, and therefore, I would like to express my appreciation for its adoption. It is appropriate to say, that the presence of EUFOR/Althea is welcomed by all three constituent peoples in Bosnia and Herzegovina.

The new UN Security Council Resolution on Operation Althea, together with the commitment by the EU Foreign and Defense Ministers from last month, to maintain EUFOR in its current strength, is an important aspect of EU's overall strategy in Bosnia and Herzegovina. Once the "political situation allows", the EUFOR/Althea mission will be transformed into a smaller, non-executive military mission.

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For the future, it is important that we maintain the momentum, we have achieved in the past weeks, in order to ensure progress. Let me stress once again, that the wider international community needs to continue to give the necessary attention to Bosnia and Herzegovina. In this way we

can help the country to ensure political stability and progress towards Euro-Atlantic integration.

It is also important, that we recognize the more positive atmosphere of the last few weeks and build on the emerging readiness to compromise. The goodwill is fragile. And therefore it is all the more important, that it is safeguarded, in order to deliver the concrete outputs, that are needed.

Our stronger engagement is our best chance to complete the OHR work plan and to move towards a stronger EU engagement in the country. However, we must be looking beyond our day to day activities and plan ahead for the EU's future lead role. In the weeks and months ahead, the EU will be working hard to develop a coherent and robust strategy, in anticipation of the post OHR period and the continuing challenges it will bring. The question of transition is not about the administrative issues of OHR to EUSR transition; – it is about ensuring the lasting stability of Bosnia and Herzegovina.

Two weeks ago we marked the 13th anniversary of the initialing of the Dayton Peace Agreement. In this context we need to ensure, that the nature and level of our engagement is appropriate for a country in this stage of its postwar recovery and European integration.

The end state, which we all wish to see, is clear, Bosnia and Herzegovina as a “peaceful, viable state irreversibly on course for European integration”.

The citizens of Bosnia and Herzegovina deserve a European future. They must have full confidence, that we are here to help now and will remain with them to finish the job through to the end.

Thank you.