

Speech by The High Representative of the International Community for Bosnia and Herzegovina, Wolfgang Petritsch, to the EU General Affairs Council

Mr. President, Your Excellencies, Colleagues,

It is with great pleasure that I am with you today. Over two and a half years have passed since I took up the post of High Representative in August 1999. It is a truism to state that the situation in Bosnia and Herzegovina and in the wider region was considerably different then compared to what we face today. Yugoslavia and Croatia were ruled by regimes that had brought war to the region. In Bosnia and Herzegovina, their proxies were still holding on to power and many were calling for an international protectorate. Indeed, the Kosovo war had just ended when I arrived in Sarajevo. Refugees saw little hope of returning home, economic reform was but a pipe dream and newly established State-level institutions were in danger of falling into a state of irrelevance and lethargy.

In short, the situation promised little in terms of major change and the international community had drifted into a situation where it was trying to do too much in too many areas. There was an urgent need to re-focus our efforts in order to accelerate implementation of the Peace Agreement.

In New York in September 1999 the Foreign Ministers of PIC Steering Board and in Brussels in May 2000 the Peace

Implementation Conference confirmed my set of priorities in three key strategic areas:

First and foremost, Economic Reform, reform based on the creation of a single economic space, in order to shift the country from an aid-driven to an investment-driven economy. Bosnia and Herzegovina must begin to pay its own way.

Secondly, Refugee Return – to ensure the bottom-line pledge of the IC is met – that is to roll back ethnic cleansing.

Thirdly, Consolidation of Institutions – to adopt and implement reforms crucial for the country to function as a normal state. After 9/11, the consequences of weak or failed states have been burned into our consciousness. Building up and counting on effective institutions has gained additional relevance – Afghanistan being only the most recent case in point of a failed state. Without proper institutions the fight against terrorism and crime and for the Rule of Law cannot even begin.

And finally – all these areas have been underpinned by a reinvigorated effort to ensure that the Rule of Law is applied throughout Bosnia and Herzegovina, be it the return of property, the prosecution of criminals or the resolution of business disputes.

Early in my mandate, I introduced the concept of “Ownership” – or “odgovornost” as they say in the local languages – to address the dependency syndrome of Bosnia and Herzegovina and to encourage local stakeholders to meet their responsibilities. At the time, this was met with great scepticism by many Bosnian intellectuals. Instead, they asked me to establish a full-fledged protectorate! Today, international peace implementation officials face a healthy

amount of pride on the part of the Bosnians – this I see as the proof that they have the genuine will to start “owning” their problems and take over the responsibility for their country’s future.

Only when we look back can we see how far we have moved forward. I am sure you will agree that changes have been dramatic. Two and a half years ago Milosevic was pulling the strings of death and destruction and those refugees in the towns of the Drina valley who had managed to escape his carnage were unable to return to their homes. Today Milosevic stands trial for his crimes in the Drina valley and elsewhere and towns such as Bijeljina, Visegrad or Zvornik are witnessing the return of their former residents. Combined with the wholesale political changes that have occurred also in Croatia, the refocused international effort has played a major role in ensuring genuine progress in implementing the Dayton/Paris Peace Accords.

I would like to take this opportunity to thank all of you here for your generous and constant contribution to re-building this war-torn corner of South Eastern Europe. My Office’s co-operation with the Commission is closer than ever, and our consultations on the CARDS programme for BiH are an example of how the EC can decisively contribute to an international peace effort while at the same time serving its own agenda. My Office will in turn do whatever it can to support and facilitate EU-led processes such as the EU road map, hopefully leading to a Stabilisation and Association Agreement in a not too distant future.

On a personal note, I would like to thank Commissioner Chris Patten, Secretary General/High Representative Javier Solana and their teams as well as the five EU Presidencies and all the others who have supported me so strongly during my tenure.

The last time I addressed you, I noted the essential need for the EU to enhance its visibility in Bosnia and Herzegovina. From both a BiH and regional perspective, the police follow on mission represents a unique opportunity for the EU to confirm its intent to be a leading political factor and support structural reform crucial to the Europeanisation process. I welcome also that important security interests of the European Union are being addressed through the justice and home affairs sector. If Bosnia and Herzegovina's problems are not resolved in the country, there can be little doubt that these problems will be exported to your – to our – countries, whether it is illegal immigration, organised crime or smuggling. Also from a cost perspective, capacity building at the source of the problem is the cheapest option – with long lasting stabilisation effects.

Efficient use of resources in peace building may also have been a guiding principle in your mind when, on 19 March 2001 the General Affairs Council requested me to bring improved efficiency and co-ordination to the civilian peace implementation effort. An exhaustive effort has been made, in close co-ordination with the other implementing agencies operating in Bosnia and Herzegovina – the UN family-including the IMF/World Bank, the OSCE, SFOR and the European Commission to develop an all-encompassing streamlining package which will substantially improve co-ordination and efficiency. The general consensus on the four core strategic areas, around which the streamlining package has been developed, is proof that the priorities which I proposed in September 1999 and which you supported were and still are the right ones. Let me share with you key elements only of the final streamlining proposal :

Firstly, a cabinet-style body of international agency heads, chaired by the High Representative and responsible for cross-cutting policy development, supported by an inter-agency

Situation Group.

At the centre, there will be four task forces covering the core strategic areas of economic reform, refugee return, institution building and the rule of law.

Finally, a restructured field presence based on new joint areas of responsibility and a co-location process of all key agencies.

Clearly we have reached a stage where more must be done with less resources. My streamlining model will deliver a leaner, less bureaucratic International Community presence with reduced overall costs. My Office practices what it preaches. Since I took office, my team and I have ensured OHR budget cuts by more than 20 %. Based on my streamlining proposals and the expected completion of our mandated tasks or their transfer to the Bosnian authorities, I will be in the position to offer to the PIC Steering Board close to 30 % further cuts in the coming two years.

Let me emphasise: these are real, serious, figures – achieved by hard work and not by premature declarations of victory.

While streamlining and efficiency gains represent a continuous endeavour, I am keen to conclude this phase of re-calibrating our civilian activities in BiH next week. You have first tasked me with this exercise, and now I look to you for your support for this package before the Steering Board of the Peace Implementation Council will take a decision on 28 February 2002.

We have reached the point where a basic – yet solid – foundation has been put in place on which to build a viable and stable state of Bosnia and Herzegovina capable of meeting

its responsibilities to its citizens as well as its international obligations.

To build this foundation

1. we have through the Property Implementation Plan (PLIP), brought about refugee returns while simultaneously fostering the Rule of Law principle.

Last year, in the sixth year after Dayton, nearly 100,000 so-called minority returns were recorded and more than 102,000 property claims have resulted in repossession – that is 41 % of all such claims in BiH! We will hit the 50 % mark shortly – thus meeting another EU road map condition. We can be proud of turning the tide against all this resistance after such a long time.

1. We have put in place a modern business orientated banking system based on a stable currency, crucial to developing an attractive business environment to foreign investors. We have massively stepped up anti-corruption efforts to tackle a disease that is ravaging the entire region.
1. We have also initiated the functional integration of Bosnia and Herzegovina with the creation of State-level independent regulatory agencies such as the Communications Regulatory Agency. We are set to make further progress on a direct revenue basis for the state and – to give you another concrete example -on the establishment of a Power Regulatory Agency. We are also about to present a robust impact-driven judicial reform

package to the Steering Board.

1. We have made significant progress on establishing a modern public broadcasting system for the whole country.
1. We have stopped nationalist Croats when they tried to split away from Bosnia and Herzegovina's constitutional order – arguably the most dangerous moment for this country since Dayton.
1. Last but not least, we have nurtured a critical mass of reform orientated political parties in the shape of the Alliance for Change coalition – finally there are significant political forces embracing the state of BiH. With our support, they have, among others, passed an election law and prepared the country for Council of Europe membership.

There are still major tests to come. The following three challenges must be addressed in the coming months. All have a critical relevance for success.

1. Above all, the “Constituent Peoples Decision” represents *the test case for whether Bosnia and Herzegovina will develop into a state committed to human rights and the rule of law. The implementation of this decision puts an enormous burden on the still fragile political system in BiH. This is the moment for Bosnia and Herzegovina to find its internal equilibrium founded on the interdependence of all groups. Only this will allow it*

to catch up with the rest of Europe.

1. Now let me turn to elections – the second crucial challenge for the country. In October, Bosnia will at last conduct its own elections. For the first time, a four-year mandate beckons for those parties that can secure the support of the majority of the country's citizens.

1. Lastly, and this has been a *ceterum censeo* throughout my mandate: We have lost too much valuable time already in bringing Karadzic and Mladic to justice. Milosevic is in The Hague. Karadzic and Mladic must join him – now!

In short, an intensive few months lie ahead of us and your support will continue to be required. It is essential that we do not lose focus at such a crucial stage. Forces bent on destruction and division are not completely defeated. Thus our vigilance is still essential.

Also, there is still the need for a safe and secure environment provided to the civilian efforts by SFOR. Indeed, the military and the civilian side have moved closer together in our joint endeavour to speed up the achievement of sustainable end states.

The road we are travelling is not without end. From my vantage point in Sarajevo the contours of our destination – a stable and self-sustainable Bosnia and Herzegovina – are coming into focus. What many thought only a few years ago was impossible, by now is very much doable. A stable, self-sustainable Bosnia

and Herzegovina – based on the Dayton/Paris Accords and on course to Europe – is a doable objective.

Europe must continue to provide Bosnia and Herzegovina with a clear and achievable perspective. It can do so only by actively engaging as supportive yet demanding partners – both in the economic and in the political sphere.

With a solid foundation in place, I believe that the time has come for me to leave this highly challenging, at times seemingly impossible job. Let me assure you, however, that it is the most fascinating challenge I have ever faced – but the people of BiH deserve that we give our best! I am honoured that I had the support of some of the world's finest and most dedicated people – Bosnians and Internationals alike. My Office, the Office of the High Representative is a unique institution that has shaped history in the last six years.

I thus will leave my post by the end of May. I am confident that my successor, with your continued support, will further build on the solid foundation we have together put in place.

Our own recent European history tells us that the journey from protagonist to partner can be travelled in a very short period of time. Let us continue to reach out with the hand of assistance to the citizens and officials of Bosnia and Herzegovina as they make progress on a journey which – as we all know – is not an easy one.

However, it is most definitely worth every effort. All our continued efforts.