



High Representative Miroslav Lajcak's statement at the press conference following Peace Implementation Council Steering Board meeting

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Ladies and Gentlemen,

We have just concluded our session of the Peace Implementation Council Steering Board.

Our discussion over the last two days was an opportunity to assess the political situation in BiH with BiH leaders and within as the Peace Implementation Council Steering Board. Conclusions of our discussion are outlined in the Communiqué that was unanimously adopted.

Let me share with you the PIC's assessment.

Over the last four months we have seen significant progress on two fronts

First, the country signed the Stabilisation and Association Agreement. This sets the agenda for progress and confirms that both the European Union and BiH are fully committed to the European future of this country.

and

The second, on 8 November the leaders of the three biggest political parties in BiH reached an agreement on a number of key reform issues which, if developed, could lead to a substantial positive change in the way the international community operates in Bosnia and Herzegovina.

On the other hand, we have witnessed nationalist and destructive tensions that have blocked significant progress over the last two years.

This meeting of the Peace Implementation Council Steering Board also marked the beginning of the discussion in the PIC, about the future engagement of the International Community in Bosnia and Herzegovina. This discussion will continue.

In that context I see it as the logical continuation from the conclusions of the EU Foreign Ministers meeting of last week.

The end state that the PIC and the EU wish to see is clear, Bosnia and Herzegovina as a "peaceful, viable state irreversibly on course for European integration".

The PIC today said that transition from the current engagement founded in the thirteen year old peace agreement embodied in the OHR to an engagement driven by the country's own EU aspiration, is our objective.

The PIC made clear that this change can not come about until the measures set by the PIC in February, our 5+2 workplan, and which are designed to build and strengthen the State have been met.

At this point the BiH authorities have not completed the work plan adopted by the Peace Implementation Council Steering Board in February.

This means that OHR will continue to carry out its mandate under the Dayton Peace Agreement into 2009.

The country's leadership is not fully focused on bringing the country closer to the EU.

Yesterday members of the Peace Implementation Council Steering Board told the BiH party leaders that the slow pace of reforms and the prevailing divisive and destructive rhetoric that is challenging Bosnia and Herzegovina's constitutional structure will neither build the state nor will it result in progress on EU integration.

Unanimously the PIC Steering Board said:

- * there can be no unilateral division of Bosnia and Herzegovina
- * there can be no abolition of the Entities.

Since our last session we have witnessed a number of attacks on state institutions, and the Dayton constitution, coming from both Sarajevo and Banja Luka.

Such political acts complicate the situation and make progress difficult.

How to move forward?

The agreement of 8 November reached by three of the political leaders on resolving issues related to State and Defence Property, the status of Brcko, a census and also launching the process of constitutional reform represent a very good starting point.

We, as the International Community are willing to support every domestic initiative and solution that takes this country forward. The best solutions are the ones that are a result of negotiation, compromise and agreement between the representatives of the peoples of BiH.

The PIC called on BiH's governing coalition to get behind the initiative of the three party leaders and to turn these political commitments into concrete legislation. Implementing this agreed agenda will mean that significant progress can be made in completing the PIC work plan and creating a positive atmosphere in the country.

The PIC assessed that there has been progress on all but two outstanding issues, State Property and Brcko District. There is full commitment that transition from OHR to EU led presence on the ground can only take place once all of

the conditions and objectives are met.

Although the time has not come yet for OHR closure, we are looking at how the International Community will continue its engagement in Bosnia and Herzegovina in the future.

Tomorrow we will mark the 13th anniversary of the initialling of the Dayton Peace Agreement and 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.

During the last two months I have visited all the PIC capitals in order to facilitate a constructive and collective dialogue that will allow Bosnia and Herzegovina's international partners to address the key outstanding peace implementation tasks in an effective way. This discussion is taking place simultaneously in a number of fora.

On 10 November the European Union Foreign Ministers gave a clear signal that the EU is ready to enhance its engagement in Bosnia and Herzegovina and eventually take on full responsibility. They adopted a report by HR/SG Solana and Commissioner Rehn outlining an evolving EU policy towards Bosnia and Herzegovina. This report will be a key document guiding the EU's future engagement. This was stressed by the members of the PIC.

This meeting of the Peace Implementation Council marks the beginning of the PIC's discussion about the overall architecture of our future engagement. This is a matter of the utmost importance to the PIC countries and, of course, to the people of Bosnia and Herzegovina, and it will take some months to arrive at a clear view of our future engagement.