

Speech by High Representative Valentin Inzko To the UN Security Council



Helping Bosnia and Herzegovina to progress

Mr. President, Your Excellencies, Prime Minister, Ladies and Gentlemen,

Before starting my speech, let me congratulate Bosnia and Herzegovina for its election to the UN Security Council. This is in my view Bosnia and Herzegovina's greatest foreign policy success since the signature of the Dayton Agreement. However, it is of course also a huge responsibility for the country, which I believe Bosnia and Herzegovina will shoulder well.

For 14 years, the international community has worked with the people of Bosnia and Herzegovina to rebuild their society, focusing on the practical challenges of post-war recovery and Euro-Atlantic integration.

Development in Bosnia and Herzegovina today no longer focuses on practical challenges, but on a fundamental political debate which has so far not resolved a number of relevant political problems.

The international community is working intensively with its partners in Bosnia and Herzegovina to resolve this debate. When this is done, we can achieve rapid progress towards our final objective: a sovereign, prosperous and democratic Bosnia and Herzegovina standing on its own and fully integrated in Euro-Atlantic structures.

But we have not yet resolved all the open political issues in Bosnia and Herzegovina, and as a result we have seen a series of obstacles, delays and failures. All of these failures are basically a consequence of political differences and obstructionism.

I believe for two reasons that we will find a way around obstruction.

First, Bosnia and Herzegovina is a society with distinctive, if sometimes specific, ways of producing consensus. It may not always be possible to find the most straightforward solution, but I am confident that in due course we will find a Bosnian way, and this will allow us to reach our ultimate objective.

Second, Bosnia and Herzegovina is part of the sustained international effort to integrate the countries of the Western Balkans in Euro-Atlantic structures. The international community cannot and must not abandon its massive investment of political and material resources because of the present difficulties. Resolving the political impasse in Bosnia and Herzegovina is in the interest of the people of that country, but our interest as well.

Twin Confusions

The unresolved political issues which I mentioned earlier are a product of two confusions.

There is a confusion in the Republika Srpska over the nature

of the entity and the nature of the state; and there is confusion in both entities about the proper focus and functioning of politics and the state as a system.

The Republika Srpska leadership has failed to grasp that the state and entity authorities have separate and clearly defined mandates and that each must do its work complementing each other. This confusion has generated enormous difficulties.

At the same time a number of political leaders in the Federation advocate a much stronger role for the state-level and a reduced role for the entities in the state structure of Bosnia and Herzegovina. This does equally not contribute to improved dialogue and forward looking politics.

The reporting period has been characterised by persistent political problems and a lack of progress on the key agendas Bosnia and Herzegovina is involved in. As a result, a number of laws that were required for Euro-Atlantic integration and for the closure of my Office have been delayed.

At the same time and due to frequent obstruction, the Council of Ministers has failed to make key appointments at the highest level of government. This has further slowed down progress and the development of a professional public administration.

On 1 October Serb members voted down a law that would have extended the mandates of international judges and prosecutors working at the State Court and the Prosecutor's Office, despite repeated requests from all the judicial institutions in Bosnia and Herzegovina, the ICTY and from NGOs working in the fields of anti-corruption and war-crimes prosecution to extend the mandate. The relevant authorities also failed to undertake any serious effort to replace these international judges and prosecutors with local counterparts.

This issue is still unresolved, and I fear that a failure to solve the extension of the judges and prosecutors may result

in a collapse of the judicial system in the country. It is self-explanatory why the fight against organised crime, corruption and terrorism is so important. Equally, Bosnia and Herzegovina's capacity to pursue war crimes trials is crucial for the individualisation of the guilt and the reconciliation process in general.

A consistent pattern can be identified in this behaviour. Parties from Republika Srpska criticise and condemn state-level institutions at the very same time as they are actively engaged in undermining those same institutions. In other words, Republika Srpska is from time to time creating a problem at the state level and then criticising the state for having the problem.

This is happening at the same time as Bosnia and Herzegovina is desperately struggling to become a member of NATO and the European Union.

Unemployment and Poverty

The second confusion involves the proper focus of politics. As I said earlier, this has been a problem not only in Republika Srpska but also in the other entity – the Federation.

During the reporting period tens of thousands of jobs were lost in Bosnia and Herzegovina as a result of the world recession and as a result of the failure to ensure cooperation and proper fiscal coordination in the country.

From January to August this year, exports fell by 22 percent and imports fell by 26 percent. Officially, a quarter of the working population is now unemployed. Salaries and pensions are low and are paid late; poverty is endemic, and bank lending, which is the lifeblood of small-business expansion, has practically dried up.

This represents an existential crisis for thousands of families in Bosnia and Herzegovina.

It is a crisis that largely has been ignored by the political establishment.

Where there has been any focus at all on the economy it has concerned the spending cuts that were required by the IMF before it would disburse the first tranche of a 1.2 billion Euro loan in July.

The new Federation Prime Minister, Mustafa Mujezinovic, appointed on 25 June after his predecessor resigned amid corruption allegations, has had to face well-orchestrated protests from budget beneficiaries who stand to lose money as a result of the IMF-mandated cuts. There have been numerous problems in this regard, however, the latest IMF mission to Bosnia and Herzegovina ended successfully last week, which should now open up the disbursement of additional IMF funds.

In related areas, progress in the reporting period has been limited, and further compromised by the failure, for political reasons, to appoint key personnel. This was also confirmed by the European Commission's Progress Report in October, which outlined that overall only "limited progress" has been achieved in addressing EU-related reforms.

Meanwhile, 120,000 citizens continue to be classified as internally displaced, amid the constant politicization of the issue of refugee return. However, there has been no agreement to provide for a sustainable solution for these – and the Strategy for the Refugee Return has been blocked for years now.

Mr President, ladies and gentlemen, I want to make it clear that this litany of problems, parliamentary gridlock and government ineptitude has political, not structural or administrative roots.

However, there can be progress if there is political will. A clear evidence of this is the progress in addressing the conditions for visa liberalisation. I want to commend Prime Minister Spiric and other political leaders in this regard. Prime Minister Spiric has successfully accelerated the adoption of a number of draft laws relevant for the visa liberalisation agenda, which hopefully will keep the time-gap between Bosnia and Herzegovina and the other countries in the region as small as possible.

It is for the above mentioned political problems that the diplomatic initiative being spearheaded by James Steinberg for the US State Department and Carl Bildt for the EU Presidency is so important. This is a resolute attempt to grasp the bull by the horns and sort out the political problem at the heart of Bosnia and Herzegovina's present difficulties.

I have repeatedly welcomed and strongly supported these efforts, and I hope that this joint EU-US initiative will come to a positive conclusion in early December.

The joint EU-US efforts, as well as the recent visits of the Russian and Turkish Foreign Ministers as well as other high-level dignitaries are very important and welcomed, but nevertheless a clear indication that continued high-level attention from the wider international community is needed to keep Bosnia and Herzegovina on the right track.

Implementing Dayton

Progress with the EU-US initiative will have a direct bearing upon the future of the Office of the High Representative. As you know, in February 2008 the PIC Steering Board drew up five objectives and two requirements that must be met before my Office can be closed to make way for a strengthened EUSR. At that time, it seemed reasonable to expect these objectives and conditions to be met fairly quickly, and in the course of 2008

we saw substantial progress. During the current reporting period, however, we have actually witnessed a regression.

The two objectives related to state and military property have not yet been met and the conditions for the closing the Brcko District Supervision have not yet been entirely fulfilled. As a result the Peace Implementation Council is not at present able to make a positive assessment which would allow for the closure of the OHR. This was confirmed last week by the Peace Implementation Council. The lack of progress on the so called 5+2 agenda by domestic political leaders also forced me to use my executive powers on a number of occasions.

Ladies and Gentlemen, as you know I am the fourth High Representative who has simultaneously held the position of EU Special Representative. There are clear synergies to be derived from this arrangement, but at the same time it has to be recognized that it was initiated when circumstances in Bosnia and Herzegovina were fundamentally different, and the time may have come to review the usefulness of having the two positions held by the same person. This, however, is only one possibility for the way forward which have to be considered in the coming months.

By the same token, for the last three years, as attention has focused on closing the OHR, the use of the Bonn Powers has been scaled back. OHR intervention in the domestic political system has been further constrained by the desirability of giving the local political actors greater political space to explore possibilities for consensus as part of the current EU- and US-led negotiating process.

Moving Ahead

Mr President, ladies and gentlemen, the task before us is to complete the rule of law and economic reform agenda, resolve the issue of state and defence property, make provision for

continued refugee return, and, where necessary, eliminate the political obstruction to these Dayton objectives.

I am confident that we can find international consensus on the right way to do this. None – and I stress none – of the PIC Steering Board members wants the situation in Bosnia and Herzegovina to deteriorate further. At the same time all – and I stress all – of the Steering Board members support full implementation of the Dayton Peace Agreement.

Mr President, I would like to commend the Security-Council for its decision last week to approve the extension of EUFOR's mandate in Bosnia and Herzegovina. The international community's military presence – from 60.000 soldiers after the war to 2.000 troops today – is a clear evidence of positive developments in the country. However, I consider that a continued EUFOR deployment – with an executive mandate – is still important as this is a guarantee to citizens that the international community will not tolerate the possibility of a return to violence.

Dear Excellencies, despite the somewhat gloomy nature of my report this morning, I am still confident that Bosnia and Herzegovina can break out of the present impasse.

The country is now at a crossroads, and the political leaders will now need to decide whether they are ready to fulfill the necessary conditions which would help them to move forward on Euro-Atlantic integration and whether they are ready to address the conditions needed for the closure of the OHR and the transition to a reinforced EU engagement.

The international community, as I mentioned, will also have to decide on its future presence in Bosnia and Herzegovina. A robust international presence will still be needed after the closure of the OHR as the challenges deriving from the Dayton agreement will need to be addressed.

As I have mentioned before, the international community is now

engaged in an intensive exercise which would not only make the country more functional but which also would support the enormous human capital of the country. Let us remember that Bosnians and Herzegovinians have shown resilience, creativity and fortitude in the past. With their help I know that we can improve the present situation and move ahead.

Thank you