

Address of the High Representative, Wolfgang Petritsch, to the Permanent Council of the OSCE

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This will be my last address to you as the High Representative for Bosnia and Herzegovina. On May 27, I am handing over to my successor and friend, Lord Paddy Ashdown. I am convinced that Paddy will prove to be an excellent choice to carry out this difficult task.

Over the last few weeks, I have looked back on the three years that I have spent in Bosnia and Herzegovina. I remember from when I first arrived all the challenges, crises and crossroads that I have come to, and I have tried to compare them to where we are today.

I do believe Bosnia and Herzegovina has made tremendous progress during this time, which heralds the start – not the end – of positive changes. And I believe, Ladies and Gentlemen, that Bosnia and Herzegovina's journey offers profound lessons for all of us at a time when the danger of "failed states" has been recognised in international politics.

As you know, wars are never really "over" after all sides have sweated it out at the negotiating table and the killing has – mostly – stopped. But it is in the post-war period that a society starts to heal its wounds. There is a crucial window in which things can be put on the right track, allowing a country to recover. At the same time, we must act sensitively. As the International Community becomes increasingly engaged in post-conflict areas, it would be all too easy for international engagement to unravel and become what some fear could be a new imperialism.

In assessing whether or not it was right to intervene in Bosnia and Herzegovina in the way in which we have done it, we must look back to 1993. In that year, the Imperial War Museum in London sent the painter Peter Howson as an "official war artist" to Bosnia and Herzegovina, ostensibly to record the activities of British soldiers involved in the doomed U.N. peacekeeping mission there. His work captures the insidious, low-key horror of the war. One painting shows U.N. peacekeepers in an armoured vehicle parked half out of view behind a house. In the distance, neighbouring villages are in flames. A ghostly figure runs away in the distance. It is titled simply, "Monitors". The painting sums up with shocking brevity the inadequacy of the International Community's primary response to the war in Bosnia and Herzegovina.

What I now fear is that this terrifying inertia, its nightmare quality, has been forgotten. The reasons for intervention, the messy, boring, bureaucratic details of engagement – suits in place of more camera-friendly tanks, if you like – have taken over.

Events certainly appeared somewhat frozen when I arrived to take up my post in Sarajevo in the summer of 1999. Slobodan Milosevic was bloodied but unbowed after his climb-down in Kosovo. He continued to pipe nationalist poison into the predominantly Serb Entity in Bosnia and Herzegovina. The same poison, albeit with a different label, flowed in from the Croatia of Franjo Tudjman. Implementation of Annex 7 of the Dayton Accords – the return of hundreds of thousands of refugees and displaced people to their homes, vital to redress the crimes of ethnic cleansing – looked impossible. The nationalist parties, surviving on an oxygen of ethnic fear, their corrupt elites reaping the benefits, meant a poor prognosis for the Bosnia and Herzegovina which had declared sovereignty in the dark days of 1992. The school of thought that professed Bosnia and Herzegovina to be suffering from "ancient hatreds syndrome" was, until only very recently, recommending a redrawing of the borders in the hope of a cheap, quick exit.

My predecessors as High Representatives, Carl Bildt and Carlos Westendorp, had extremely difficult immediate post-war pressures to deal with, but succeeded in setting up the institutions that the Dayton Peace Agreement envisaged. Many of the positive changes that have occurred since my arrival have come from outside as well as inside Bosnia and Herzegovina, notably the disappearance of the "Twin Peaks" of Balkan nationalism: Tudjman died, and Milosevic today lives in a prison cell near The Hague. The presence, day in and day out, of international soldiers with SFOR and civilian staff implementing Dayton also combined to overcome the politics of fear pedalled by the nationalists.

When I arrived, four years after Dayton was signed, the International Community was looking for a clear and creative strategy aimed at reaching the end goal of a self-sustainable BiH in the not too distant future. My response was in two key areas. Firstly, it was clear that we had to restructure our engagement by identifying and vigorously pursuing a number of core tasks – the pillars of the future self-sustainable Bosnia. I proposed three priorities:

- accelerated refugee return to help undo the horrors of the war and re-integrate the deeply divided country;
- a more robust approach to institution building, to turn Bosnia and Herzegovina into a functioning state that would be able to integrate into Europe;
- and economic reform as the engine to drive all this.

Secondly, we had to start giving back the country to its elected representatives and citizens. 50 years of Communism imposed from Belgrade, a deeply traumatising war and the Dayton Peace Agreement – an Accord that was confusing as it produced no winners and no losers — had resulted in resignation and a general feeling of: Let the International Community fix it all.

This had to change to what I call “ownership” – local responsibility. The Bosnians and Herzegovinians, the top officials as well as the ordinary person in the street, had to accept that Bosnia and Herzegovina was their country – and ultimately their problem to solve. We were there to assist, but not to be in charge forever.

The first half of my mandate could be termed “highly interventionist”. I used my powers to remove officials from office who were working against Dayton implementation. In late 1999, I removed more officials in one day – 22 who were blocking returns – than my predecessor had during his entire mandate in Bosnia and Herzegovina. I sent a clear message to the nationalist old guard that the Dayton Agreement was not simply a piece of paper to salve guilty western consciences but a living document which charted the way to a democratic, tolerant and multi-ethnic state in Europe.

There is a way to measure the success of the peace effort – through counting refugee returns. Up until 1999, the rate of return meant it would have taken decades to implement Annex 7. In particular, the RS was defending its mono-ethnic structure, having allowed only 10,000 Bosniaks and Croats to return and scaring even those few with frequent violence.

Alongside the removal of officials, I began to impose new laws that got rid of legal loopholes in Bosnia and Herzegovina’s property laws; loopholes that prevented people from repossessing their pre-war homes; loopholes which directly benefited the architects of ethnic cleansing. My office, in close co-operation with our colleagues at the OSCE Mission to BiH, but also UNMIBH, UNHCR and CRPC, the Commission for Property Claims of Displaced Persons and Refugees, changed the property issue from a political one to a legal one. Crucially, co-ordination was at field level right across the country.

The result: minority returns – that is, where a refugee or displaced person returns to an area where she or he is in a minority – leapt to 67,000 in 2000, increasing by another 36 percent to 92,000 in 2001. If the current rate of refugee return continues, Annex 7 could be implemented in its entirety within four years. What seemed an impossibility in 1999 is now reality.

Last week, General John Sylvester, the Commander of the SFOR troops, Werner Blatter, the UNHCR Chief of Mission, and I took accredited ambassadors to BiH by helicopter to return sites across the country. I was deeply touched to see these brave returnees rebuild their lives in Hajdarevici near Zvornik, where the original population was driven out in its entirety during the war, as in so many other places where return seemed unrealisable a few years ago.

But what greatly concerned me is the lack of assistance provided for returnees to rebuild their homes. The domestic authorities give some help but this is far below what is needed. International assistance has declined sharply. Ladies and Gentlemen, I urge you to lobby your governments for support for the return process. We cannot allow, when return is politically possible and really happening, returns to fail due to a lack of assistance.

I am also asking you to support our efforts to make returns sustainable in the long term. The issue now is no longer security. It is jobs, access to social services, such as health care and pensions, political representation at the

municipal level, and an education system that will acknowledge the needs of returnee children. As you are probably aware, Bosnia and Herzegovina has three separate education systems, which we have started to reform. Given the high number of minority returnees, we have to act fast.

The issue of jobs for returnees will be resolved once the economic situation improves. In reforming the economy, the International Community has also used a co-ordinated approach. The model has been post-war Europe's economic community – "functional integration," which used to bind recent enemies in partnership. Bosnia has a steep hill to climb but the ingredients for economic recovery are in place: a stable, single currency tied to the euro; the privatisation process well underway; modern banking laws that have scrapped the corrupt, Communist-era monopolies on financial services that helped fund the nationalist parties; independent regulators in key areas, such as telecommunications and electricity; laws on standardisation so that Bosnia and Herzegovina can export goods to the rich markets of the European Union which has waived duties and tariffs on Bosnian goods.

Today's Bosnia and Herzegovina clearly resembles a proper state. The State Government, the so-called Council of Ministers, grew from three to six ministries. I imposed a State Border Service, which is praised by citizens for intercepting smuggled goods and illegal immigrants. I established a State-level Court. But most of these exciting achievements in state building are the work of the "Alliance for Change" coalition, which after the elections in 2000 replaced the nationalist parties at State level and in the Federation. In the RS, the SDS founded by Radovan Karadzic was still strong, but agreed to give the premiership to the reformist economist Mladen Ivanic.

The Alliance put serious economic reform on its agenda. It actively joined the global fight against terrorism after September 11, proving that Bosnia and Herzegovina was not willing to harbour potential terrorists. The Foreign Minister and, for eight months, Prime Minister Zlatko Lagumdžija, during his frequent visits abroad, presented a new BiH – a state that wanted to be recognised as a responsible and independent player, not a "failed state".

With the Alliance leaders I developed a different relationship – one based on partnership and mutual respect as an interim stage on the way to full ownership. The new found responsibility in BiH politicians can be measured also. In the period from my arrival in 1999 to the formation of a working state government in March 2001, I made 146 Decisions, amending or imposing new laws and removing 56 obstructive officials from their posts. Since that time, I have issued only 59 Decisions and have removed only seven officials.

My last big intervention, perhaps the biggest intervention that I made – it was definitely the most difficult one – was the removal of Ante Jelavic from the post of the Croat member of the BiH Presidency alongside the dismissal of three other HDZ officials who had supported him in declaring "Croat self-rule" in BiH. A few weeks later, I imposed the "Provisional Administration" on Hercegovacka Banka where dubious transactions were taking place. As it proved during an investigation, the bank would have been the financial backbone of "Croat self-rule."

Many have said, and I agree, that the illegal and unconstitutional declaration of "Croat self-rule" has been the greatest threat to the Dayton process. Thousands of Croat soldiers had left the Federation Armed Forces. Part of the police rebelled. Companies based in Herzegovina were about to stop paying taxes and customs. If "Croat self-rule" had not been stopped, Dayton would have been defeated.

But thanks to our determined reaction, Mr Jelavic had to publicly acknowledge the failure of this project at the HDZ Congress last October. Last Friday, he and the other dismissed individuals gave up their party offices in order to allow the HDZ to register for the upcoming elections. I hope that a new and moderated party will emerge from this process, which will again represent their voters' interest in the legal institutions of the country.

The powers vested in a High Representative make that official almost a benevolent dictator. This, I believed right from the start of my mandate, was in the short term necessary to uproot entrenched resistance and create the framework for democracy to work. But I knew in the long term it would work against the whole point of post-war international engagement in Bosnia, namely, to have the country stand on its own two feet. Debate inside and outside my office constantly veered between those who would take a maximalist approach – impose everything and be done with it – and those who feared that robust action would kill civil society in an already weak state. In my daily work, I had to take both paths. I believe that the robust interventions during the first half of my mandate were necessary to help the forward-looking forces surface.

But one piece of legislation that always got special treatment and consideration was Bosnia and Herzegovina's Election Law. Robert Barry and Bob Beecroft – the two fine ambassadors that headed the OSCE mission to BiH during my mandate and my personal friends – agreed with me that it should not be imposed. Its passage or non-

passage would be the yardstick measuring the ability of BiH's parties to find a compromise.

It was worth the wait. The Alliance for Change government passed the Election Law in August last year, paving the way for Bosnia's accession to the Council of Europe late last month, which is yet another milestone demonstrating BiH's growing statehood and level of democratisation. And BiH authorities are now organising their own elections slated for October 5, for the first time after six rounds of elections arranged and supervised by the OSCE.

The OSCE was one of the first organisations to see the importance of a co-ordinated approach in Bosnia. It has not only played a crucial role in the hard work surrounding elections and the Election Law, but also in the difficult areas of property law implementation and democratisation. Still the lead agency when it comes to elections, the OSCE is now actively supporting and advising BiH's Election Commission. I cannot overstate how lucky I have been to have had such an able, energetic and wise partner in implementing the Dayton Accords.

Ladies and Gentlemen, there are many other concrete achievements that show me that our state building effort in Bosnia has been right. To mention just two more examples: Last week, the BiH government signed a contract on the implementation of the so-called Citizens Identity Protection System, CIPS. This name stands for a system under which the State will watch over the issuance of new personal documents — including passports, driving licences and ID cards — putting an end to the chaos that has been prevalent in this area. In the long term, this should lead to an easing of the visa restrictions from which BiH citizens suffer unfairly.

I am also pleased that both Entities have agreed to downsize their armed forces, which has been a process led by the OSCE mission on the civilian side and SFOR on the military side. The reductions are considerable: the Federation armed forces are this year reducing from 23,000 to 13,200, and the RS Army from 8,500 to 6,600. More reductions will follow next year, enabling the Entities to reach the European average defence budget of two to three percent of the GDP instead of the current six percent in the Federation and ten percent in the RS.

Finally, just two days ago, the State-wide public broadcaster, BH TV 1, started broadcasting an evening news show, adding to sports events and entertainment it has shown so far. BH TV 1, also known under the working title PBS, is part of the public broadcasting system that we have been building since 1999. The news service furnishes Bosnia and Herzegovina with the kind of television that is the norm in the rest of Europe – independent and designed to serve all citizens.

But let me now tell you what I will always consider the ultimate proof that Bosnia and Herzegovina has entered a new era: this stems from the recent amendments of the Entity Constitutions. As you may know, the RS Constitution recognised only the Serbs as a constituent people, while the Federation Constitution only recognised Bosniacs and Croats. In 2000, the Constitutional Court of BiH declared these provisions unconstitutional.

It took almost two years and then close to 100 hours of very hard negotiations under my auspices for the leading parties of BiH to reach the so-called Mrakovica-Sarajevo Agreement of March 27, which served as the framework for the amendments. True, I had to complete the process by imposing the amendments because the SDA and HDZ prevented the necessary two-third majority in the Federation, and the RS could not bring itself to accept three small details from the Mrakovica-Sarajevo Agreement.

But the Alliance parties and the RS leadership had done most of the work on their own, thus acknowledging the necessity to negotiate a compromise. And the RS has accepted on its own that it can no longer exclude Bosniaks, Croats and other non-Serb citizens from its legislative, executive and judicial institutions and other decision-making process in this Entity.

This is of monumental importance. The ability to compromise is the essence of a democracy. Here it finally happened. And I am sure you realise what it means for the RS leadership, of which the SDS is part of, to acknowledge that the RS cannot remain an exclusivist, mono-ethnic structure.

The effects of the amendments will reach into the lives of every BiH citizen, turning the two Entities into multi-ethnic communities which guarantee full representation and input for all nationalities at every level of government and public administration. It was BiH leaders who reached the compromise. They owned the process shaping the futures of BiH citizens. The constitutional reform process has also revealed a new quality of Dayton, by which the Agreement has, so-to-say, advanced and completed itself. The Constitutional Court, an institution envisaged by the Agreement, had made the ruling. Its implementation has moved BiH beyond what Dayton initially approved.

I would say to the critics of international intervention that, yes, we do have our own interests: an interest in a stable Bosnia and Herzegovina, a stable Balkans which must be given every encouragement to join the European family of states. We must hold out the highest expectations and hopes for our neighbours for September 11 demonstrates only too well what happens if we turn our backs on weak states. George Soros is a hard-headed businessman but he sees all too clearly the perils of looking only at the bottom line, writing this month on globalisation: "...we cannot build a global society without taking into account moral considerations."

International engagement works, Ladies and Gentlemen. Look at Bosnia and Herzegovina and the invaluable part the OSCE has played and you can see that for yourselves.

I am leaving Bosnia and Herzegovina convinced that I am passing a solid foundation on to my successor, Lord Ashdown. Under his mandate, things will change once again. Based on the achievements of the recent years, the International Community has already re-calibrated its presence, as endorsed by the Steering Board of the Peace Implementation Council in February. Co-operation is now even closer: the High Representative chairs a Cabinet comprising the heads of all the other relevant international organisations.

And there are four inter-agency task forces dealing with the three core tasks – economic reform, institution building and return – as well as rule of law, which is the precondition for the former three to succeed.

In the establishment of the rule of law, the OSCE will play a crucial role. This will require a determined and robust completion of the judicial reform process. Over the following two years, the positions of all judges and prosecutors will be reappointed, the appointment process will be depoliticised, the court system will be restructured, and new criminal and criminal and civil procedure codes will be put in place. Combined with a reformed police and a new depoliticised and merit-based civil service, this will create a solid foundation for the law to rule and for crime and corruption to be curtailed.

The incoming High Representative will also be the Special Representative of the European Union, which, from next January onward, will run a police mission in the country, taking over from UNMIBH.

This, too, reassures me: with this, the EU demonstrates its commitment to the region. As Bosnia and Herzegovina becomes increasingly European, Europe is embracing the country. Instead of working on an exit strategy, the International Community with the EU in the lead is implementing an entry strategy – BiH's entry into Europe. This was my vision when I came, a vision that is now being realised.

Thank you very much for listening!