

## **Remarks by the High Representative Carl Bildt to the Humanitarian Issues Working Group of the Peace Implementation Council**

The peace process in Bosnia is soon to enter into its eighteenth month. After the first year – which saw the essential military tasks as well as the basic political tasks with the election and the beginning of constitutional implementation completed successfully – we have now entered the more complex consolidation period leading up to the September 1998 elections.

I have recently given my overall assessment of the process of peace consolidation in my report to the United Nations Security Council, which I will be discussing with the members of the Council in New York next week.

The process is moving forward. But for each step forward taken, we become more aware of the number of steps which remain to be taken. 17 months of peace implementation is only the start of the effort to overcome the bitter legacy of nearly four years of brutal war.

Of crucial importance is the process of setting up the common institutions of Bosnia and Herzegovina. They are the key to the peace process both in purely political terms and when it comes to creating the preconditions for addressing the serious economic and social problems of the country.

The common institutions – primarily the Presidency and the Council of Ministers – have started to operate. But they have not yet been able to agree on the basic support necessary in terms of staff structures. And they continue to be more for bringing up the issues which divide the country than for moving forward the issues which gradually might bring it back together again.

We have been encouraging them to move forward with a package of basic legal and economic decisions – the Quick Start Package – creating the foundations for a functioning common state and paving the way for full participation of all of the country in the structures of international trade and economic relations. Adoption of these is also the precondition for an agreement with the International Monetary Fund, paving the way both for a 1997 Donor's Conference and for debt rescheduling within the framework of the Paris and London Clubs.

These issues are moving forward, but are the subject of continuous political battles, thus leaving us in a situation in which so far none of the necessary measures have yet been presented to the Parliamentary Assembly for approval. We hope that the session of the Parliamentary Assembly now scheduled for April 30 will signify a change in these respects, making it possible to move forward also with the external assistance necessary.

Although there is a significant economic recovery primarily in the Federation, we should all be aware of the fragility of it. It is to a very high degree the result of international aid and the economic impact of the substantial international presence in the country. In the Republika Srpska the situation remains grim, to a very large extent as a result of the policies of self-isolation pursued by its political leadership during last year.

I have repeatedly made it clear to the political authorities of the country, that international aid on the present scale will not be available for long, and that it is their ability to move forward with substantial and radical economic reforms which will determine their economic and social developments in the years to come. And we are – together with the International Monetary Fund and the World Bank – advising them on the steps which must be taken.

This is of great importance also in the context of what we are discussing here today – the return of refugees and displaced persons. Over time, return has to be voluntary, and return will over time only happen if those pondering the decision whether to stay abroad or go back home consider the conditions in the country to be sufficiently safe and promising for the future.

The obstacles to a speedy return of all of the refugees and displaced persons which we are faced with have been described by the High Commissioner, and are detailed in the different background documents to this meeting. Although there are some signs of change, we know that resistance to minority returns has been widespread during the past 17 months, and that there are distinct limits in terms of housing and employment opportunities also to the

possibilities of large-scale majority return.

And this is the background to the note of caution I have sent to Foreign Ministers of the countries of the Steering Board and the European Union when it comes to large-scale more or less forced repatriation of refugees this year. It risks – simply speaking – to be highly destabilising in a situation which from the beginning is far from stable.

This is also the conclusion coming out of the work jointly undertaken during the last few months in the Return and Reconstruction Task Force, bringing together the efforts of the UNHCR with the different members of the Economic Task Force. The report has been made available to you.

The RRTF has identified a major funding shortfall in housing. For there to be a possibility of providing some sort of housing – and housing is really only one part of the story, employment and social infrastructure should be added over time – to an anticipated 200,000 returnees this year there is a need for app. USD 300 million more than are now in the plans for 1997.

This issue needs to be addressed at a forthcoming Donor's Conference. And I have urged those governments and members of the Council of Europe to study the options presented by the Social Development Fund of the Council.

We need sufficient resources to carry forward a large housing programme. And this would also be important in order to facilitate minority return. It is my view that help with housing reconstruction in different municipalities should be linked also with their readiness to accept minority return.

The RRTF has also recommended governments to pursue what we refer to as incentive schemes for individuals and families to return along the lines of what has been introduced here in Switzerland. They look expensive, but nearly always turn out to be substantially cheaper than any of the alternatives realistically available.

We aim at facilitating a situation inside the country which creates the conditions for refugees to take the decision to return home. And we urge the authorities of Bosnia and Herzegovina to see their actions and their policies in this light as well.

The economic and social situation is of fundamental importance. I remain seriously concerned with the slow speed with which these issues are tackled. This applies to the Federation as well as the Republika Srpska. If we do not see a change in this respect during this year, I fear it will be difficult to avoid a situation a couple of years from now when there is a new net outflow of people from the country, although then mainly for economic and social reasons.

But the political and security situation is of equal importance.

The local elections to be held September 14, and the full implementation of their results throughout the territory, will be of great importance, and ought to create a situation in which the conditions for minority returns will improve significantly.

The human rights situation continues to be worrying. The recent report of the Federation Ombudsmen paints a bleak picture of the situation in that Entity, and the situation in Republika Srpska is certainly no better.

This applies not the least to the rights and possibilities for the refugees to come back to their houses and their apartments. And in this respect both the Federation and the Republika Srpska have conceded that their respective laws are in contradiction to both Annex 7 of the Peace Agreement and to the human rights which should be guaranteed by the Constitution. It is imperative – and should at some stage be made a condition for further help – that these laws are changed.

Of great importance when it comes to creating an atmosphere in the country which would facilitate the return process are the efforts of UN-IPTF. I expect SRSG Eide to give further information in this regard. Suffice is to say, that without substantial police monitoring and re-training programs over the next few years, it will be difficult to achieve any radical improvement in the human rights situation.

But such an international police presence in the country will hardly be possible if not the overall security situation is clear.

We must make abundantly clear in our political statements that the international community simply will not tolerate any resumption of open hostilities in the country. The mechanisms of this can be addressed later, but the

policy must be there now, as a message both to the respective political leaders of the country, and to all those now contemplating whether they are to bring their families back to their country or not.

My office will continue to do all we can to help and assist these efforts.

We will discuss with UNHCR how to proceed with the work of the RRTF in order to co-ordinate the return and the reconstruction efforts.

We will continue to give support and assistance to the Coalition for Return, which has the potential to become a major force all over the country on these issues, as well as the efforts to set up "open cities".

We will continue to address the freedom of movement issues in the Freedom of Movement Task Force. A creeping tendency to increase checkpoints along the IEBL will be dealt with in the coming weeks.

We will do our utmost to help in the solving of the financial problems of the Real Property Claims Commission and the Human Rights Commission.

And we will have - through the office of the Deputy High Representative and Supervisor, Mr. Farrand, a direct responsibility for the extremely important and delicate return and resettlement procedures in the Brcko area.