

OHR's Statement at the International Agency's Joint Press Conference

Bosnia and Herezegovina is entering make-or-break week on the key reforms that are necessary for joining NATO's Partnership for Peace, and for moving closer to the European Union.

Defence Reform

Today, the BiH House of Representatives is due to vote on the state level defence reform law, which will establish a state ministry of defence and thus fulfil the key condition for BiH membership of PfP. Lord Robertson, NATO's Secretary General, is visiting BiH today and will lobby the House of Representatives urging them to pass this law in the interests of all this citizens of this country, and long-term peace and security. His visit underlines that NATO is serious and committed to bringing BiH into PfP. It now all depends on whether BiH's politicians will seize the chance.

The BiH House of Representatives faces an historic decision today. To vote for peace, for NATO, for a stable future for this country and show NATO's most senior official that BiH deserves one day to become a member of the world's most successful military alliance. Or to miss the opportunity of voting through this historic reform while the eyes of NATO are literally on BiH; to show the world that BiH's politicians are not capable of uniting behind reforms that are so obviously in the interests of their citizens.

ITA law

Tomorrow, the BiH House of Peoples will also be voting on the Indirect Taxation Authority Law. This reform is essential if BiH is to meet one of the basic requirements of any EU member state: that it has a single, effective, customs administration; and that it has a country-wide system

of VAT. BiH can't join Europe's single market without them. These reforms are also critical for tackling the waste and inefficiency of the current arrangements that allow millions to go to criminals rather than citizens.

However, as amended by the House of Representatives, the law no longer meets European requirements. The European Commission has recommended that the BiH Parliament reject the amendments that increase the number of regional centres from the four proposed. They have clearly said that EC support and funding for indirect-tax reform as a whole will be put at risk if this recommendation is ignored. The additional regional office will increase the operating costs of the ITA without any sound economic reason for that. This would mean that citizens would have to pay more for the same service, and that simply cannot be justified.

The High Representative is therefore supporting the European Commission in urging that the House of People's takes out this amendment.

Intelligence law

The third major reform law I want to mention today is not yet even before parliament. That is the intelligence law, designed to set up a modern European intelligence service under state-level democratic control. Implementing this law is essential if BiH is to bring an end to the political manipulation of the intelligence services that we have seen in recent years.

This morning Deputy Head of the Rule of Law Pillar Bill Potter addressed the seminar on Intelligence and Security Agency organised by the Centre for Security Studies and Geneva Institute for Democratic Control of Armed Forces. He highlighted the fact that the issue has been dragged out for too long with the Draft law sitting in the Council of Minister for more than two months. BiH's new Intelligence and Security Service should become operational by 1 January 2004.

In the speech Mr. Potter stressed that if the Agency does not start operating by the beginning of 2004, it will be very difficult to convince the European Commission that the intelligence sector has been truly

reformed. In short, the commission has done its job admirably. He said that now the Council of Ministers need to do their job – and to move the draft law into and through parliamentary procedure as quickly as possible.