



Speech by High Representative and EU Special Representative Miroslav Lajčák to the UN Security Council

Mr President, Ladies and Gentlemen,

I am pleased to have the opportunity of speaking directly to the members of the Security Council this morning, because the international community's strength of purpose underpins the continued recovery of Bosnia and Herzegovina – a country whose fortunes have in the last fifteen years been inextricably linked with decisions made in this chamber – and this is the appropriate forum in which to reiterate that strength of purpose.

An Alternative Road

In the years immediately after the war, the momentum for Bosnia and Herzegovina's recovery was sustained by the painstaking and determined implementation of the Dayton Peace Agreement (DPA). A new momentum developed when BiH citizens began to view eventual membership of the European Union as the path to permanently advance their country away from violence, mistrust and deprivation.

At the end of 2006 negotiations on a Stabilisation and Association Agreement with the EU were successfully concluded. However, since key political EU requirements, in the field of Police Restructuring, ICTY Cooperation, Public Administration Reform, and Public Broadcasting Reform, have not been met, the SAA has not been even initialled yet.

This unfortunately means that, of all the countries in the Western Balkans, today Bosnia and Herzegovina is the

last in line of the EU integration process.

This was a choice made by the leaders of Bosnia and Herzegovina who participate in government majority. Their choice is in diametrical opposition to the wishes of the people, 70 percent of whom want Bosnia and Herzegovina to become a full member of the European Union.

Even though the road to Europe is currently blocked due to the lack of political will and compromise of the local leaders, it has no alternative. At the same time, the country cannot simply stand still. Bosnia and Herzegovina must move forward. Its people cannot be expected to put up indefinitely: with corruption, with poverty, and with chronic inefficiency of government institutions and public services. They cannot be expected to endure the dysfunctionality of the executive and legislative institutions of the country.

This in a country where half the population live on or below the poverty line and where economic legislation is desperately needed in order to stimulate job creation and raise living standards!

In addition, a country preparing itself for EU membership has to adopt thousands of pieces of legislation and regulations in line with the EU. At the current pace this process will take many decades. For example – in last year only an insignificant number of laws that are important for European integration have been passed.

This is the context in which the International Community assessed that the time was not yet right to leave Bosnia and Herzegovina. This is why the Steering Board of the Peace Implementation Council confirmed in June this year that OHR should remain in place and carry out its mandate under the Dayton Peace Agreement. My full mandate as the High Representative remains. The Peace Implementation Council confirmed that mandate and expects it to be implemented.

Let's be clear – local ownership remains the goal, yet PIC decided in February that this country is not yet ready for self-government, given how politics both in Bosnia and Herzegovina and the region have played out over the past 18 months. This means that OHR still has a substantial role to play.

Recently, I used my mandate to facilitate the functioning of the Council of Ministers. Further, I invited the State Parliament to propose amendments to its rules of procedures to facilitate the functioning of Parliament. I acted in order to resolve a situation in which members of the Council of Ministers can block the machinery of government simply by choosing mere absenteeism from cabinet meetings.

In addressing structural deficiencies in the existing political and administrative system I have acted firmly within the letter of the DPA and the BiH Constitution and promoted the spirit of both. The legal assessment of the measures is confirmed by all the countries represented in the Peace Implementation Council Steering Board and all EU Member States. As you know, the UN Secretary-General himself recently expressed his concern at attempts to block the implementation of my decisions, and called for constructive co-operation from all sides.

Notwithstanding the impulsive reaction by only one of the three constituent peoples, I have continued my efforts to clarify the decision and to legally confirm that the measures are fair, balanced and positive for functioning of the BiH institutions. None of these measures eliminate the BiH entities' constitutional prerogatives, nor affect any elements of protection of vital national interests of any of the constitutive peoples.

However, acting in good faith to address concerns expressed by one of the constituent peoples, I am the first High Representative who has provided an explanatory note on my measures. I have offered to make it binding, as requested, and subsequently I have offered to adjust the legal opinion reflecting talks between our lawyers. Agreement has not been reached yet, but efforts will continue.

What we have to acknowledge is that BiH is in crisis. The measures I have taken on 19 October simply brought to the forefront the underlying issues that have been poisoning the political atmosphere for almost two years.

It is a crisis that requires the full attention of the IC. It must be seen as part of a broader situation in the Western Balkans, rather than a separate issue.

By starting to tackle the real problems we only launched a reaction that was simmering under the surface. Simply sweeping the problem under the carpet will not solve it. A failure to acknowledge the seriousness of the crisis and to act accordingly will carry a heavy price.

The members of the Peace Implementation Council have repeatedly stressed that the goal of the International Community is to give ownership of the political process back to the people of Bosnia and Herzegovina. As the representative of the international community I will continue to work hard to achieve this.

A major step forward in this regard is establishing institutions that cannot be sabotaged for the sake of narrow party-political interest. In fact, I would suggest that the recent amendments to facilitate the work of the Council of Ministers will be a positive recommendation for OHR closure when the time comes to discuss that transition.

For now, though, that discussion is a long way off. Right now, there are two options: escalation or deflation. Local actors can continue to act in bad faith and continue to escalate the situation. Or they can act in good faith, act to deflate the situation and direct Bosnia and Herzegovina back onto its European path. The PIC Steering Board said at its October meeting that "it is time for the BiH politicians to end the practice of questioning the fundamental structure of the state or its component parts. BiH urgently needs reform to build the kind of modern efficient state that can take its place in Euro-Atlantic institutions and fulfil the promise of the Dayton Peace Accord. This can only be achieved through compromise."

Compromise and agreement is possible – we saw this recently with the Mostar Declaration on police reform. Not enough for initialling the Stabilisation and Association Agreement, but a positive basis on which to move forward. We saw this with the adoption of a new Economic Platform by the State and Entity Prime Ministers a few weeks ago – I will say more on this later. But the reality is that we need continued international community engagement if these initiatives are to bear further fruit.

Effective International Consensus

Mr President, for more than a decade the members of the Peace Implementation Council have reached an effective consensus on how to support Bosnia and Herzegovina's post-war recovery. To date that consensus has been firm and must continue to be maintained.

At the last meeting of the Peace Implementation Council Steering Board, in Sarajevo on 30 and 31 October, the Political Directors were unanimous in declaring again that the PIC will not remain passive in the face of provocative statements or acts.

This unequivocal statement of the International Community's position was timely – since some BiH leaders, and some government representatives outside Bosnia and Herzegovina, have begun to assert the sort of views that produced a catastrophe 15 years ago.

The International Community is not a well meaning bystander in the politics of Bosnia and Herzegovina; it is a guarantor of the settlement that has maintained peace in the country for more than a decade, and it must show that it continues to take this duty seriously.

Safe and Secure Environment

In just a few days from now the Security Council will discuss an extension of the mandate of the European Union's military deployment in Bosnia and Herzegovina. Let me state very clearly here that extending EUFOR's mandate is a key guarantee that political issues that must be addressed as part of Bosnia and Herzegovina's post-war recovery can be addressed in a safe and secure environment.

In the Western Balkans remaining core issues arising from the break-up of former Yugoslavia are now being resolved. I believe it is imperative that we keep in place the military capacity that currently exists, so that there is no possibility of any party undoing the progress that has been achieved so far.

Since taking over from the Stabilisation Force – SFOR in December 2004 EUFOR has assisted in the complex process of downsizing, democratizing and preparing the BiH Armed Forces for eventual NATO membership; and helping the BiH authorities apprehend indicted war criminals.

In 2007 EUFOR completed ahead of schedule its transition to a reduced force structure of some 2,500, while

retaining capacity to deploy troops throughout the country at short notice as well as the capability of bringing in over-the-horizon reserves. It has the right mandate and the right resources and these should remain in place until it has completed its task.

As the European Union's Special Representative in Bosnia and Herzegovina, I am responsible for ensuring that the EU's presence in the country is coherent, consistent and effective; this involves providing political oversight to EUFOR and to the EU Police Mission (EUPM). Following the request made by the BiH Presidency in September, the EU is likely to renew the EUPM's mandate for another two years when the present mandate expires this December.

The decade long effort to modernize and democratize the BiH police service was carried forward in the early years by the UN's International Police Task Force (IPTF). As you know, one issue left over from the work of the IPTF involved police officers who had failed to be reappointed under the IPTF review process and who were without the right of appeal after the end of the IPTF's mandate. Following the Security Council's intervention, a solution is now being implemented, albeit with some administrative difficulties. I will continue to monitor this process and work to ensure that Bosnia and Herzegovina fulfils its obligations to the United Nations in this matter.

Mr President, Ladies and Gentlemen, I have endeavoured to set out for you a realistic picture of where we stand in Bosnia and Herzegovina. I have been candid about the shortcomings of the political elite. I brought to your attention some signs that these limitations may not be endemic. Bosnia and Herzegovina's leaders can act in an enlightened and inclusive way, and we will encourage them to do so more consistently in future.

Platform for Action

On 16 October, the three prime ministers and the Mayor of Brcko signed a "Platform for Action" which identified key areas of economic reform where they are in agreement, and committed them to supporting legislative and administrative steps in these areas. This too has been an encouraging development.

Bosnia and Herzegovina is in its fourth year of stable economic performance, with GDP growth estimated at six percent in 2007. Inflation remains low and the current account and trade deficits are contracting. However, until now, efforts to improve the business environment, attract investment and create desperately needed jobs have been stymied by political gridlock. Yet in many cases relevant legislation is ready to be debated and enacted.

Creating a better business environment by improving the banking supervision system, regulating the pharmaceutical market, establishing a proper system for allocating tax revenue, modernising the commercial code, and setting up an effective BiH Social and Economic Council can all be carried forward in the coming months if the political leaders abide by their commitment to focus on economic reforms. Coordinating the fiscal policy objectives of the various levels of government and rationalising wages in the public sector are also areas where we will be seeking an end to legislative delay.

Srebrenica

I would also like to draw attention to the degree of consensus that has been forged and maintained in addressing the continuing suffering of people in the Srebrenica area. I can report that the annual commemoration passed off peacefully this year.

RS government has allocated generous development funding for the Srebrenica region. Currently, all of the domestic authorities are participating wholeheartedly in an initiative led by my Special Envoy Ambassador Clifford Bond, under the auspices of the OHR, to identify social, economic, security and judicial improvements that can be made in the Srebrenica area. On 6 November Ambassador Bond chaired a major international investment conference designed to attract private investment to Srebrenica. My Office will continue to support this process.

In July I ordered the seizure of passports and travel documents of 93 persons being investigated for war crimes committed in and around Srebrenica in 1995, 35 of whom were subsequently suspended from their posts in the RS police. In addition, OHR has lobbied for funding for more investigators to be hired by the State Prosecutor's Office in order to investigate persons who may have participated in the Srebrenica genocide.

When my predecessor addressed the Security Council in May he drew attention to the International Court of Justice's ruling that genocide occurred in Srebrenica and urged the Security Council to establish a UN Day of Srebrenica to mark the tragic events that occurred there in 1995, and to pay respect to the victims of genocide and their families. This is a proposal that I too would urge the Security Council to act upon.

Justice and Peace

The OHR is continuing to support and coordinate reforms in the justice sector, and is promoting a renewed assault on organized crime and corruption. Recently my office convened two brainstorming sessions regarding justice sector reform issues. The first brainstorming session included members of the Peace Implementation Council, the Steering Board of Ambassadors and other key international organizations and donors, while the second session was held between representatives of the international community and the authorities from the justice sector in Bosnia and Herzegovina. Issues covered at the two brainstorming sessions included the crucial need for strategic documents such as a more general justice sector strategy, and a national strategy on addressing war crimes. Based on this further support and assistance from the International Community can be determined, such as: the State Prison Project, International Presence in BiH Judiciary, Satellite offices of BiH Court in war crime matters, Separation of the BiH Court and Prosecutor's Office, the issue of Appellate Court and Budget amalgamation.

As a result of this initiative partial funding for the building of a state prison has been secured, and the Ministry of Justice has created a working group tasked with drafting a comprehensive war crimes strategy so that war crimes cases can be properly prioritized and processed. Also a State Strategy for the Justice Sector is being finalized. The arrests of two further ICTY indictees in Bosnia and Herzegovina and in Montenegro reduces the number of ICTY fugitives to four.

Mr President, the need for a united and decisive approach to the challenges of Bosnia and Herzegovina on the part of the international community has never been greater. We are engaged in removing the final obstacles to this country's permanent rehabilitation and facilitating its full integration in Euro-Atlantic structures. We are committed to a policy of ownership and we will not allow selfish or short-sighted calculations by BiH politicians to derail this process. However, with the road to Europe currently blocked it is incumbent on us to act – robustly and creatively – to accelerate improvements in the daily life of the people of Bosnia and Herzegovina, to deescalate the crisis that has been created. We must likewise ensure that no developments in other parts of the Western Balkans are allowed to prejudice the positive prospects that Bosnia and Herzegovina is poised to enjoy after a decade of hard won progress.

To conclude, there is much to be done both by our local partners, the international community and OHR. We fully understand our responsibility and this is why we have invested so much in the past twelve years. Our responsibility means that we cannot abandon BiH.

There are clearly two options for the short-term future of this country. The first is continued escalation by the BiH politicians, creating instability and blocking any progress. This option will lead to instability and further political conflict,

The second option is for road to Europe to be unblocked as soon as possible. This will bring clear benefits to all the citizens of the country and contribute towards regional stability and security.

For this to be achieved political crisis must be overcome; there must be concrete steps on Police reform so that the Stabilisation and Association Agreement can be signed and implemented. The remaining war-crimes indictees must be transferred to the Hague Tribunal. Constitutional reform must be launched in order to improve the functionality of the state and its institutions.

It is my responsibility to approach these tasks with energy and confidence and I will work constructively with all local partners who want to do the same.

In the final analysis, I believe that all of the countries of the PIC, together with the Bosnians themselves, desire the same thing; the full implementation of the Dayton Peace Agreement, and a stable, sustainable Bosnia and Herzegovina irrevocably on its way to EU membership. The question is not whether there should be local ownership, but when.

But with local ownership comes a responsibility for local leadership, to make the necessary political compromises required in a modern democratic state. This is the key to local ownership. Therefore I call on the leaders of BiH to demonstrate such leadership in the coming months; to pull back from confrontation and nationalism, to meet the conditions for the EU SAA, and to put in motion a constructive dialogue on reforming the Constitution.

Thank you.