

Press Conference 30 June: HIGH REPRESENTATIVE ANNOUNCES MEASURES AGAINST ICTY OBSTRUCTIONISTS

· I have called this press conference to set out the wide-ranging package of measures I, and others, are taking to help turn NATO's No to PfP into a Yes as soon as possible, and to clear the blockage that threatens this country's ambitions to join modern Europe

· The aim of all this is simple. To overcome the obstructionists who are standing in the way of getting BiH finally to uphold its international obligations towards ICTY – a fundamental requirement not just for NATO, but also for the European Union, as the European Commission's Feasibility Study makes clear. What we are talking about here are values and standards, values and standards which underpin the European Union, and which BiH must honour if it wishes to move forward in its relations with the EU

· Shocking though this may sound, it is no exaggeration to say that BiH's failure to cooperate fully with ICTY is now the main obstacle to this country becoming a stable, peaceful and prosperous European democracy

· Let me explain why. Integration into NATO and the EU offers the best, indeed the only, guarantee of long-term peace and stability available to this country. As a member one day of NATO and the EU, it is inconceivable that this country would ever be allowed to repeat its tragic past. This is the gift, the prize, that is to be achieved

· But, at Istanbul , BiH was denied membership of

NATO's PfP not because BiH has failed to reform. On the contrary, BiH has reformed. At Istanbul , NATO agreed that the BiH authorities have done something that would have been unthinkable only a couple of years ago: they have brought the armed forces of this country under unified command at the state level

- No, BiH has been denied membership of PfP not because they failed to reform but for one simple reason: Because a small band of corrupt politicians and obstructionists believe that helping Radovan Karadzic and other indictees evade justice, is more important than the security and prosperity of ordinary citizens

- Let me quote you what the NATO leaders said about this at Istanbul: "We are concerned that BIH, particularly obstructionist elements in the RS entity, has failed to live up to its obligation to cooperate fully with ICTY, including the arrest and transfer to the jurisdiction of the Tribunal of war crimes indictees, a fundamental requirement for the country to join PfP. We also look for systematic changes necessary to develop effective security and law enforcement structures"

- NATO treats every country on its merits. And in the case of BiH, that means it has to arrest Hague fugitives before it can join PfP. It is no use complaining, as some have, that this is unfair. Complaining won't get NATO to change its decision.

- Nor – just as important for BiH's long-term stability and prosperity – will it convince the EU to open SAA negotiations with BiH, so that the country can embark formally on the road that will eventually lead to membership. Only actions will

- So, what now?

- Our job is to do all we can to turn NATO's No at

Istanbul into a Yes as quickly as possible, and to prevent BiH's lack of cooperation delaying negotiations with the EU

- In all the actions I am about to announce, I have been driven by one aim – one purpose: to get BiH into PfP as fast as possible, and to clear away the obstacle that bedevils BiH's relations with the EU

- Which means convincing NATO and the EU that BiH's obstructionism of ICTY has ended, as quickly as possible

- Today, I and others, including the United States and the European Union, are announcing 10 initial coordinated measures to help achieve that aim

- Let me be clear what these measures are, and what they are not

- They are not an attack on the RS and its competences. The status of the RS is assured under Dayton .

- They are not an attack on the Bosnian Serb people. Quite the opposite. This is a strike against those who have preyed on the overwhelming mass of law abiding Serbs whose institutions and communities have been held hostage for too long by the thugs and the thieves that have robbed them and denied them a future in Europe and NATO

- Nor are these measures an indiscriminate attack on one political party – it is a targeted strike against corrupt and obstructionist forces wherever they reside

- In total, these measures are about cleaning out the rotten wood, so that the RS and BiH can build a new future

- In particular, these measures do three things. They reduce the influence of those in the Republika Srpska who use corruption to obstruct this country's progress towards stability, prosperity, and the Rule of Law. They encourage those who have the information and ability to help ICTY to do

so. And they will, I hope, promote reform within the SDS, the party most responsible for the failure to bring Karadzic to justice

- Let me set out the whole package for you:

- First, we have in the European Union just announced that we are adding thirteen names to our Visa Ban List, for helping ICTY indictees evade justice or otherwise acting in a matter which could obstruct the ICTY in its work. We will be distributing a full list following the press conference. But the following new names are on this list:

ZELJKO BAGIC

LJUBO CESIC

ZELJKO DILBER

DRAGOMIR KESEROVIC

DRAGAN KIJAC

ANTE MAKSAN

MILAN NINKOVIC

VELIBOR OSTOJIC

HRVOJE PETRAC

BRANISLAV PUHALO

MIRKO SAROVIC

RATOMIR SPAJIC

MILAN ZOGOVIC

- Second, the United States is today putting one company, Srpske Sume, and a further three individuals on its

designated list. They are:

SAVO KRUNIC, Director of Srpske Sume

MILE PEJCIC, Bijeljina PSC

ZORAN PETRIC, Bijeljina PSC

· In support of this action, I have also issued blocking orders freezing the bank accounts of these three individuals within BiH, and have removed all three from their positions in the police and Srpske Sume

· Third, and also in support of the US Executive Order, I have today authorized the Special Auditor's Office to carry out a Financial Review of Srpske Sume. Information, including from the Financial Review carried out on the SDS, indicates that Srpske Sume may well be used to finance criminal and war criminal networks. I therefore want the auditors to verify the situation, so I can consider what further steps it would be right to take to clean up this company and end the suspicion that it supports criminals and war criminals

· Fourth, I have today taken the decision to remove Dragan Kalinic from his position as leader of the SDS and Speaker of the RSNA. That decision is based on the findings of the Special Auditor's financial review of the SDS accounts, and the implications this has on NATO's Istanbul decision to prevent BiH joining PfP

· It was Dragan Kalinic's responsibility, as leader of the party, to ensure that there were adequate financial controls in the party to prevent fraud, abuse, and criminality. It was his responsibility to ensure that the SDS submitted truthful and complete financial reports to the Election Commission. Above all, it was his responsibility to ensure beyond doubt that the party founded by Radovan Karadzic was no longer financing him in the face of evidence, including

in the form of a letter from Radovan Karadzic himself, that he still enjoyed a financial relationship with the SDS

- As the Special Auditor's Financial Review that is being published tomorrow shows, Mr Kalinic has failed in all these responsibilities

- Our fifth and sixth measures also relates to the SDS Financial Review, and the widespread concern that the SDS may still be financing PIFWC support networks. I have today required banks in the RS to freeze all SDS municipal accounts – some 60 of them in all. The Special Auditor's Financial Review highlights the lack of a single account as the main structural weakness in the SDS's system of financial oversight. I have therefore instructed the SDS to create a single account with clear and tight controls over financial income and expenditures. Once they have done so, the money in the frozen SDS accounts will be transferred to this account

- In addition, because they have so manifestly abused public funds in the past, I have today decided to reallocate the remaining public funds due to the SDS this year – something in the region of 1 million KM – to the state institutions that are trying to tackle the issue of war crimes and ensure political parties obey the law. This 1 million KM which would have gone to the SDS, will instead be shared equally between SIPA, the War Crimes Chamber of the State Court, and the Election Commission

- We will continue to transfer public funds that are due to be allocated to the SDS to these state institutions, until Karadzic is arrested and BiH is cooperating fully with ICTY

- Seventh, I have decided that it would be right to remove Minister Djeretic from the RS Ministry of Interior, on the basis of ministerial responsibility. While I am not saying that Mr Djeretic himself has any personal links to war

criminals or criminality. However, it is because his ministry failed to arrest Hague fugitives that BiH has failed to join PfP. In any European democracy, the minister responsible would be expected to pay the political price for such a failure

- Our eighth measure also concerns the RS MUP. I have today removed a number of other senior police officers, including obstructionist commanders of the uniformed and criminal police

- While the SDS has a moral and political obligation to bring about Karadzic's transfer to The Hague , the RS police have the primary constitutional and legal obligation to make that happen. But there are people working in the RS police who frustrate attempts to arrest PIFWCS, and those people have to be removed from positions of responsibility

- Our ninth measure concerns the reform of the police in BiH as a whole. This is perhaps the most important measure of all. While important improvements in police capability and capacity have taken place with the support of first IPTF and now EUPM. However, it is clear that the very structure of the police in BiH hinders effective action being taken not only against dangerous and influential indicted war criminals, but against high level crime figures more generally, many of whom are abusing their positions in government to steal money from the citizens and taxpayers of the RS and BiH. NATO's Istanbul communiqué specifically mentions this area and calls on BiH to strengthen its police structures in order to join PfP

- The Prime Minister and I will give a separate press conference on this on Friday, with the new Chairman of the Police Restructuring Commission that will shortly be established, and EUPM Police Commissioner Carty. But, responding to the Istanbul Summit statement, the remit I will set for the Police Restructuring Commission will now call for the substantial strengthening of state police structures in

order to enable us more effectively to catch war criminals. Nothing will be ruled in, and nothing ruled out. But let me underline that our priority will be to ensure that the law-abiding citizens of this country get a police force that is structured in order to serve their interests, not the interests of a corrupt few

- One final point. All these measures, tough and important though they are, are not sufficient

- The RS has been in the grip of a small band of corrupt politicians and criminals for too long. On their own, the measures I have just set out will not break their paralyzing hold on BiH

- We have to get rid of the cancer of obstructionism and corruption in the RS structures and nothing less than major surgery will do

- I have therefore decided to take measures to clean out the corrupt and obstructionist structures in the RS and especially the SDS, and to root out those people who bear the heaviest responsibility for creating a climate of secrecy, intimidation and criminal impunity that allows indicted war criminals to evade justice

- So my tenth measure is to remove these people from public and party positions. Most, but not all, are SDS members

- In all, I am removing around 60 people today. 11 of them have been removed indefinitely. 48 of them may return to public life once Radovan Karadzic is in The Hague and BiH and its entity the RS is in compliance with its international obligations towards the ICTY

- The list of names will be available after the press conference

· The SDS is a party like no other in the RS. It was founded by Europe's most wanted fugitive, Radovan Karadzic. During the war, it became a network of criminality, infiltrating and corrupting almost every institution in the RS. Its members have been implicated in war crimes, and many have been indicted. Nearly a decade after the war, it is still linked to the organized crime that robs this country, and to the man who founded it

· This is not a contested view. It is the consensus opinion of intelligence agencies, of the international organizations operating in BiH, of many individuals in BiH's own law enforcement agencies. It is also the common daily experience of tens of thousands of people living in the RS

· The SDS has to be reformed, and those linked to criminality and war criminals must be removed from positions of influence. I sincerely hope that those who now take up the leadership of the party will break with the past, and ensure the links with criminality are severed once and for all. My decision is designed to give them just that opportunity. I hope they take it

· I need to make it clear that if they do not, then further measures will follow. We cannot allow the whole of BiH to be held hostage by a few who steal from the people and will not accept the rule of international law

· These are difficult and painful measures. But I believe they are necessary if BiH is to make a decisive break with the past, and open the door to a better future as a modern European democracy, and as a member, one day, of both the European Union and NATO