

Speech by High Representative/EU Special Representative Miroslav Lajčák At the Paul H. Nitze School of Advanced International Studies

Bosnia and Herzegovina's Future in the European Union

Ladies and Gentlemen,

I am thrilled to be here today, some of your graduates are currently members of my team. This is an important period for Bosnia & Herzegovina, and for the Western Balkans as a whole. I want to use this opportunity to tell you where I believe Bosnia & Herzegovina is at present, and where it should be headed.

Bosnia & Herzegovina (or BiH) is a complicated country. It is a state, comprised of two entities, with three constituent peoples: Bosniaks, Croats and Serbs. It has five Presidents, four Vice Presidents, thirteen Prime Ministers, fourteen Parliaments, one hundred and forty ministers and seven hundred members of Parliament, all of whom serve a population of just under four million people. Even in Socialist Yugoslavia, BiH required the most sensitive balance of power and administration of any of the Republics. That legacy is still true today, although exacerbated by the divisive nationalism of the war.

The three and a half years war around 100,000 people were killed and 2 million made homeless. We can never forget this why the International Community presence in Bosnia and

Herzegovina is different than in other places. The war ended in November 1995 with signing of the Dayton Peace Agreement, through which my office, the Office of the High Representative was created to supervise civilian implementation of the peace agreement. In the period after the war the High Representative was vested with unprecedented executive powers to impose legislation or remove officials from office. To date these powers have been used more than 800 times.

In the 13 years of post-war reconstruction the International Community has made a huge political and financial investment into the country to make it a functioning state. With confidence we can say that Bosnia and Herzegovina has been a success. In no other post-war environment we managed to achieve a stable, safe and secure environment, almost immediate freedom of movement, return of more than 1 million refugees and displaced persons and significant progress in state building.

This year also, BiH made important progress. Following a crisis last year, the political environment has stabilised. The Prime Minister is back at work, and the Parliament is again debating and passing legislation.

We have seen important progress on BiH's European journey. Following an agreement in April this year on the key EU condition – police reform, the Stabilisation and Association Agreement (or SAA) is within reach. This, together with satisfactory progress on the other conditions, has led to Commissioner Rehn recommending to EU Member States to sign the SAA with BiH. This is now due to take place on June 16th.

There has been progress on other areas too. Despite strong divisions between some of the International Community partners, the Peace Implementation Council Steering Board has agreed a conditions-based strategy for transition from the Office of the High Representative (OHR) to the Office of the EU Special Representative (EUSR). Most recently we have

headed off a potentially serious crisis over the voting rights of Bosniaks in Srebrenica, which could have seen the International Community labelled as being complicit in genocide. I am especially grateful to the US Ambassador, Charles English for his key role in resolving this.

These are real achievements. But there are still many problems, some of them fundamental; that continue to hold Bosnia and Herzegovina back. In many other areas the reform process has been more or less stalled for two years. Where progress has been made, it has been hard-won, requiring disproportionate input from the International Community.

More generally, although majorities of each of BiH's constituent peoples now accept the country as their common homeland, they have completely different visions of the country's past, its present, and its future.

Bosnian Serbs' loyalty is conditional upon the others' acceptance of the RS as legitimate and permanent. The RS is, for the Serbs, not up for discussion. Worse, the Bosnian Serbs regularly seek to undermine state institutions, or question the state itself. Both such activities speak volumes about their commitment to BiH as a common state, and to the Dayton Peace Agreement they claim to believe in.

Bosniak leaders argue that the Republika Srpska, the smaller of the country's two Entities, is illegitimate. They have a problem accepting its existence. They wish to increase the powers of the central government, and do away with the Entities. In doing so, ironically; just like the Serbs – but from the opposite perspective, the Bosniaks are in defiance of the Dayton Peace Agreement that it is my mandate to uphold.

The Croats, for their part, fear being caught between the two much bigger ethnic groups. Their focus is on constitutional reform, and their aim is to claim for themselves a firmly defined position in a new constitutional arrangement.

The overarching political challenge in BiH is how to deliver agreement on reforms in a political system where the three communities have conflicting visions of the future of the country. These conflicting visions play themselves out on a daily basis, in the form of conflicting views on almost every single issue on the agenda of government.

To some extent, the problems of BiH arise from an exceptionally developed and persistent sense of communal insecurity. This is the legacy of the old the Yugoslav system, in which people had its "own" republic or autonomous province.

Now, in an independent BiH, everybody wants to have a unit or a state of their own. Nobody wants to be a minority.

As a result, significant numbers of BiH citizens tolerate – rather than embrace – the idea of BiH statehood.

As I stated at the beginning, over the last 13 years, the International Community has made a sustained and creative effort to turn Bosnia and Herzegovina into a functional state that can serve the needs of its citizens, even when those same citizens may hold different views as to how the state should look and what sort of state it should actually be.

Nationalism, however, still wins votes. And a decade and a half after the war, vast majority of BiH politicians continue to view almost every issue through a nationalist prism. There is a mutual recognition amongst politicians of how powerful an instrument it is in Bosnian politics. Nationalism is used by all sides to hide the simple fact that politicians regularly fail, and often even fail to try, to deliver concrete benefits for their citizens.

As a result, the country's effort to complete its post-war recovery and move into the next stage of its evolution – the high road to Europe – has been delayed for too long.

The near paralysis of the state, caused by competitive nationalism between the three ethnic groups, makes Bosnia and

Herzegovina different to other countries in the region.

We have seen this in particular with reference to developments in Kosovo, with the Unilateral Declaration of Independence, and in Serbia, mostly in response to that Declaration. Though there is no legal link between the status of Kosovo and Bosnia and Herzegovina, the political and cultural ties that bind the Bosnian Serbs with the Serbs of Serbia have been well-exploited within Bosnia. Strengthening the position of the RS, by raising the possibility of *its* internal independence from BiH. This, in turn, has played into the nationalism I described above, and has encouraged Croat claims to a third entity. It has also raised Bosniak fears about the territorial integrity of the state, and whether or not the international community would continue to intervene on their behalf.

In short, the situation in Kosovo has been utilized so as to raise tensions amongst and between all three constituent peoples, even if, on the surface, everything looked relatively calm and under control.

This complicated dynamic makes progress difficult. Fortunately, however, it does not make it impossible.

European Perspective

The fact is that the incentive of eventual European Union membership and the enormous resources that accompany EU integration have combined to address many of the challenges posed by the country's particular historical problems.

The main goal of our future engagement will be to ensure that the EU integration is at the top of the political agenda as the main cohesive factor.

As in recent years the activities and capacity of the Office of the High Representative have been scaled back, the

activities and capacity of the Office of the EU Special Representative have been expanded. This is not a coincidence. EU integration addresses fundamental issues of BiH statehood. The EUSR is therefore the natural successor to the OHR as the principal coordinator of international engagement in Bosnia, once the time for closure has arrived.

Before this transition can take place, the PIC Steering Board in February of this year listed the remaining core peace-implementation tasks to be completed. The objectives that will need to be delivered by the BiH authorities prior to transition are:

1. An acceptable and sustainable resolution of the apportionment of State Property, thereby ensuring that the State has the property that it needs in order to function.
2. An acceptable and sustainable resolution of defence property.
3. Completion of the Brcko Final Award – finding a sustainable and self-governing solution for the disputed district that currently is held in condominium by both entities and is currently under direct supervision of an international Supervisor.
4. Ensuring fiscal sustainability, by creating a National Fiscal Council to ensuring the state spends within its budget, and by agreeing a permanent and fair division of indirect tax revenues between state and entities.
5. Entrenchment of the Rule of Law, specifically by adopting a National War Crimes Strategy and a National Justice Sector Reform Strategy, and by enacting a Law on Aliens and Asylum.

In addition to listing these objectives, the PIC laid down two conditions. Bosnia and Herzegovina must sign a Stabilisation and Association Agreement – this condition will be met in a

matter of days – and the PIC will have to be in a position to make a positive assessment of the political situation in BiH based on full compliance with the Dayton Agreement.

Since February we have seen moderate progress on fulfilment of these objectives. Bosnia is therefore now in the very demanding phase of concluding the implementation of Dayton while starting the intensive process of EU accession. Managing this requires judgement, and focus.

My own strong belief is that BiH is best safeguarded by continued progress towards Europe. This is the reason that, in contrast to my predecessors, I have been far more active as EU Special Representative.

Towards the Future

Thirteen years after Dayton, the same kind of IC engagement – tens of thousands of peace-keeping forces, an interventionist High Representative who fires officials and imposes legislation – requires a degree of political focus from the international community that BiH no longer enjoys. Nor would it be logical for it to do so. The “hard power” of the US and its allies in the PIC created and enforced the Dayton Peace Accords. Dayton was a great success in that respect; it stopped a bloody civil war. Bosnians are still arguing about Dayton, but they are at least alive.

The Office of the High Representative was created to oversee Dayton, not to permanently govern the country. Instead, we must look to the “soft power”, as Joseph Nye would call it, of European integration to deliver reform and safeguard stability.

In terms of EU accession, we need to be pragmatic, and proceed step-by-step. We should make it clear to BiH leaders what is required at each stage of the process. We must set the bar

neither too high nor too low. We should not invite BiH into the accession process for nothing. But we cannot abandon them either. It is and should continue to be a careful balancing act, especially given the limits of EU influence.

Closing the Office of the High Representative will be recognition of the fact that Dayton has succeeded in what it set out to do. But closure, and transition to the Office of the EUSR, should only happen when the conditions are fulfilled. Fulfilling the conditions themselves will not be easy. Nor do they, in themselves, guarantee success – they are necessary conditions, but not sufficient. The additional requirement is, and will always be, the political will by all sides to work together on areas of common interest, and to seek solutions, not conflicts, where-ever possible.

In this respect Srebrenica has represented a positive example of what can be done with political will. In May, the BiH parliament enacted an amendment to the electoral law that will allow the voting roll in the municipality of Srebrenica to continue reflecting the demographic picture that obtained before 1995, even though many Srebrenica voters now reside outside the municipality. The parliamentary consensus on this issue reflected a wider consensus in the country that circumstances created by the conflict require enlightened and principled administrative and political responses.

At the same time, however, Bosnia and Herzegovina has to tackle both its past, and its destructive legacy. Furthermore, it needs to agree on the fundamental issues that will enable its journey to Europe. Perhaps the most important of these is the question of a new, or reformed, constitution; that is one of the Annexes of the Dayton Peace Agreement. This issue is coming to the top of the agenda.

Constitutional Requirements

To join the EU, Bosnia must make its constitutional framework compatible with EU administrative and political requirements. An initiative launched three years ago to engineer a new post-Dayton constitutional settlement in Bosnia stalled amid bitter arguments and a hardening of political positions.

However, I believe that BiH leaders *will* be able to agree on constitutional steps that are necessary *to secure EU membership*. Why? Because around 70% of the Bosnian electorate want their leaders to take BiH into Europe. The main political players may not be inclined to accommodate one another, but they *will* be expected to work together to find common agreement on a bare minimum of constitutional arrangements that are consistent with the demands of European membership.

Southeast Europe and the EU

When the EU took over peacekeeping duties in BiH from NATO three years ago some observers expressed misgivings. This was the first instance in which the EU had assumed a military responsibility beyond its borders.

Any doubts have now been put to rest. Under EUFOR's mandate there has been no erosion of Bosnia's security environment.

Yet the EU has had to marshal its diverse resources and develop additional administrative and political capacity in order to engage effectively, not only in Bosnia and Herzegovina but in Southeast Europe as a whole.

The EU will not do this alone. The international partners, most notably the USA must continue to play a positive role in helping the country. By coordinating our efforts and working

in harmony we can speed up the necessary reforms.

I am a strong believer that all the countries in the region must move forward and each country's progress creates a positive momentum for the whole region.

However, we must take into account that each of the countries is closely following its neighbours and any sign of differential treatment will be noted.

The demands of maintaining consistency, in terms of EU diplomacy and internal coordination, will be worth the effort, however.

Romania and Bulgaria are already EU member states (something that a decade ago would have struck many as at best a very distant possibility); Croatia is well on the way to membership, and the Former Yugoslav Republic of Macedonia now has candidate status. Montenegro signed an SAA with the EU last year, and even Serbia, in the midst of its pain over Kosovo, has also signed an SAA last month. The countries in the region are moving at a different pace, but success in one country improves the overall environment and thus enhances the prospects of neighbouring countries.

In all these countries – and this is manifestly the case in Bosnia and Herzegovina – there is overwhelming popular support for the European path. It is this as much as anything that will make it possible – sooner rather than later, we hope – for Bosnia and Herzegovina to complete the final stage of its post-war recovery. Once it does this, we can then turn our undivided attention to the steps that are necessary to secure membership of the EU.

Thank you.