New Year's Letter by the High Representative to the Citizens of Bosnia and Herzegovina: "Can Bosnia and Herzegovina and Europe work as one?"

The New Year is starting today. Today is also the beginning of a new millennium and, I sincerely hope, the beginning of a new chapter in the history of Bosnia and Herzegovina.

As much as I wish you and your country all the best, I cannot help being worried. I do not want to repeat the phrase you have often heard from foreign diplomats: that much has been achieved since the Dayton Peace Agreement was signed, but more still needs to be done. As simple as that, this is no longer the case. What we need now, is a <u>radical change</u>.

This is the fifth year of the peace process, and Bosnia and Herzegovina cannot continue to muddle along as it has so far. There is a growing perception in Western countries that at the present rate of peace implementation, international involvement will be almost indefinite.

Most foreign publications I have recently read about Dayton Implementation come to depressing conclusions: the British news magazine "Economist" terms Bosnia and Herzegovina "aidaddicted"; the renowned US publication "Foreign Affairs" goes a step further and advocates the presence of foreign military only, since all the other forms of international aid and attention have not produced the desired results; there are already books out there that declare Dayton Peace

Implementation a failure.

This is not just the opinion of a few ill-informed political analysts. This reflects a new line of thinking in the West, a thinking that I, too, have noticed in my contacts with foreign leaders and which deeply distresses me.

Western governments and donors are getting impatient. Two weeks ago, the United States suspended assistance to the Federation Privatization Program. Why? Because the Federation is in serious violation of legal deadlines that would enable large-scale privatization to start. Companies and Privatization Agencies should have prepared opening balance sheets or privatization plans by March 28 last year. Only a small fraction have done so.

I could produce a long list of deadlines that have not been met, commitments that have not been fulfilled, minutes of important meetings and sessions during which the officials of this country have done nothing but to bicker and squabble and play blame games. But you know best what the state of affairs here is. Things must change if Bosnia and Herzegovina does not want to become Europe's abandoned backyard.

The Western world, and in particular Europe, is facing new challenges and financial demands: Kosovo, and the Stability Pact for Southeastern Europe. Its leaders and the donors are inclined to think: Why bother with Bosnia and Herzegovina if it refuses to take our advice and sensibly use the assistance that we provide?

I am willing to do what is in my power to bring about the urgently needed change. I did not dismiss 22 officials because I wanted to punish anyone. That would not bode well with our democratic intentions. I did it because it is becoming increasingly difficult to explain to the representatives of the outside world, who pay for the peace process in BiH, why people who blatantly violate laws and the Dayton Peace

Agreement, who stamp on citizens' rights, hold positions here.

I imposed the new property and housing laws because it is outrageous and inexplicable to the democratic world that hundreds of thousands of citizens still cannot return home and take possession of their property, which is one of the most basic rights that every individual has. The OSCE and my Office have invested months of efforts in producing a good election law because we sincerely hope that it will lead to more accountability and political moderation.

What we are trying to establish is a framework that will allow the citizens and officials of Bosnia and Herzegovina to take Ownership of the fate of this country, and to make it become a fully-fledged member of the European family of states. If accepted and used, this framework will lead to the creation of a political and economic environment in which everyone can prosper and feel secure.

But we, the International Community, can do only so much. Without the engagement and cooperation of the local people and politicians Bosnia and Herzegovina will not develop its full potential. We can make Bosnia and Herzegovina a prosperous, democratic, stable and lawful country only if we do it in partnership with its citizens and elected leaders.

Bosnia and Herzegovina needs good and responsible governance. The elected leaders and officials of this country must finally take Ownership of all the transitions that Bosnia and Herzegovina is undergoing and lead the country in a responsible and serious manner: from a post-war situation to lasting peace, from Communism to democracy, from a Socialist economy to a market economy. They must have the well-being of their citizens at heart, not narrow-minded party goals, nationalist agendas or their own interests.

Bosnia and Herzegovina also needs citizens that fight for their future. You are not pawns in the hands of your leaders, because <u>you</u> elect them to power. By insisting on the rule of law and, ultimately, using the ballot box you can ensure that they do not get away with corruption, self-indulgence and negligence of your needs.

I appeal to both politicians and citizens to take the growing disgruntlement in the West seriously and to change course. This year, the year 2000, will be decisive for Bosnia and Herzegovina's future. There will be two rounds of elections: municipal elections and general elections. Make a sensible choice. We also must make progress in the establishment of the Rule of Law. The most basic measurement will be the enforcement of citizens' rights to return and regain their homes and property. And we must achieve a breakthrough in economic reform. The plans are in place, have been in place for years: privatization, establishment of a sound and trustworthy commercial banking sector, closure of the payment bureaus, tax reform, audits, transparency and accountability, elimination of opportunities for corruption and fraud — to name the most important issues. It is true, we have improvements in, for example roads, power and utilities. But they are only one part of the preconditions necessary for development, on their own they will not produce employment and long term prosperity. To achieve this, these fundamental reforms are required. Only the successful implementation of this agenda will attract foreign and domestic investment and create jobs — jobs with decent salaries, jobs for you and your children.

The year 2000 is very important. Let us regard it as an opportunity. For the time being, the International Community is still with you, and I am here. Let us prove to the outside world that Bosnia and Herzegovina is not a hopeless case, that its politicians are not only pursuing their own interests, and that its citizens have not given up and resigned themselves to their fate. Together, we can make it. The way to a prosperous BiH and to Europe depends on you.