

# Remarks by Principal Deputy HR Donald Hays at the CPIC Press Conference

Ladies and Gentlemen,

It is one hundred days since Paddy Ashdown took office as the High Representative. He began his tenure with an address to the Parliamentary Assembly of Bosnia and Herzegovina in which he outlined his strategy for helping this country move irreversibly onto the road to statehood within Europe.

Paddy summed up his priorities as – First Justice, then Jobs, through Reform.

On Justice and Jobs the High Representative itemised clear policy initiatives.

He said we would press ahead with root and branch legal reform and establish the machinery necessary to ensure that government departments and state-owned companies are accountable to citizens. He said we would tackle organised crime and tackle the dangerous and debilitating nexus of criminals and politicians that threatens to strangle civil society in BiH. He said we would complete the preparations for the establishment of the State Court and the High Judicial Councils, which will energise the justice system and allow for the efficient administration of reformed laws.

In the economic field, the High Representative promised to work with the BiH authorities to sweep away the pointless, time-consuming and investment-detering red tape that has devastated business and industry in this country, producing high unemployment, low investment and economic growth that is much much too modest. He said he would focus on helping small businesses – the backbone of the new economy now emerging – to

borrow the funds they need to start up and to expand, so that they can create jobs and generate wealth. Urgent priorities that the High Representative identified included setting up an efficient business-registration system and ensuring passage of property and land-ownership legislation.

None of these legal and economic initiatives is arbitrary. None is random. They are no less than the essential building blocks for a working economy. The enactment of these initiatives is part of an overall strategy. They are interlinked. That is what makes them effective. But they will take time. What we are reporting today is a start – in my view a good start – down the road of reform, down the road to creating a legal and economic environment which will allow all the citizens of this country to live in security and dignity – with access to work, with access to the services which normal European states provide for their people, and with confidence that this country has a stable and peaceful future in Europe.

This is an environment in which crime and corruption have no place. We must develop an environment in which honest citizens will no longer be penalised for being honest, in which ethnic division and nationalist grandstanding will no longer act as a blight on the good fortune of the people of BiH.

In the last hundred days the High Representative has kept his commitment to this country and in partnership with your representatives and with the help of the entire International Community, we have begun to deliver on these commitment.

In each of the areas where he made commitments, progress has been made. I believe you have been supplied with a summary of practical initiatives implemented during this period. But we should keep in mind that each individual action will have only limited value, it is the entire package of reforms that is essential for a working economy and establishing the rule of law in this country.

We are on the right path. The biggest security threat to this country is not nationalism; it's criminality, corruption and unemployment. The popular mood, I believe, matches the steps that the High Representative has initiated since he took office. People want pragmatism; they want policies that make sense, that lead somewhere.

Such policies should be the basis of responsible electioneering as we approach 5 October.

Every politician will tell you that if elected he or she will deliver jobs and schools and hospitals and better roads. The question each of you needs to ask is: *How* will you do that?

Ask yourselves what is the candidates track record of delivering on these promises in the past?

I can assure you that there is no reason why BiH should be poor. There is no reason why so many citizens should be jobless.

Like the red tape which generations of politicians placed between BiH and prosperity, poverty and unemployment in this country are man-made.

But in order for BiH can stay on the right road after 5 October it will require every citizen to meet their obligation and vote for those who truly represent their interests. If the citizens of this country fail in that obligation the country will most likely take a wrong turn. The great good sense of the people of this country suggests that pragmatism is going to triumph over nationalist grandstanding.

The work of the last hundred days testifies to the fact that when that happens, the people of this country and their elected leaders will find willing partners in the International Community to make this country a prosperous part of Europe – and to do that through practical and productive policy initiatives.

Much has been done already, but there is much much more to do.

## **Summary of commitments and policy initiatives**

### Comprehensive legal reform

*Prosecutorial reforms have been launched, court reform has been initiated, members of the High Judicial & Prosecutorial Councils have been appointed and the HJPCs are now beginning to operate.*

### Expansion of public scrutiny of government departments and state-owned companies

*At the beginning of August the High Representative issued two Decisions establishing the office of Special Auditor in the Republika Srpska and extending the mandate of the Special Auditor in the BiH Federation. Audits of government departments and state-owned companies are now underway.*

Set up new legal reform unit, consisting mainly of Bosnians, to look at our laws and to recommend reforms and make it easier to get justice and jobs for ordinary citizens

*In the first week of July, the High Representative delivered, as promised and on time, to the Council of Ministers a draft of the Criminal Code of Bosnia and Herzegovina.*

### Tackle organised crime

*The High Representative, the UN Secretary General's Special Envoy to BiH, Jacques Paul Klein, COMSFOR General John Sylvester, and the Entity Interior Ministers Ramo Maslesa and Dragomir Jovicic announced at the beginning of August that the IPTF will begin joint training of "the elite of the elite" of the RS and Federation police forces so that they can take part in joint operations to combat organised crime.*

Set up a special court-chamber to take on sensitive, high profile cases

*Laws have been adopted this summer*

Complete the establishment of the State Court

*Appellate panel has been appointed and is functioning. Premises identified. Opening September 2002*

Get High Judicial Council operational by the autumn

*On track*

Measures to upgrade the training and performance of civil servants

*The Civil Service Law has been adopted; a Civil Service Agency is being established, and staff are now being recruited*

## **Economic Reform**

Sweep away red tape

*Under an agreement which came into force in mid July, excise tax now only needs to be paid once – in the Entity or fiscal jurisdiction where products are consumed. Previously, products made in one Entity and sold in the other were taxed twice, once at the point of origin and once at the point of sale. Through the excise mechanism, tax revenues will be allocated to the two Entities and Brcko District.*

Help small businesses borrow and expand

*Work has begun on Law on Movable Pledges, which will allow for greater flexibility in the definition of collateral used to underwrite loans. The laws are harmonised in both Entities and will help small and medium-sized enterprises start up and expand.*

Create a single user-friendly business registration system

*Reform will begin this month which, with sufficient political will, could see an efficient registration system in place by early next year.*

Reform property and land ownership – crucial to investment and enterprise

*A Draft Law on Land Registry has passed first reading in both Entity parliaments. This law will clarify ownership issues across BiH, which in turn will encourage lending, boost privatisation and stimulate investment.*

As a symbol of the cooperative relationship between the International Community and the people of BiH, the High Representative has also fulfilled his commitment to have the steel gates removed from the front of the OHR's headquarters in Sarajevo and to have the BiH flag flown at OHR buildings. The BiH network of embassies has also been used by the High Representative when he has travelled abroad, representing BiH, under the BiH flag.

The High Representative has kept his promise to spend much of his time travelling around the country, finding out what the people of BiH want and how he can help them achieve their political and social aspirations. He has visited extensively throughout BiH, meeting citizens, entrepreneurs, educators, social workers, and clergymen as well as politicians.

When he returns next week the High Representative will pick up where he left off – travelling the country, talking to people and explaining his message of reform.