

# Remarks by Christina Vasak, OHR Senior Political Advisor at the Extraordinary session of the Stability Pact Regional Table

Ladies and Gentlemen,

I have the honour of representing the High Representative for Bosnia and Herzegovina, Lord Paddy Ashdown. The High Representative is personally committed to the success of the Stability Pact and will do everything in his power to promote its initiatives in BiH and to ensure that BiH is a constructive and active player in the region. However, since he is only now into his second week in office, his schedule has been taken up with protocol meetings and establishing his agenda – consequently he is unable to be present with us in Bucharest today. He has tasked his principal deputy, Ambassador Donald Hays, to realign OHR's legal reform activities along a rule of law pillar concept, and therefore Ambassador Hays is also unable to attend. But be sure there will be other opportunities, here or there !

The High Representative has asked me to describe to you his views regarding positive interaction of the Stability Pact and the Stabilisation Process, and his agenda focused on the promotion of the rule of law and economic revitalisation in BiH can dovetail with complementary efforts undertaken in a regional context, through the 'CARDS' Programme and of course the Stability Pact. The plan is, of course, to step up regional co-operation and support the key role of the European Union as a whole as a driving force within the Stability Pact.

In his address to the BiH Parliamentary Assembly on 27 May, the High Representative summed up his priorities in the phrase: first Justice, then Jobs, through Reform.

Renforcer la règle de droit, instaurer un véritable Etat de droit est indispensable si, comme l'a souligné le Haut Représentant, nous voulons éviter que la Bosnie-Herzégovine ne soit sapée par la corruption et le crime organisé, si nous voulons voir protéger les droits des citoyens et si nous voulons la mise en place d'un climat propice aux affaires, à l'investissement et à la création d'emplois.

Un Etat de droit est synonyme de confiance des citoyens dans leurs institutions, signifie que les politiciens sont responsables à tous égards devant le peuple, enfin et non des moindres, encourage le retour des réfugiés et des personnes déplacées

*(Strengthening the rule of law, créer un Etat de droit, is crucial if BiH is not to be undermined by corruption and organised crime, if citizens' rights are to be protected, and if a business environment is to be created that encourages investment and job creation. The rule of law makes politicians accountable to the people; it facilitates the return of refugees.*

*All of this applies to Southeast Europe as a whole. Indeed, Stability Pact initiatives such as the Investment Compact, aimed at facilitating the ability of Stability Pact governments to share their experiences in eliminating corruption, increasing transparency and freeing up investment flows, exactly dovetail with the High Representative's priorities in BiH.)*

Pour être efficaces, nous devons appréhender ces questions sous l'angle régional, seul à même de permettre leur règlement. Chacun sait ainsi que le crime organisé ne connaît pas de frontières. La règle de droit représente à la fois un

impératif et un défi pour tous les Etats de l'Europe du sud-est. La réponse se trouve dans une coopération internationale vigoureuse à laquelle le Pacte de Stabilité peut, et doit, contribuer.

*(The rule of law is at the same time an obligation and a challenge for all the countries of Southeast Europe. In order to properly address this there is a need for vigorous international cooperation, and the Stability Pact can and must contribute to this.)*

Concourent à cet objectif des initiatives du Pacte de Stabilité comme celles visant à accroître l'échange d'expériences entre gouvernements des Etats membres dans la lutte contre la corruption, en faveur de la transparence et du développement économique. Ces initiatives correspondent aux priorités du Haut Représentant, donc à celles mises en exergue par les autorités de Bosnie-Herzégovine.

*(We welcome initiatives taken by the Stability Pact, such as the Investment Compact. These initiatives dovetail with the High Representative's priorities in BiH, which in turn correspond to the agenda of the local authorities.)*

The establishment of impartial and effective High Judicial Councils at the Entity and State level in BiH, and the creation of a non-politised professional civil service are central to the High Representative's reform strategy, as is a comprehensive legislative review that will make laws more effective, regulatory bodies function, and justice more accessible to ordinary citizens.

The High Representative called for a concerted campaign against corruption, smuggling and people-trafficking, which have reached epidemic proportions throughout the region. These phenomena are truly cross-border problems, which also need cross-border solutions.

The economic challenge in BiH is to stimulate growth in the

private sector, especially among small and medium-sized enterprises, which are little by little replacing smoke-stack industries as the engine of the economy, as well as to create a Single Economic Space. In this respect, BiH and the rest of the region are as one. To put it differently, integration into regional, wider European and global markets, including membership of the WTO, is a priority. All of the Stability Pact countries want to exploit the possibilities of a combined market of 55 million consumers, by eliminating trade barriers among themselves by 2006. It is in the framework of the Memorandum of Understanding on Trade Facilitation and Liberalisation brokered by the Stability Pact that trade in products is being progressively liberalised, the Free Trade Agreement between BiH and the FRY, which entered into force on 1 June, being the most recent example.

The High Representative has called for the elimination of red tape and bureaucracy, legislation that helps small business borrow and expand, an efficient and timely system of business registration, reform of property laws, and the establishment of efficient commercial-dispute settlement mechanisms.

BiH is more than ready to learn from its neighbours. Foreign investment amounts to a tiny KM 85 per capita in BiH, compared to over KM 640 in Croatia , and it can take as much as 90 days to register a business in BiH – it can take as little as 10 days in Rumania.

But BiH also has to offer something. It is a power supplier ; it has abundant recent experience in infrastructure recovery ; it has a skilled workforce with international experience ; it has a tradition of innovation and ingenuity in its duty. It is also, if I may say, a “green space” in the sense that companies can start from scratch; with new legislation in place they will find it to be an increasingly welcome environment.

Dank dem neuen Koordinator des Stabilitätspakts, Dr. Erhard

Busek, bemühen uns wir alle, die Komplementarität des Stabilitätspakts and des Annähreungsprozesses dieser Länder Richtung Europäische Union weiter zu entwickeln. Lord Ashdown wird diesen Weg, den sein Vorgänger, Wolfgang Petritsch, bereits vorgezeichnet hat, auch in der Zukunft folgen und diese Politik unterstützen.

*(Working with Dr Busek we will all do our very best to strengthen the complementarity of the Stability Pact and the rapprochement process with the EU, and the High Representative will continue in the steps of his predecessor and give his full support to this process.)*

Ce qui est en jeu ici est le processus de rapprochement des pays balkaniques avec l'Union européenne. L'accueil, aujourd'hui, dans les rangs du Pacte de Stabilité de la République Tchèque, de la Slovaquie et de la Pologne montre qu'au-delà des différences entre les économies des pays en question, des points communs et synergies existent. Le fait que les trois nouveaux venus, qui sont bienvenus, soient candidats à l'entrée dans l'Union européenne ne laisse aucun doute sur leur vocation européenne.

A leur tour, la Bosnie-Herzégovine et tous ses voisins empruntent ce chemin en sachant qu'il est en soi un enseignement, celui de l'acquis communautaire.

*(The issue here is the rapprochement process. The fact that we welcome today into the ranks of the Stability Pact the Czech Republic, Slovakia and Poland shows that common features and synergies exist over and above differences. The fact that these three newcomers, who are very welcome, are candidates for EU admission leaves no doubt as to their European calling. Now it is the turn of BiH and its neighbours to take this route, knowing that it is in itself a learning process, that of the acquis communautaire.)*

Thank you