

## **HR's remarks to the OSCE Permanent Council**

Ministers, Ambassadors, Ladies and Gentlemen,

I would like to thank you for asking me to contribute to today's discussion, which is part of a rolling and – I'm please to note – *constructive* debate that has evolved through the series of conferences organised to mark the tenth anniversary of the end of the war in Bosnia and Herzegovina.:-

I have just come from a meeting of the Peace Implementation Council, held in Paris to mark the signature of the Dayton Peace Accords.

As you will know, the PIC on Wednesday formally nominated my successor, Dr Christian Schwarz-Schilling, so this will be my last appearance before you as High Representative for Bosnia and Herzegovina . I would like to take this opportunity to thank you, and the OSCE mission in Sarajevo , for providing me with invaluable support throughout the three and a half years of my mandate.

The tenth anniversary of the DPA has generated a plethora of conferences and commemorative events.

One by-product of this is that, as High Representative, I have been delivering far more speeches recently than is conscionable – even for an ex-politician.

But the issues under discussion arguably have more relevance now in a world increasingly scarred by civil conflicts than when Dayton was signed 10 years ago.

In BiH we have learned how to bring a country back from the trauma of war and the awful human tragedy of political and social collapse.

Those lessons need to be understood; and they need to be passed on.

I doubt any commentator sitting in that air-force base in Dayton Ohio in 1995 could have imagined how much progress BiH would have made in 10 years.

A decade after the bloodletting of the early nineties a new Bosnia and Herzegovina has emerged. Remarkably, despite the bitter fighting during the war, the people of Bosnia are together building the structures of a modern European state.

The armies that fought each other are in the process of being unified, under the command of the State and through in large measure, to the leadership of NATO and the OSCE. The 13 police forces that were established under the peace agreement are at the start of a reform process that will reach its conclusion with the creation of one, BiH-wide police force.

One million refugees have returned to their homes.

The Mostar bridge has been re-built and the city has been unified.

There is a single tax system, a single customs services, one judiciary and one intelligence service – on short, the outline structure of a modern European, highly decentralised State.

These things have been achieved through the fortitude and talent of the people of Bosnia and Herzegovina .

It is has also been dependent on the vision of a single future that has been provided by the prospect of EU membership.

The EU began as an initiative primarily aimed at ending the cycle of wars that afflicted Europe in the first half of

the last century.

It has worked. It has made conflict in Western Europe unthinkable.

It can do the same for the Balkans.

On 25 November, BiH statehood day, Commissioner Rehn opened negotiations on Bosnia's Stabilisation and Association Agreement (SAA), in the magnificent new State Parliament Debating Chamber. This honoured the EU's commitment to the people of the Balkans, made publicly at Thessaloniki in June 2003, that full EU integration is their natural and ultimate destiny.

This is truly a remarkable achievement for a country as war torn as Bosnia and Herzegovina was just 10 years ago. BiH has done what many said was impossible even a year ago, let alone at the start of my mandate in May 2002.

At a time when EU member States are starting a genuine debate about the desirability of further enlargement, it is crucial that no one is in any doubt that Europe is the only glue that binds the Balkans to a single, peaceful future.

Amid intense public discussion of the SAA process and, at the same time, heightened debate about the need for constitutional reform, this is an appropriate time to consider the IC's continued role in BiH.

It is fair to say that without IC commitment and engagement, BiH would not have come this far so quickly.

It is also right to argue that the phase of intensive and intrusive state building in BiH must now come to an end. Unless the country graduates from being a ward of the *ad hoc* structures put in place at and after Dayton – OHR and SFOR, now EUFOR – it will not be able to complete its journey to EU and NATO membership.

My office in particular has had extraordinary powers to deliver progress, by removing recalcitrant officials and imposing legislation. These were necessary policy instruments in the immediate post-conflict period, when an obstructive housing official could prevent refugees returning to Srebrenica, or key government functionaries were regularly shown to be protecting war criminals.

But today, the situation has fundamentally changed. BiH is now on the highway to Europe. It is time to leave the days of coercion and imposition behind.

The process of letting go may be painful on all sides.

The BiH authorities – and sometimes even the International Community – has grown used to expecting OHR to solve their problems if they cannot reach consensus: indeed the 'backstop' of an HR imposition is often adopted as the default position. BiH's politicians feel free to argue the case for one side, stridently and without any effort to build consensus, because they have concluded that the HR will ride to the rescue.

The classic example of this is over appointments: this year, after protracted stalemates, I was forced to appoint the Director of the State Investigation and Protection Agency (the Bosnian FBI) and the Director of the State Border Service.

This is not my job.

It should not be my successor's.

The biggest responsibility must now fall to the people of BiH and their elected representatives. The citizens of BiH must re-engage in public life.

That is the only way they can ensure that hardships that have come to be associated with the word reform are leveraged into better living standards.

But to engage, they need to know who they are voting for. In a disturbing recent development, there is a debate in the BiH Parliament over whether a 'Closed List' system should be reinstated in BiH. I am very clear that this would

signify a huge step backwards for BiH at a time when we need desperately to reduce, not increase the disconnect between citizens and their elected representatives.

This development has taken place after OSCE and OHR left the Election Commission as full members. It demonstrates that we still need to watch BiH carefully to make sure that progress is not reversed.

It also means that with the progressive withdrawal of the temporary organisations, following the opening of SAA negotiations, greater responsibility will fall upon the permanent International Organisations that will outlive OHR – the EC, the IFIs and of course, the OSCE.

OSCE's agenda contains some of the most important keys to ensuring that BiH reaches its full potential. Many of the priorities I believe will be key in 2006 are currently in OSCE's mandate. These include:

- Functional and public administrative reform, reducing the cost of government and allowing SAA negotiations to proceed effectively. No state can build citizens' loyalty when 70 percent of their taxes are spent on bureaucrats, not services;
- strengthening civil society and voter education in the run up to the October 2006 election the first that will be premised on the SAA reform agenda;
- and above all mobilising young people of Bosnia and Herzegovina and tackling the scandal of a woefully – and in many cases needlessly – under-funded school and university system. We have learned in our country that the watchwords of social progress, economic development and political stability are education, education and education. Too many politicians in BiH still have not grasped this.

The education system as a whole must be a bulwark against ethnic, religious, cultural and any other kind of prejudice or segregation. We cannot be said to have succeeded as long as children from different ethnic backgrounds go to school at different times in different classrooms, to be taught a different history by different teachers.

Despite all the OSCE's efforts, progress in education reform has been too slow, and differences in the quality of educational provision across the country remain far too great.

This, I think, is where the OSCE Mission to BiH still has a crucial part to play.

Fortunately, the issues on the OSCE's agenda are mutually reinforcing. The reform of education, the affirmation of the rule of law, the protection of human rights and the maturation of civil society can and should constitute a virtuous circle – and serve to underpin all the innovations in administration and governance that the EU accession process will necessarily entail. Successful implementation of all these is essential for BiH to reach its potential.

But as we shift from 'hard' to 'soft' peace implementation in the transition period that follows the opening of the SAA, we will rely increasingly on the 'soft power' of multilateral bodies such as the EU, the Council of Europe and the OSCE.

This is not to say we should disengage – nor that OHR should immediately discard the Bonn Powers.

Bitter experience has taught us that we will continue to require some harder applications of pressure, in particular by the non-EU members of the PIC, whose continued role is critical in maintaining the progress made so far.

But that pressure will also need to come from the permanent institutions – the OSCE, the European Commission and the international financial institutions.

As OHR progressively withdraws from the field to concentrate on monitoring at higher Government levels, the OSCE Mission to BiH will have much to do. It will increasingly provide the eyes and ears on the ground for the rest of a slimmed down international community.

We have only got this far by working together. As we have seen over the three and a half years of my mandate, the international community has proved vastly more successful in energising and pushing through reform when united behind a shared agenda than it was in the early days, when rivalries, turf wars and outsized egos hampered our efforts to consolidate the peace and transform the country.

Nowhere more so than on defence reform.

In providing a home, staff and expertise for the Defence Reform Commission, the Mission's Department of Security Co-operation has made a signal contribution to one of the greatest successes BiH has registered over the past three years: the creation of a downsized, professional and unified army under democratic and civilian control.

The watershed we are now crossing, from the Dayton to the Brussels eras, will require us to look again at the division of responsibilities, particularly in the relationship between a EUSR-led international presence and those organisations that derive their mandates from Dayton .

The greatest shift is that the opening of an SAA marks a new phase in which the International Community needs to hand over the lead responsibility for reform to the BiH authorities. The OSCE Mission will need to be in the thick of this discussion over the next year or so. We need to get the formula right.

Despite the progress evinced by the opening of SAA negotiations, it is foolish to think that scars that run so deep will heal themselves quickly. It takes decades to change the chip in people's brains. Anyone who thinks that the Bosnia 's EU accession process will be the same as say, Lithuania should visit Sarajevo and Srebrenica.

We need to offer bespoke solutions for the very complex challenges that this country continues to pose. And we need to pull all those elements together as a determined team. We should not expect the solutions to come overnight – peace building is measured in decades.

But in the end, how these challenges are resolved is not up to the International Community.

It is up to the people of BiH.