

LANDCENT Transcript: Joint Press Conference by Carl Bildt and Carlos Westendorp

Carl Bildt, outgoing High Representative: Welcome. This is the transition we've been doing now for two days in preparation for me leaving and Carlos Westendorp coming in. He is taking over one of the most difficult, but most challenging, tasks that you can undertake in the world today. I congratulate him on it; I congratulate him on taking over, a very dedicated staff that has been working extremely hard and extremely well during these years as we've built up the OHR. And I also congratulate him on the fact that we now have, in all important aspects I think, a clear guideline, a clear policy from the international community as set out in the Sintra declaration.

I, myself, as I said on television yesterday, will be returning to my own country. One has to do that sooner or later. There are many Bosnians in Sweden who I hope one day will return to this country of theirs. I do that with, of course, a sense of satisfaction of having been part of the process since the time when I started, ended the war, and started to create the conditions for peace. Some of the things that we've done would have been, a couple of months before, impossible or even unthinkable.

But for every small step that we've taken, I think we have been more conscious of the steps that yet are to be taken for peace to truly take hold in Bosnia—for not only the days or the weeks or the months ahead, but for the years and the generations to come. It's a task that can't be defined in terms of deadlines. It must be defined in terms of a state of mind of the people here. When they don't fear the future, that the future will be a repetition of the past, then peace is

going to be secure. When all of them see the common state of Bosnia as their state, their protector, their guarantee and their representative, then peace will be safe.

But peace in Bosnia is not going to be enough; there must be peace and stability in the region as a whole. That part of Europe that is south of Slovenia and north of Greece has much richness and cultural value, but it also has tensions and problems that must be overcome. And the task of the international community, in my opinion, during the years ahead, is not only to stay the course in Bosnia—that's absolutely essential—but to be able to develop policies and principles for the region as a whole.

If I can, in other capacities, can continue to do a contribution to that, I will be honored to do so.

Carlos Westendorp, incoming High Representative: Thank you Carl. The first thing I would like to tell you is that I am taking over Carl's very good job and it is going to be very difficult to do better than he has done up to now. As he has said, the improvement of the situation, as you all who know this country can see, has been a reality. So the task ahead of me is easier because of his action. I am very much aware that the task is not going to be easy at all; it is going to be very, very difficult.

I have accepted this job, not on a personal basis—I was very comfortably installed in New York—but because of the reason that you all are here, the reasons that all of the international community is here. This reason is to make peace irreversible in this country—to allow the long periods of peace that this country has had in the past to be its future, a future of integration in the western institutions, a future of prosperity and a future of democracy. That's the common cause in which we are all here; I was very much engaged by that and also by the simple fact that many people have lost their lives here. We cannot shy away from taking this job.

Thanking Carl for what he has done, I would also thank you very much if you would cooperate with me as you have done with him in order to convey this message: We have a common goal and the only answer to the present problems is through the full accomplishment of Dayton. There is no alternative to Dayton; we all know that and we have to look into the future, not the past.

Democracy, freedom of movement, freedom of press— although these are the principle goals, also important is the social and economic development of this country. So these coming months, I am going to concentrate all of my efforts to that goal.

Carl Bildt: Thank you. Let me add in the category of famous last words-or at least last words-that I think that it must be understood that we in the international community can have an impact on developments here and in the region on one condition: That we work together and we all unite.

The fact that the war could not be prevented, the fact that the war lasted as long as it did, was, to a certain extent, the lack of international coordination. That's among the Europeans, between the Europeans and Americans, and others. When we have made progress here during the last 17 months, it's been by working together.

There's always a tendency towards unilateralism by the one or the other, but peace-making is not the question of quick fixes, one liners, and photo opportunities. Peacemaking is the result of the persistence and the patience of those working on the ground and the international community must do their utmost to support them. Everything else is going to fail, long-term. And I think all have started to learn that particular lesson, but I think the learning lesson needs to be completed for us to be absolutely certain of being as effective as we should be in the peace-making efforts here. Questions?

Q: Mr. Westendorp, what do you consider to be the most difficult challenges that are facing you? You've mentioned that you've got a very difficult task ahead of you.

Carlos Westendorp: Our common goal is to reach a durable situation in which war is not going to come back, and for that we have a huge task ahead of us. First of all, there is the reconstruction of this country, economic and social reconstruction. That is why we need a Donor's Conference as soon as possible. We were very much engaged in having one on the 24th, but there are still conditions to be met. Let's see whether these conditions can be fulfilled before this conference is convened.

Then there will be the municipal elections, the return of the refugees, the freedom of movement of people, the working of the institutions, the respect of democracy, freedom of the press, mutual confidence, etc., etc. So all of these issues are of the same importance in resolving our common goal. So I wouldn't say that one is more important than another. The only thing is that there are some questions which already have a date and whenever we fix a date, we are always forced by events, but we have to take care of all of these questions at the same time.

Q: Just to follow up: The Donor's Conference you mentioned - There clearly is a date. There's a big question mark over the Serbs participation on that. Can you just update it? Is it going to go ahead? And will the Serbs actually be participating?

Carlos Westendorp: There have been very, very intense negotiations in the last days and the last hours, because the condition for the celebration of the Donor's Conference is that several issues that are pending, are solved. And some of them have been - in the World Bank issue, for instance, the debt to the World Bank has been solved. The question of the World Bank in Bosnia-Herzegovina apparently is on the way to being

resolved, if not resolved already.

But there is still the question of the customs union, the tariff issue, the disagreement between the Serb entity and the other entities and ourselves, and of course it is against the Sintra Declaration, in which there was a clear condition that this was accepted, and also an agreement-or at least a letter of intention-with the IMF, the International Monetary Fund. If these conditions are met, I think the conference should be convened.

Carl Bildt: That's very much our line and it's a very good example of the continuity in line. As we said yesterday, this is a personality change, but the policy remains the same. We've been under severe pressure from the U.S. government for quite some time to postpone the conference. In our opinion, the Donor's Conference should be held if the conditions are met. If the conditions are not met, it can't be held; it's as simple as that. But to postpone when we have a chance of meeting the conditions, by having pressure, is to make virtually certain that conditions will not be met. And this is a rather good example of the necessity of working together with a coordinated approach. If the approach is not coordinated, the approach is substantially less likely to succeed.

Q: What will you do in order to make the relationship between the Republika of Srpska and the Federation equal?

Carlos Westendorp: I'm not sure that I understood. If you take for granted that there is a previous position in treating one entity differently from another, you are wrong. I think we are going to stick to Dayton, on the one hand, and we are going to stick to the Bosnia and Herzegovina constitution. In that constitution, there is no discrimination at all, so I will be guided by these two texts.

Q: At this point, there's a consensus by diplomats on the

ground that one of the major obstacles to implementation of Dayton is the continued presence and influence of Mr. Karadzic. Your predecessor has described him as a force of evil and intrigue.

I'm curious as to whether you will strengthen your pressure on the international community to change the mandate for SFOR—or for whatever force we have here— to go after ,or at least neutralize, Mr. Karadzic in such a way that he's no longer an influence on the political process in Republika Srpska and Bosnia as a whole.

Carlos Westendorp:Before coming here, I said that this question of the war criminals in general must be solved as soon as possible. It is not under the mandate of the High Representative to solve that, but saying that, it is very clear that as long as there are several of these people, which are indicted by the court, at large, it's going to be impossible to proceed in a normal way. So that's a clear position. I understand that there is, not a mandate, but a constitutionally established position on the side of SFOR and I haven't yet established contact with them and the international community with the contact group. That's an issue that should be dealt with. I have no position except the general one: That this has to be solved.

Q:So you're saying that on the large scale, the successful implementation of Dayton is not possible until the war criminals have been detained?

Carlos Westendorp:No, I think my job is not going to be impossible; the job is possible, and the fact is, Carl Bildt has been working very efficiently and has achieved a lot of results. The question has not been solved, but I think it can be done. I think that this country, on a moral, practical and political basis, will not have a situation of normality until this issue is really solved.

Q:Mr. Bildt, diplomats that I've spoken to seem to be of the opinion that in the last few months, the Americans have been taking over more and more of the diplomatic effort to make Dayton work. And there seems to be a twin-track approach where the OHR is doing one set of things and the Americans doing another-Arms control being one instance.

I'm just wondering if that is also your impression and if you think that such bilateral moves are helpful?

Carl Bildt:It is true that arms control is not of the issues that are really part of the OHR mandate. We can monitor it, but that essentially is for others like SFOR, to a certain extent, and the OSCE. We are informed, but not much more than that. Then, I wouldn't say it's the Americans running that show. That is a truly multilateral effort both within SFOR and within the OSCE.

On the other issue, I can speak with a certain perspective, since I've gone through four generations of Americans, special envoys or representatives of the president.

And each time, we've heard that there's a new effort- That's fine. But I've been reassured each time to find out that the new effort is following the old lines; that's good. Because we can only be successful by having roughly the same policy line throughout the period. If we shift policy, we lose influence.

And what I welcomed-and that's not only the Americans, but everyone-was Sintra. It was the reinforced commitment of the international community, as a whole, to the Dayton process. I was very worried in March and April. That was when I said that there was a risk of severe Bosnia fatigue setting in, including in Washington. But certainly not only in Washington; all over.

And that was when I wrote to all of the foreign ministers and said that this could be dangerous, because without a strong international commitment to this peace process, it could

falter. And I said that we need to have a ministerial meeting; we need to set clear (indiscernible) to back the people on the ground more. And that was what resulted in Sintra, with Secretary Albright, with Robin Cook, with Klaus Kinkel and others reinforcing that particular message.

Then what I've seen is that there are very large differences that the American media-and some of American media tend to be rather dominant in the world-report mainly on American efforts. So if you have an American coming in here and doing a photo opportunity and a one-liner, you can be quite certain of that receiving broad international coverage. But if you have the long-term efforts of, say, Michael Steiner on the coalition for return or something of that, that is much less likely to receive the same amount of broad international coverage. And that sort of tilts the balance when it comes to perceptions of who is really driving the peace process. All are important.

The American renewed vigor is welcomed and is very good, as is the commitment of all of us.

Q: Sintra and the conditionality linking economic aid to compliance with the peace accord was described as one of the main tools that would be used. Now we're getting the first test of that and it seems that the Pale leadership is more interested in other things. The conditionality doesn't seem to move them; they've only received a small bit of the aid so far, and yet they seem more interested in sovereignty for their entity or their disagreement of Belgrade.

Hundreds of millions of dollars-I don't see it moving their positions. Is that your view, or do you disagree with that?

Carl Bildt: There's no black and white. I think economic conditionality can work, but you have to be specific in what you apply economic conditionality to. I think, for example, that economic conditionality does not work on the issue, say,

of indicted persons, be it on the Republika Srpska side or on the Federation side. Here we are dealing with issues that will have to be sorted out in some other way.

However, we have been able to successfully apply economic conditionality, particularly concerning the Donor's Conference, on a couple of occasions. Go back somewhat more than a year and the first real crises that we had when it came to noncompliance with Dayton was the release of prisoners. In February, March and April of 1996, we used economic conditionality. We played it very hard, up until the last second, and we did achieve the compliance. We did not achieve the deadline, because, if I remember correctly, the deadline was February 19th and we finally got the release some time in mid-April, or something like that. But it was a very hard application of economic conditionality.

This year, we've used economic conditionality to get the economic component of the Quick Start Package through. Although there's been substantial difficulties both on the Federation side and on the Republika Srpska side throughout, we are now nearly there. And we want to use this particular weapon up until the very last second and I won't give in.

I think it can work, on issues like that. And there are others, like the new approach that we have with in the RRTF, the Refugee Reconstruction Task Force, where we apply conditionality in terms of housing assistance and local acceptance of minority return. I think we have signs of that beginning to change things on the ground, but you have to be somewhat more refined, I would say, in use of that instrument in order to succeed. If you do that, then I think it's a good instrument.

Q:Who's going to replace Michael Steiner as Deputy High Representative?

Carlos Westendorp:I think that the structure should be

slightly different: Instead of having one principal deputy, I think it would be advisable to have two, with different tasks. I have to look at it carefully. I told the United States to provide a good name, a good personality, that can be a suitable principal deputy.

Then I received also a very good deputy proposal by the Germans in the name of Gert Wagner. I have had a meeting with him already and I told the Germans that I would be delighted to have him as a deputy. So the structure will be double. There will be one first deputy of American nationality, provided that the United States gives me a good name, and a second first deputy, who will be Mr. Wagner.

Q:Mr. Westendorp, do you think that the international community to do more to resolve the issue of indicted war criminals? And a question for Mr. Bildt: The failure to do so, so far-Would you say it's a result of another lack of communication on the side of the international community, as you mentioned?

Carlos Westendorp:Of course the international community is firmly committed on that issue. There is no difference among the different members about that. We all feel that it is absolutely necessary that this obligation is fulfilled by the parties. I firmly think that it has to come from inside of the parties and they have to fulfill the obligations, because of the many reasons that I told you.

We see that persuasion is not enough, perhaps, so there will be other means. One is the means of pressure and conviction. We now are in the phase in which we are considering the situation very carefully. The situation has to be solved. But the main responsibility lies on the parties.

Carl Bildt:My task is has not been to do grandstanding for the media or for the public opinion on issues where there's an ongoing debate within the international community. On

sensitive issues-and there are a number of those-I have made my recommendations directly to the governments and to the bodies that can take decisions. And on certain of these more sensitive issues, my recommendations have been followed, and on others, my recommendations have not yet been followed. But it's not too late to follow my recommendations.

Q:Mr. Westendorp, the Dayton Peace Accord makes it clear that the parties are ultimately responsible for handing over indicted war criminals, but isn't that a perfect example of catch 22? They are the only ones able to hand them over, but many of the parties or their officials made it absolutely clear that they will never, ever do so, no matter what kind of pressure you apply-whether it's economic pressure, political pressure or what.

And a few weeks ago, I believe that you were quoted as saying that the international community should do something more about it.

Carlos Westendorp:Indeed, that's the position I have and I stick to it-I think this is clear. But there are many ways of doing that and I prefer to believe that if it comes from within a country, it's much better than a solution imposed from outside.

Q:Mr. Bildt, what were the recommendations that haven't been followed yet?

Carl Bildt:I was surprised that you didn't do that follow-up earlier! Were you asleep?

(laughter)

Carl Bildt:It was the most obvious follow-on question I've ever thought of! And you know that I won't-One day.

(laughter)

Q:You've got nothing to lose!

(laughter)

Carl Bildt: Well, but I have: If I thought that to making the recommendations that I've made-which are sometimes rather specific-public, if that were to help in making the decision more likely, I would do it. I wouldn't hesitate. If I thought there were other means of making that decision more likely, I would use those. The end result happens to be the most important for me. For you as well-You have a story to write.

Q: Are we to think that the recommendations are so sensitive that they cannot be made public?

Carl Bildt: Something needs to be done, but the issue is exactly what needs to be done? This is not a one story issue. There are close to 80 persons indicted, some of them in sensitive places, some of them in less sensitive places. The way you deal with these issues-and not as a one-shot affair, either-have profound implications, from the way you handle the peace process, in a number of different ways. So it's not as easy-I think it's fairly clear roughly what needs to be done, but in terms of details-I mean, "roughly" is not enough, for policy making.

BREAK IN TAPE

Carl Bildt:—have been detailed and are detailed for me. We'll see.

Q: Mr. Bildt, how about this question: Is Mr. Westendorp in accordance with your sensitive recommendations that you don't want to name?

Carl Bildt: Well, that is, of course, a deeply held secret-

(laughter)

Carl Bildt: Let me add that I am handing over to Carlos and gradually, of course, he we form his own mind on these issues. At the moment, it's a seamless transition-100%-of policies and

everything. Then gradually, I would expect-I mean, I have been forming my opinions gradually during the time that I've been here, but that's taken for granted.

Q:There's been less than satisfactory compliance with the Arms Control agreement. There's also been some debate about the merits of the Train and Equip program. Could we get an answer from both of you about your concerns about military balance in this country and about arms control efforts? Are things going the way they should be?

Carl Bildt:No, things are not as they should be. In my opinion, it's going too slowly. There's been a serious problem of under-reporting and a serious problem of not meeting deadlines. That's been a problem on both sides. The Serbs have now-as we said in Sintra-supplied a program to oversee how to meet the deadlines, which as far as I know, hadn't-as of last week-yet been made by the Federation side.

I am very concerned with the levels of military spending. There's been a discussion on the military balance and whether that could be destabilizing or not. Of course, a military imbalance tends to be destabilizing if there's not a military presence from outside in the country. And I've called for military presence from outside to come into the country for quite some time to come- I think that's absolutely essential to the peace process. Whatever the workings of the political machinery in different countries, I'm quite certain that this is going to be the end result.

But what I see is that we now have here military expenditure in relation to the size of the economy. That is of the same proportions as in the old Soviet Union, or Israel, before there was a peace process in the Middle East. That means that the level of military expenditure is a severe burden on the social and economic development of the country and we must look at-and this is one of the tasks indicated in Sintra-ways of reducing military expenditure.

Let me just read this: As military expenditures are reincorporated into the government budgets, one of the problems is that we don't exceed the amount in the budgets. And the external finances dwindle. Pressure on budgets are bound to rise unless the size of the military is drastically reduced. Current military spending is far greater than needed to enforce and atmosphere of security.

Excessive military expenditure also impedes both growth and poverty reduction by diverting resources that could be better spent on the infrastructure or education and by demining macro-economic stability. Coordination is needed to ensure that military spending is cut according to the plans laid out and implemented at the same time by both entities.

I am very worried by the effect of what I think would be rising military expenditure on social and economic progress and also on the will of foreign tax payers to pay for reconstruction assistance to the country. I think that is one of the issues that has not been focused upon, but needs to be focused upon in the coming months.

Carlos Westendorp: I agree entirely with Carl; it is of great concern that there is no full compliance with the armament reduction. I've seen the reports and the reductions are very unsatisfactory, so we will very much recommend that this is done.

Q: Could you be a little more specific about the problems you have with the Train and Equip program since it is a donation rather than an expenditure?

Carl Bildt: It is a donation, but if I give you a tank, or an anti-aircraft system, you will soon find out that it requires an amount of expenditure. Because you need to train your brothers or sisters or your family to operate it and you need fuel and you need ammunition. If you need to have another tank or platoon, you need to equip units for that and you need to

train them, you need professionals to maintain it.

It is an expensive thing to maintain professional armed forces, and here comes the difference: There was an abundance of arms-and still is-here, all over the place. It is essentially old Soviet-style stuff; you can see it all over the country. That was handed out for free by the JNA-Taken, or handed out. And it was not really maintained. It was used during the war. A large part of that equipment is really not usable any longer for lack of maintenance, and there aren't trained people around.

When there's a quantity of reductions-we now go for qualitative build up of forces, anyone who's been dealing with defense expenditure in any country knows that it requires a lot of money to train and maintain and make that into proper fighting units.

So the fact that you are handed tanks is only a minor expenditure that you can have for that particular tank during the time period. And that will be a burden on the economy here. I'm not against tanks-I'm all in favor of them. I've bought lots of tanks for the Swedish army. But you have to see things in proportion to the social and economic needs and the stability needs of the country.

Q: It seems you meet with more minuses than pluses.

Carl Bildt:No, that's not true. I came here when there was war, which I thought was a bloody minus! I thought the war was bad, frankly speaking!

(laughter)

Q:Where you failed to make during the mandate here, now we are making ground up.

Carl Bildt:I think the greatest single failure was the Sarajevo transition. The fact that Sarajevo, which was once

very much a multi-cultural, multi-ethnic city, is now far less that, that was, to a very large extent, pre-programmed in Dayton. We tried to do whatever we could to avoid it. It might have been that even better efforts would not have succeeded, but I think that long-term, for the future of the country, the fact that so many of the Serbs, a certain extent of Croats and others have left Sarajevo, is going to be a burden on the future?

Q:Do you think the war criminals are not so important?

Carl Bildt:Well, I think that is going to be easier to sort out than this particular one.

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