

Speech by High Representative/EU Special Representative Valentin Inzko



A New Regional Architecture in the Western Balkans

Bosnia and Herzegovina currently benefits from the most open, friendly and positive relations with its neighbours since the signing of the Dayton Peace Agreement, nearly fifteen years ago.

Thanks to democratic changes and reforms in Croatia and Serbia, and the commitment of a new generation of leaders to their countries' respective futures in the European Union, Bosnia's neighbours have evolved from the chief instigators of conflict and instability in Bosnia in the early 1990's to the best guarantors of its stability and progress today.

However, at the same time that this new, more positive regional architecture emerges in the Western Balkans, Bosnia and Herzegovina faces an increasingly difficult political situation internally.

In short, while there was substantial progress in the first 11 years after the war – the last four years have been largely wasted. The problems which have become ever more evident over the last year are in fact symptomatic of the overall trend of the last four years.

The fundamentals of the country and its institutions, including the constitutional framework, have been challenged on a regular basis. It is perhaps something of a paradox that while the Presidents of Croatia and Serbia affirm their commitment the sovereignty of Bosnia-Herzegovina, the country's own Prime Minister states publicly that he "dreams" of the future secession of Republika Srpska, one of Bosnia's two entities.

In this climate, the state-level institutions have not worked to their full potential during the past four years, due mainly to political obstruction and bickering. The number of laws rejected through the entity veto in the BiH state parliament has increased substantially, including a number of laws essential to BiH's progress towards Euro-Atlantic integration. A number of other state institutions have also been undermined. The policy behind these attacks is to show that these institutions are illegal or dysfunctional – and therefore not needed at the state-level.

In short, today, 15 years after the signature of the Dayton Agreement, there is still not enough understanding of the need to engage in dialogue, to compromise and to meet each other half way, so that the country can move forward. The nationalist and ethnic agendas inside the country have continued to prevail over cooperation and compromise.

The European Commission's Progress Report, which was published earlier this week, confirmed that Bosnia and Herzegovina is not living up to its potential, and that the country, in the past year, has made limited progress in addressing the necessary conditions for European integration and for ending the executive international mandate of the High Representative.

Despite this negative news, I do believe that Bosnia's leaders, with the help of the international community and the country's neighbours, can return to the path of Euro-Atlantic

integration and future prosperity.

Post-election Situation

On 3 October, Bosnians went to the polls to elect leaders at state, entity and canton level for the next four years. The biggest change was observed in the victory of the Social Democratic Party, the closest thing to a viable multiethnic party, at state and Federation entity levels, and the loss of the Bosniak oriented Party for BiH. Otherwise, the results mostly confirmed support for the same parties and political figures who ruled during the previous mandate.

While the election results were hardly revolutionary, I believe that the process of forming new coalitions and the start of new mandates, will offer an opportunity to focus the leadership on a forward-looking agenda.

In addition to the positive regional climate, Bosnia's reform agenda can get a boost from the recent decision by the Council of the European Union to lift the visa regime for Bosnian citizens travelling to the Union. Not only does this decision prove to Bosnia's politicians and the citizens that elected them that the EU is serious about its engagement in the country. It also proves that the country's leaders are capable of implementing wide-ranging and complex reforms to bring Bosnia closer to the EU. We should now build on this momentum.

US engagement

In addition to progress on the visa issue, I am also encouraged by the recognition of the US administration that the security of the region depends on the security and self-sustainability of Bosnia, which has led to renewed US engagement.

The visit to Bosnia and Herzegovina by Vice President Biden last summer and Secretary Clinton's visit immediately after the October elections sent an important and necessary message to the people of Bosnia and Herzegovina and their leaders – that the US will work proactively to help steer the country out of its present difficulties.

Mrs Clinton made clear during her meetings with BiH leaders that the US is committed to finishing the job that began at Dayton. This means putting Bosnia and Herzegovina irreversibly onto the road to full Euro-Atlantic integration, as a democratic, sovereign and functioning state.

That has always been the agenda and that remains the agenda.

That is the agenda that BiH leaders reconfirmed when they supported and signed the Stabilisation and Association Agreement with the European Union and when they applied for participation in the NATO Membership Action Plan.

Bosnia and Herzegovina's Euro-Atlantic integration agenda has not been dreamed up by the international community. It is an agenda that has been debated and accepted by the people of this country, and repeatedly endorsed by their leaders.

So, when I say that we are in a period when the political process may be energised and made to work more efficiently, I am speaking about a process that has a clear and agreed trajectory – towards Europe and towards NATO. This significantly enhances the prospect for ultimate success.

The process is focused on reforms that will rehabilitate the BiH judicial, administrative, economic and constitutional systems.

It is a process that I believe can now move forward with sustained international support.

Reform agenda

The truth is that it cannot move forward fast enough.

It is simply impossible to overstate the material hardship generated by the economic contraction of the last two years. This makes unblocking long-delayed economic reforms a top priority.

Reforms designed to consolidate the single economic space inside Bosnia and Herzegovina will stimulate the free movement of goods, labour and capital in the domestic market and by doing this will help to attract investment and help to create new jobs.

There is no disagreement about the necessity and the urgency of the reforms that have to be enacted and implemented. The problem until now has been that relevant laws have been used as bargaining chips in competition among the political parties.

The immediate agenda also includes reforms that will bring Bosnia and Herzegovina into line with the European Court of Human Rights' December 2009 ruling, which found that current provisions requiring public positions to be filled by representatives of the three Constituent Peoples flagrantly violate the basic civil rights of BiH citizens who are not affiliated with any of these peoples.

Implementation of the ECHR ruling will require constitutional change, and we should seize the opportunity to encourage a step-by-step process of constitutional reform which will make the state and its decision-making mechanisms more functional.

In addition, the agenda includes fulfilling the remaining conditions laid down by the Peace Implementation Council in February 2008 as requirements for closing the Office of the High Representative.

I want to stress that the Office of the High Representative remains open because the criteria for closure have not been met – but as long as it does remain open it can and will play a constructive role in the new political environment.

We must take a robust and creative approach to helping domestic stakeholders eliminate the obstacles that have made progress difficult for a period of years.

The legitimate focus of BiH politics is to serve the citizens of Bosnia and Herzegovina by reversing the economic decline, and furnishing the state with the institutional resources that it needs to steer the country into NATO and the European Union.

Anything else is a distraction.

If this distraction seriously impedes the broader effort to improve the prospects of the people of Bosnia and Herzegovina (as it has done in the recent past), then the International Community, as a guarantor of the postwar settlement, must act robustly.

A Diplomatic Revolution

A large component of popular impatience with failed politics inside Bosnia and Herzegovina derives from the growing success of new policies adopted in neighbouring countries.

BiH citizens have had to stand by in frustration and watch their counterparts in the other states of former Yugoslavia take decisive steps away from an unsatisfactory status quo.

Leaders in neighbouring countries have moved outside of the nationalist comfort zone and adopted – sometimes tentatively, sometimes with remarkable flair and daring – policies that are more immediately in tune with the political demands of the 21st

century.

This is not simply a matter of pragmatism – though pragmatism certainly has its place, and charismatic politicians will only go so far if they do not demonstrate a capacity to get things done.

It is often also a matter of vision. The striking thing about failed politics of the past, not just in Bosnia and Herzegovina but in the wider region, is how *unimaginative* they were.

Leaders were apparently unable to think beyond running relatively small and relatively corrupt economies.

They did not imagine, let alone articulate, the real potential of the Western Balkans – a region with enormous human and natural resources, ideally placed to serve as an entrepot and manufacturing base for European markets.

However, today leaders in the region are beginning to embrace exactly this sort of bold vision.

And in consequence, the diplomatic architecture of the Western Balkans and Southeast Europe as a whole is changing.

Just in the last year, we have seen constructive initiatives among the Presidents of Croatia, Serbia, Montenegro and Macedonia aimed at resolving long-standing problems in bilateral relations.

Much of the impetus for this approach has come from the common desire to secure Euro-Atlantic integration. But there has also been a domestic political imperative at work. In each of these countries there has been a realisation that ideas of national identity can bring countries into being, but more complex and durable ideas are required to make countries prosper.

This “post-nationalist” agenda includes resolving the residual diplomatic differences that exist between Bosnia and

Herzegovina and her neighbours. As a result, leaders in the region have taken steps to mend fences with BiH stakeholders. There have been notable gestures, including Serbian President Tadic's attendance at the ceremony marking the fifteenth anniversary of the Srebrenica Massacre, and the Serbian Parliament's landmark resolution in March this year condemning the massacre at Srebrenica. In the same manner, the new Bosniak member of the Bosnian Presidency, Bakir Izetbegovic, offered his own apology to Serbia for crimes committed by the Bosnian Army against Serb civilians during the war.

These are positive acts and gestures, which have had a tangible impact in improving cooperation among the countries in the region, for instance in the sphere of judicial and prosecutorial cooperation.

In addition to the fresh and potentially transformative policies that have been adopted by governments in the Western Balkans I would like to pay tribute to the dynamic and successful diplomatic engagement with the region that has been launched by Turkey. In the last two years Ankara has assiduously sought to bring former enemies into constructive dialogue setting a positive example in its own right.

A golden opportunity

The present regional environment is, therefore, a golden opportunity.

And it would be criminal to let this opportunity pass us by.

In Bosnia and Herzegovina the opportunity was in danger of being squandered before the elections.

But now that the elections are behind us we are in new and more promising territory.

Bosnia and Herzegovina can now start to capitalise on regional

harmony.

The International Community, including the OHR, can now work with BiH stakeholders to make up the ground that was lost in recent years.

There is a great deal that we can do, a great deal that together with the people of Bosnia and Herzegovina and their leaders we can accomplish.

Now is the time for us to roll up our sleeves and focus on moving Bosnia and Herzegovina from the “problem” column to the “problem-solved” column.

It *can* be done.

And with the help of the European Union, United States and other partners in the International Community, it *will* be done.

Thank you