Address to the UN Security Council by the High Representative, Wolfgang Petritsch

Monsieur le Président,

Mesdames et Messieurs les membres du Conseil de sécurité,

C’est la cinquième fois que j’ai l’honneur de m’adresser au Conseil de sécurité. Etant donné les tragiques événements survenus il y a dix jours à New York, à Washington et en Pennsylvanie, vous pourriez vous demander s’il n’y a pas de questions plus importantes à discuter que de la mise en oeuvre de l’Accord de paix de Dayton-Paris relatif à la Bosnie-Herzégovine. Beaucoup cependant ont affirmé que les attaques terroristes de la semaine dernière prouvent la véracité de la thèse d’un inévitable ” clash of civilisations. ” Beaucoup avaient avancé le même argument au temps de l’horrible guerre qui a ravagé la Bosnie-Herzégovine jusqu’il y a environ six ans.

I firmly believe that the “raison d’être” of this world body, the United Nations, is to work actively against this flawed concept, and I whole-heartedly agree with the Secretary-General’s assertion in today’s New York Times that the UN is uniquely positioned to advance this effort. Having served now for two years as High Representative for Bosnia and Herzegovina, I am deeply convinced that the Dayton Peace Process demonstrates that the comprehensive engagement of the International Community to heal the wounds of conflict in the Balkans is working. Bosnia and Herzegovina is still a country with a very delicate religious, cultural and social fabric.

However, its post-war society is about to pull together the strength needed for this state to survive.

In this context I believe it should be noted that the work which the International Community is carrying out in Bosnia and Herzegovina in order to strengthen state institutions and establish the rule of law which was so obviously absent during and immediately after the war is also contributing to the overall fight against global terrorism.

Since I last reported to the Security Council on 22 March, there has been considerable progress in this work, which is predicated on empowering the citizens of BiH and bringing the country ever closer to the European mainstream.

At this juncture let me recapitulate some of the more security-related aspects of our mandate to strengthen the state institutions. In January 2000, I imposed the State Border Service Law, establishing an institution which effectively addresses the wartime legacy of fragmented, porous and unprotected borders, patrolled by local police forces which were often complicit in cross border crime. Since then, the UN Mission in BiH has taken on responsibility for setting up, training and monitoring the State Border Service, which now employs 1248 personnel. The SBS has 12 land border units patrolling as many as 35 border crossings, and a unit at Sarajevo Airport. The service currently covers 75% of the BiH border. Full deployment is scheduled for the end of September 2002, pending budget allocations.

In the absence of secure state identity documents, OHR initiated two years ago in conjunction with the domestic authorities the Citizens Identity Protection System (CIPS), a package of legal and administrative steps which will significantly improve BiH’s border regime. Under CIPS, BiH

will have its first integrated civil registry. BiH authorities can then compare the current passport database with the civil registry of valid BiH residents and isolate suspicious cases. This represents a tool that will allow BiH authorities to address concerns over the country's ability to deal with the phenomena of cross border crime. CIPS will also create a state-level Network Operations Centre, containing a black list of internationally wanted persons as compiled by Interpol.

CIPS will deliver a range of additional benefits to BiH. It will introduce a secure ID card, which meets International Civil Aviation Organization (ICAO) standards for use as an international travel document. Most importantly, the information technology supporting the CIPS project will increase the confidence of immigration authorities that BiH identity documents are well managed and secure. We hope that this will be a first step toward easing visa restrictions for BIH citizens traveling abroad.

As early as February, my office had proposed to the BiH House of Representatives that the mandate of the Naturalisation Commission, which reviews cases of wartime naturalisation, be extended so as to address any irregularities in citizenship granted to foreigners during the war in BiH. I have re-iterated this request to Prime Minister Lagumdzija this week, when I discussed with him the urgent need to establish an anti-terrorism task force in his country.

Prime Minister Lagumdzija is the leader of the Alliance for Change, a coalition of non-nationalist parties, which formed governments at the State and Federation level at the beginning of the year. The Alliance groups together political parties that have significant ideological differences. However, it is held together by a common determination to replace the failed nationalist agenda with a raft of policies aimed at creating a modern European state.

The new non-nationalist authorities have asserted themselves and demanded greater respect and a partnership with the International Community. Partnership is a necessary and welcome first step towards ownership. Indeed, I am encouraged to see that the government is embracing the ownership concept I articulated when I arrived in BiH two years ago.

I responded to this new mood when I proposed the establishment of a Consultative Partnership Forum. In this Forum, I have already started to discuss and resolve urgent issues of peace implementation with the Council of Ministers, reflecting the principle of ownership. The Partnership Forum is not aimed at replacing existing mechanisms of government. It will facilitate interaction between BiH leaders on the one hand and the International Community on the other.

I am now preparing for the inaugural meeting of a Civic Forum, which will extend informal consultations to intellectuals, business people, media personalities, and religious and community leaders. The object of this is to promote active citizenship. Through the Civic Forum I intend to give the country's recovering civil society a more active role in the public policy discourse.

I have spoken already about the ruling coalition's determination to join the European structures. Allow me to draw your attention to the passage of an Election Law by the BiH Parliamentary Assembly, on 23 August. This legislation had been stalled for years because of chronic parliamentary obstructionism. I had consistently argued in the past that BiH should pass this most basic of laws necessary for a democratic state prior to being allowed to join the Council of Europe. Over the summer, a majority of deputies decided to support the law on the grounds that – whatever its limitations – it provides the necessary mechanisms for holding free and fair elections. Their decision represents what I may describe as

principled pragmatism, and it points towards a promising legislative future for BiH.

While saluting this pragmatism on the part of BiH politicians in securing passage of the Election Law I would also like to commend the efforts of the OSCE, which played a crucial role in piloting this legislation onto the statute book. As a consequence, I believe that BiH's application for membership in the Council of Europe should now be favourably considered.

Let me turn to another burning issue – the state of the economy. Part of the changing circumstances in BiH involves the evolution of a double transition. In addition to the shift from war to peace, BiH is engaged in a transition from a communist command-driven economy to a free market, and indeed, in many cases, the two are intimately connected. For example, the old payment bureaux, which we successfully abolished at the beginning of the year, were remnants of the command economy that stifled enterprise and were also being used to finance the nationalist parties that were dominant during the war. Now, a modern commercial banking system is swiftly taking root in the country.

However, in the last six months, overall economic progress has unfortunately been patchy.

August should have seen the selection of a telecommunications company to take up the third mobile-phone license for Bosnia and Herzegovina – a crucial step forward in a strategic economic sector. The Communications Regulatory Agency, established by my Decision of March 2001, had organised a tender that required the successful bidder to invest up to 400 million KM or 200 million USD in a new statewide mobile phone network. The tender had to be abandoned when two of the five companies which had submitted bids pulled out in the final

stages, citing uncertainty over the Council of Ministers' attitude towards incoming investors.

The failure of the GSM tender was a self-inflicted wound. What BiH needs is the total, immediate and professional commitment of its leaders to long-term economic reform, not short-term political calculation. My office will seek to encourage this commitment. There is a danger that unless the pace of reform in BiH rapidly increases it will be left behind and will remain the weak link in the regional chain. Bosnia and Herzegovina's overall economic growth, projected to be around five percent this year, continues to disappoint. According to the World Bank, it would take another six to eight years of annual growth of six percent for BiH to achieve a level of credit worthiness that would be sufficient to finance future development.

The Entities are facing serious financial problems, particularly the RS. In addition, the State's sources of income are wholly inadequate to the task of expanding its overall responsibilities.

Politicians at State and Entity level still tend to look on the handful of profitable public utilities as cash cows to be milked for political purposes. At the same time, there has been until very recently a reluctance to begin serious work on restructuring loss-making public companies, because this would result in politically damaging job losses ahead of the 2002 elections

The creation of a Single Economic Space across the whole of BiH, a central tenet of the Dayton process, has been stymied by procedural obstruction and an absence of political will, particularly on the part of RS representatives.

On the positive side, it has become increasingly apparent that the Alliance parties are beginning to realise that any further delay in instituting real economic reform is not an option. Citizens are impatient, and will not allow their representatives to drag their feet ahead of the elections.

The Federation recorded solid growth in the first half of 2001, whereas the RS economy actually contracted in the same period. However, the fact that growth of any sort has been achieved this year, in the face of declining donor aid and a weak growth of the global economy, may be viewed as a promising indication that the BiH economy is beginning to function, albeit at a minimal level, under its own steam.

In the District of Brcko, an economic initiative launched by OHR, aimed at reopening the Sava River to commercial navigation, has won support from the governments of Croatia, FRY and BiH, demonstrating that commercial common sense can act as a powerful incentive for joint efforts among neighbours.

Mr. President,

The postwar recovery of BiH has depended from the very beginning on the return of refugees and displaced persons to their homes. According to Human Rights Watch, a breakthrough in the return process was achieved last year, and this positive trend has been maintained during the first half of 2001. In the first six months of 2001 there were 35,341 so-called minority returns, an 85% increase over the same period last year. These figures point to an unstoppable momentum. I view this as a result of activities undertaken by the Reconstruction and Return Task Force. The RRTF is the umbrella group of agencies, including UNHCR, SFOR, the European Commission, the World Bank, UNMIBH, and the OSCE, operating

under the auspices of the OHR, making common and productive use of information, facilities and personnel. The process of return depends on economic and social sustainability – the reopening of shops, factories, schools, and so on. As communities recover, they become better able to absorb larger numbers of returnees. By applying consistent and focused pressure on recalcitrant authorities, the RRTF has been remarkably successful in boosting the number of people who have been able to go home. Let me take this opportunity to underline that the presence of SFOR on the ground remains a precondition for these efforts.

Until this year, elements of property law in both Entities had effectively impeded the return process. In July I imposed legislation on both Entities, which simplifies the steps people have to take in order to buy formerly socially owned apartments. In the Republika Srpska I amended the law so as to eliminate the procedural discrimination which made it difficult for returning minorities to buy public housing units. In the Federation I lifted the requirement under which displaced persons and refugees had to occupy their apartments for two years before they could submit claims for the purchase of socially owned apartments that were declared abandoned during the war.

Work has also continued apace to create a political environment that is conducive to return. By the end of July, both Entities' Constitutional Commissions – established by me in January to implement last year's Constitutional Court ruling on the constituency of peoples – had adopted provisional reports on draft amendments to their respective Entity constitutions which will ensure that no BiH citizen living in either Entity will experience inequality because of ethnicity or religion. The autumn will likely see an animated debate over the adoption of these amendments by the respective Entity parliaments.

Mr. President,

The work of the Constitutional Commissions also demonstrates how the Dayton process can be adapted to meet changing needs. If one day the representatives of BiH's peoples and citizens decide that they want to amend the core annex of the Peace Agreement, the Constitution of BiH, they can do so.

As the country's constitutional settlement is modified through consensus, and as politicians turn their attention to pressing issues of economic reform, I have acted decisively to quell any recurrence of separatism.

On 6 April I placed the Hercegovacka Bank, the biggest in Herzegovina and the second biggest in BiH, under provisional administration after I had been presented with clear indications that the bank was being used to finance – illicitly – a variety of nationalist projects, including the attempt to launch the so-called Croat Self Rule specifically condemned by the Security Council in its Statement of 22 March 2001. The extremely violent reaction by a well-organised mob to the establishment of the Provisional Administration indicates that we went for the right target that day.

The bank's Provisional Administrator has spent the summer examining the books – and retrieving thousands of documents which the former management sought unsuccessfully to erase from computer files – and will shortly report her findings.

In March, as a corollary of the Self-Rule project, thousands of Croat soldiers deserted from the Federation army. By mid-June a majority had re-enlisted. The hard-line Croat politicians who had exhorted troops to leave barracks with the promise that their salaries would continue to be paid were unable to deliver on this promise. With their failure, one of

the most serious crises in the Dayton Peace Process was overcome.

While standing firm against regressive nationalism, my office has made consistent and increasingly successful efforts to reach out to moderate Croat leaders and respond to the legitimate concerns of the Croat people in Bosnia and Herzegovina.

In May, Serb extremists and local thugs attacked local and international participants at the ground-breaking ceremonies for the reconstruction of historic mosques in Trebinje and in Banja Luka, which had been demolished under the wartime RS regime. One of the participants at the Banja Luka ceremony subsequently died of his injuries. The Republika Srpska authorities conspicuously failed to maintain public security during these well-orchestrated outbreaks of nationalist violence. After consultations with UN Special Representative of the Secretary General, Jacques Paul Klein, I asked the RS authorities to dismiss immediately several high police officials, who had failed in their professional obligations. I also summoned the RS leadership to Sarajevo, where I made it clear to them that if they did not make arrangements for the ceremony to proceed, with complete security and appropriate dignity, and if significant changes were not made in RS social and political structures, there would be serious consequences for the future of this Entity. I laid out the steps that must be taken in order to change this regressive mindset, prevalent in the RS, and the steps that must be taken to find and punish the culprits in the May violence and ensure that such violence is never repeated.

In addressing the violence surrounding the mosque ceremonies and the flawed political environment which produced it I received the forthright support of UNMIBH. The Mission has also been at the forefront of efforts by the International

Community to ensure that those responsible for the May violence are identified and prosecuted.

Finally, on 18 June, the cornerstone was laid at the Banja Luka mosque site, with RS President Sarovic and Prime Minister Ivanic in attendance.

On 11 July, a ceremony to mark the sixth anniversary of the massacre at Srebrenica was held without incident. Security was provided by SFOR in cooperation with the RS police and IPTF.

Meanwhile, I am able to report two promising developments regarding the stance Republika Srpska is taking on defense issues. At the end of July, I communicated to the RS and Federal Republic of Yugoslavia authorities that the Defence Annex to the Special Parallel Relations Agreement that they had just signed, had no legal effect, as they had failed to consult my Office, as required by the Agreement. Delegations from the RS, FRY and my Office met last month and agreed on the way forward to the conclusion of a future Defence Annex.

In July, the BiH Presidency formally applied for BiH membership in NATO's Partnership for Peace programme. This will require a joint military structure that closely coordinates the operations of the Federation and the RS armed forces. This in turn represents a viable long-term defense strategy for BiH. It is particularly encouraging that the initiative for this has come from the tripartite presidency.

Next week the RS National Assembly will decide whether or not to adopt legislation formalising and facilitating RS cooperation with the ICTY. Regardless of the outcome, the RS has a standing obligation to cooperate with the Tribunal, an obligation that it has failed to honour so far. Passage of the bill – though technically unnecessary – would represent an

important acknowledgment on the part of the RS authorities of the fact that their Entity cannot continue as the only holdout in the region against the process of international justice. It is high time that the remaining fugitives from justice, beginning with Radovan Karadzic and Ratko Mladic, are apprehended and transferred to The Hague. Inasmuch as these and other indictees have been able to find refuge inside and outside BiH, routinely traveling to and from neighbouring countries, I am seeking to promote a regional response to the apprehension of these fugitives.

One bright spot in regional cooperation has been the succession agreement signed in Vienna on 29 June by the five former Yugoslav republics. Under my separate mandate for this issue, I oversaw and mediated the negotiations and acted as a witness of the signature of the Agreement. With this Agreement, the first agreement since the end of the old Yugoslavia concluded among all five states, the protracted legal dismantling of the SFRY is brought to a close. It allows the successor states to gain access to their agreed portion of former Yugoslavia's assets, an important boost – 250 million KM, or approximately 125 million USD, in the case of BiH – to their respective state finances. I would like to express my gratitude to the Secretary-General, who accepted my proposal of being the depository of this Agreement.

Improving State and Entity finances, professionalising the civil service, promoting the work of independent regulatory agencies, and establishing a modern legal framework – all of this will endow BiH with institutions that can maintain stability and in due course take the country into Europe. In the last six months important progress has been made in developing and strengthening strategic institutions.

The Independent Judicial Commission, which I established last December replacing the UN-led JSAP, is tasked with

strengthening the independent judiciary of the country. It aims to reform the appointments process for judges and other court personnel. It is reviewing the qualifications and conduct of all judges and prosecutors and it is introducing initiatives designed to improve the training offered to personnel throughout the judicial system over the next 18 months.

Work is also underway to overhaul the Civil Service, freeing bureaucracy from political influence and raising its standards. We are pushing for the swift adoption of a Civil Service Law prepared by my office which will professionalise the State civil service, making merit the main criteria for appointment and promotion.

Believing that the time is now ripe to take new and crucial steps towards increasing the strength and purview of state institutions, as envisaged in the BiH Constitution, last July I initiated regular meetings between legal experts from the Entities and the Council of Ministers to explore the considerable scope which exists for eliminating wasteful duplication of effort and resources in the many layers of BiH government. Eventually, this will facilitate the delimitation of government competence where a single authority can effectively carry out tasks now undertaken by the two entity authorities.

Mr. President,

In the spring of this year I was asked by the Foreign Ministers of the Contact Group as well as of the European Union to oversee the streamlining of international peace implementation structures in BiH with a view to improving efficiency and co-ordination. This is especially important in light of our desire to foster local ownership.

The present level of international commitment cannot be sustained. Donor fatigue has already led to a strategic reduction in actual and projected aid. Equally important: as long as the International Community determines politics in BiH to such a large degree, it will inhibit the mature growth of domestic institutions.

We thus need to develop, in coordination with the entire International Community and in consultation with the government, a plan that will set the stage for the final phase of peace implementation in BiH. Let me emphasize the need to focus on the end state rather then merely an end date. However, it is imperative that we set benchmarks and develop action plans for our core activities to improve focus and cooperation.

Since my last report to the Security Council, my office has carried out a comprehensive overview of the International Community's activities in Bosnia and Herzegovina. OHR has sought and has received proposals from other international agencies. The UN mandate given to the High Representative under Resolution 1256 (1999) obligates me to take an inclusive approach to our streamlining efforts. At the meeting of the Steering Board of the Peace Implementation Council last week, I invited representatives from UNMIBH, UNHCR, UNDP, OSCE and SFOR to present their views. In its Communiquée, the Steering Board has tasked my office with identifying core requirements and functions for the IC, reviewing tasks, mandates and field presence and to present options for a follow-up police-monitoring mission. This plan of action will be presented for consideration by the Steering Board at its December 2001 meeting.

Mr. President,

In concluding, I would like to stress the vision that the International Community must adhere to in its efforts. Our task is not to work on a mere exit strategy – Bosnia and Herzegovina needs an entry strategy into European structures. Membership in the Council of Europe is a first step. The European Union has further defined the path with its Stabilisation and Association Agreements.

In my address to you, I have gone into some detail in order to demonstrate the at times complex and technical nature of our engagement. However, I believe that these are indispensable elements of our mission to help build a viable and truly multiethnic state of Bosnia and Herzegovina, which can take its rightful place in the European family.

Thank you.