

Speech by the High Representative and EU Special Representative, Miroslav Lajčák to the RS National Assembly



Mr. Speaker, Ladies and Gentlemen,

Thank you for allowing me to address you today. Direct, frank and constructive dialogue is the only way to deliver solutions to hard political problems. And there is no doubt that we are currently facing hard political problems.

I think it's a pity sometimes that we only seem to speak to each other through the media – our messages get distorted and our politics polluted. Today I intend to talk to you directly.

I think we can all agree that this kind of dialogue is more productive than the kind of unconstructive inflammatory accusations we have seen among senior politicians in the past year. I made this point two weeks ago when I addressed the BiH Parliament; I will make it again next week when I speak to the Federation Parliament.

I am not here today to engage in polemics. I'm here to lay out a possible way out of the present impasse and back onto the high road towards European integration. This is a road that you, the members of this Chamber, can take if you choose to;

it is a road that your constituents want to take.

First though, I would like to say some practical observations about this Chamber and the RS. You enjoy a reputation as a dynamic and vibrant legislature – you meet very frequently. And you have a massive output – my staff can hardly keep up with all the laws you produce!

I am here today because you too have a legitimate role to play in taking the country forward on the road to European integration. I recognise this and the parties from the FBiH need to understand this.

You have also demonstrated initiative on key legislation that will bring the Entity and the country in line with European norms; for example in the proposed change to your Constitution regarding abolition of the death penalty. I appeal to you to enact these amendments urgently, as they represent one of the requirements for BiH's positive progress to EU. But you also have to talk about how to implement the constitutional amendments endorsed by the High Representative in the last few years.

The RSNA is thus establishing a track record which shows that at the entity level the legislative ambition and political will exist to undertake numerous reforms required for progress on the path to Europe.

I would like to take this opportunity to put on record my sincere appreciation for the RS representatives in the State institutions contribution to the successful negotiation and ratification of Bosnia and Herzegovina's membership of CEFTA.

I am convinced that the RS authorities have the capacity to drive the economy of this Entity. In the economic realm the RS enjoyed a surge earlier this year. We all know that most of the competencies related to economic policies rest with the Entities. For the time being you try to go ahead with insular solutions as with the Gas Law, or the Law on Fiscal Cash

Registers, without thorough consultations with the State or the Federation. Every economist will tell you that insular solutions are not helping in the mid and long run the economic performance of the RS and of BiH. This simply is not of any use for the RS economy. Countrywide solutions are opening new possibilities and chances for the RS. It is my firm view that the countrywide solutions are the best for you. So, again the choice is yours – either you go ahead with insular solutions thus limiting your own perspectives or you become economic driving force with all the positive impact on your economy in BiH.

Furthermore, these insular solutions also delay the EU integration process, which is, on the basis of experiences of all European countries, the only driving force for stable economic growth. In today's global economy, nobody can go it alone, nobody can afford insular solutions. And just how vulnerable the RS economy is can be seen from the recent statistical figures.

While it is true that the RS business environment has improved over the last few years. Here I'd note for example the Regulatory Guillotine project that reduced bureaucracy and improved the efficiency of the RS Government. However, the most recent statistical comparison of industrial growth rates for the first 7 months in 2006 and the first seven months in 2007 highlights how vulnerable the RS economy still is. The RS industrial output only grew by 0.1 per cent (while the Federation grew by almost 13 per cent). What is really needed is a single economic space in BiH in order to generate greater growth – and prosperity – for the whole country. The European leaders realised this 50 years ago when they began creation of a single economic space that today brings together 27 sovereign states. Only by working together we prosper and grow.

Unfortunately, you and your RS colleagues in State institutions are blocking the establishment of a single

economic space inside BiH. Change your approach to the countrywide Obligations Law, Centralised Banking Supervision, a State Agricultural Law; agree a way forward on the implementation of the Railway Law and establish the National Fiscal Council on a strong legal basis.

Everybody benefits if these things are done. In fact *not* doing them *hurts* the RS economy.

I don't believe that's what you want to do. I don't believe that's what the people of the RS deserve. You are not giving anything away; you are gaining important institutions in which your representatives will also participate.

Let me turn now to what we in the International Community would like to see. I will be as direct, frank, and constructive as I can.

What we in the international community want for this country is for it to integrate fully in European structures, eventually securing full membership of the European Union. To that end, the international community is prepared to make available substantial funds and all necessary expertise to help Bosnia and Herzegovina complete the legislative and technical preparations for further integration and to help bring the country's infrastructure and public services up to European standards. There is no country that hasn't benefited enormously from EU membership.

This, then, is an area where the international community and the people of this country are in complete agreement. In the most recent poll, more than 70 percent of RS citizens said they wanted their representatives to do whatever is necessary in order to unblock the road to Europe.

What are the obstacles and how do we eliminate them?

The obstacles involve perceptions; they do not involve realities.

One perception holds that the reforms that are needed in order to take this country into Europe are being used as a disguise for an agenda that involves downgrading the status of the entities. Specifically, in the matter of police reform – the major issue where a failure to reach agreement is holding up the SAA – there is a perception that fighting crime on a countrywide basis somehow destroys the existence of the RS.

Another perception holds that the entities *per se* are unacceptable and should be abolished. In terms of police reform this has led to an effort to eliminate *any* entity role in matters of policing. From a different vantage point these perceptions come across as deliberate distortions.

These *perceptions* have poisoned the political atmosphere and hampered the police reform negotiations – but they are not really about the *substance* of our negotiations. These competing perceptions can and must be decoupled because police reform has *nothing to do* with the existence of the RS. These negotiations are not about constitutional reform by the back door. Let me repeat the point so it's clear: police reform is not about the existence of the RS. It is not about your identity, for surely you are defined by more than your police service!

I am the custodian of the Dayton Peace Agreement and its civilian aspects. Yes, it contains within it a mechanism for high threshold consensual change of its own constitutional arrangements. But, there are two entities and there will remain two entities unless you and your partners from the other two peoples agree otherwise. The police negotiations are about delivering efficient policing and creating structures that can mesh with broader European policing structures – and no one in this Assembly, in the Federation Parliament or in the Parliament of Bosnia and Herzegovina is opposed to either of these objectives. The road to Europe is very well defined – there are three principles which are not going away. The European Union is the one who defines them, no body else.

The reality is that both sides can unblock the road leading to an SAA and reach an agreement on policing without sacrificing their basic political aspirations.

You need to come to terms with a basic reality of police reform, especially the reality of the first European principle: any agreement will require both Entity legislatures to transfer competencies to the state parliament as provided under the BiH Constitution. But no-one can impose this, nor am I preparing to do so. Imposition of reforms is not the way forward to European integration – this must be clear to everyone. All countries wishing to join the European Union had to work hard in order to achieve that goal and the European Union needs to see that this country and its political leaders are politically mature enough to be responsible for its own future. We can hardly be realistic in thinking about a future outside the EU in a situation when all of our neighbours, and even the countries of the wider region, aspire towards EU membership.

In the case of police reform, a good reform is one that is in line with the three EU principles and one that can ensure the adoption of the relevant legislation by all three parliaments in BiH.

Allow me to remind you that this Assembly adopted the three European Principles as the basis for police reform. However, so far I have not seen a single proposal from the RS that is in line with the three principles, including the law that was forwarded by the RS representatives to the procedure within the Parliament of BiH.

Let me remind you: a decision on what is in line with the three European principles and what is not in line with these principles shall be made in Brussels, not in Banja Luka or Sarajevo.

My team is currently here in Banja Luka, working with the

representatives of all political parties, in an attempt to help find the solution for this key reform. They are working on each individual element of the agreement in order to settle issues that are exclusively of technical nature. I used to say and I am saying it again here: this is a reform that is primarily of technical nature, and not an issue of your survival or anything else that this reform is being associated with.

I repeat once again: the offered solution does not anticipate a new constitutional arrangement.

Once a comprehensive police structure consistent with the three EU principles has been established, progress can be made very rapidly to address issues of under-funding and disorganisation that have prevented the police forces in Bosnia and Herzegovina from fighting crime effectively. Even your own Ministry has complained that recent crimes committed in Istočno Sarajevo have not been able to be followed up effectively because the perpetrators have simply escaped to the Federation. Police reform needs to address these matters. Police reform needs to address organised crime that endangers you and your children.

The time is running out, the deadline for the adoption of the Protocol is 30 September – on Sunday!

The European Commission is finalising its progress report for BiH. If you want to show that progress has been achieved – now is the time to do it.

One often speaks about the sanctions that will follow once this deadline expires. But what I am talking about and what you all have to understand is that these are consequences. The consequences of the rejection of the European road, the consequences of a policy that leads to isolation; the consequences that mean that Bosnia-Herzegovina lags behind all countries in the region; the consequences for the country

which remains the “black hole” of the European continent.

Mr. Speaker, ladies and gentlemen,

I'd like to address a few myths that I have heard promulgated recently. The first is that there is a huge number of transfers that have been done without the knowledge or consent of the RS – the suggestion that competencies were somehow stolen from the RS. And let's set the record straight.

To be precise: there have only been four transfers – in the field of Defence, Indirect Taxation, the High Judicial and Prosecutorial Council and on electricity transmission companies. And each one of those was agreed by the RS. You made the choice – choosing integration on these occasions – and not isolation.

I've also heard it said that no country that has joined the EU had to change its Constitution. Again, this is not true: My own country had to change its constitution in order to comply with EU laws. The other 11 new EU Member States also had to change their constitutions at least once to bring them in line with European laws and regulations. During the 50 years of deeper EU integration all the 27 Member States had to introduce constitutional changes. The philosophy is clear. If you feel that your constitution is an obstacle – you change your constitution.

In opinion poll after opinion poll the top three issues most of concern to the people of this country are always: unemployment, crime and corruption. So the economy needs to be regulated properly, and police and public institutions created that provide services to the citizens of this country and not to politicians. Joining the European Union will be crucial for addressing all of these issues, but you have to do what is necessary come closer to the EU. Don't wait until you have resolved big questions before you focus your attention on resolving practical, current ones.

Here in the RSNA we are in the right place to discuss what the RS legislative and executive authorities can do to break the deadlock. Next week, when I speak to the Federation Parliament I will examine what the Federation legislative and executive authorities need to do.

Let us all acknowledge that the spirit as well as the letter of Dayton has to be observed. The spirit of the post-war settlement is that co-existence is better than conflict, and peaceful coexistence involves a certain amount of understanding and compromise. Just because a course of action is within the letter of the law does not mean that it won't generate suspicion or uncertainty.

If I think that something I'm about to do might make some of my neighbours nervous then I go and talk to them first and allay their fears. That's not enlightened statesmanship; it's common sense. It's what millions of citizens do regularly in their daily lives. That's what all politicians in Bosnia Herzegovina must do: before they speak, think about how others will understand them. As delegates to this legislature you have great power. Think about what you will say. Will it create fear, stir up uncertainties or generate suspicion – in their own communities or other communities? It's quite simple: think before you speak, and try putting yourself in the other persons' shoes.

There is no question, for example, that under Dayton the RS has the right to develop a special relationship with its neighbours, all the while respecting the territorial integrity and sovereignty of Bosnia-Herzegovina. The BiH Constitutional Court confirmed this, but it is essential that the process is open and transparent, and keeps your coalition partners at the state level informed and involved. This is not something that should arouse fear in the rest of Bosnia and Herzegovina, and it won't arouse fear as long as you do it in a transparent way. This, as I said, is what millions of citizens do in their daily lives with a view to maintaining good relations with all

of their fellow citizens.

A little sensitivity goes a long way.

Your Prime Minister, Mr. Dodik gave some good examples of positive intervention in Srebrenica and Bratunac in previous days and earlier this year. We need more confidence building measures, not confidence destroying measures. And consider that the majority of you in this assembly are members of political parties that have formed coalitions in order to govern on all levels. Just think what kind of message you are sending if you cannot find a common voice with your coalition partners.

I'll say it again: Dayton enshrines the existence of the entities within the state. You cannot have one without the other. Nor can you insist on the compliance with the Constitution on the one hand while ignoring its purport on the other hand.

The Office of the High Representative and the EU Special Representative will not stand by and watch the silent erosion of the State.

Support for Dayton means that support for the institutions and symbols of Bosnia and Herzegovina is not optional; it is mandatory for all. This support should be unqualified and vocal. Remarks that question the territorial integrity and sovereignty of Bosnia and Herzegovina generate suspicion and uncertainty. Remarks that question the existence of the entities do the same. And I will exercise a policy of zero tolerance towards any party or politician that contemplates serious implementation, or is associated with, any petition by non-governmental organizations or other movements aimed at separating the RS from BiH. Let me say clearly – matters related to the territorial integrity and political independence of BiH fall *outside* the competencies of the RS. According to the Constitution, the RS has its place in BiH

and that has to be respected. However, I cannot ignore the fact that there is hardly any BiH in the RS.

Mr Speaker, Ladies and Gentlemen,

We are at a point when this country can either move forward or stagnate.

We are talking now about a matter of days when a decision will be made whether Bosnia and Herzegovina is ready to sign its first contract with the European Union, with all the benefits that that would bring or will you continue to be the dysfunctional problem in the region. I hope that you realise other countries in the region are moving forward, your neighbours in Serbia, Montenegro and Croatia, as well as Macedonia and Albania are committed to their own European future and they will not wait for you to catch up. Think pragmatically, the only way you will abolish borders between you and your neighbours is when you are together a part of united Europe.

I know that this assembly reflects the interest of the people of this entity and we all know what their wishes are. You have 3 years until the next elections. Do you want to be part of the political future that is leading this country into integration? Or do you want to isolate your citizens?

We all know that a vast majority of your voters wants integration – they do not want to wait another two or five or ten years for this to happen; they do not want to wait forever.

Let me say it again, here in the RSNA and I will repeat this next week in the Federation Parliament. You can support an agreement on police reform that meets all of the technical requirements of a modern and efficient police force; this does not require the sacrifice of all political principles. If you do not support such a reform the only thing that will be sacrificed are the interests of your people.

I expect your political leaders to demonstrate responsibility and courage to make serious decisions. And I expect responsibility and support from you.

There are a few other things I would like to raise before closing. It remains your commitment under Dayton to co-operate fully with the ICTY. It has been a long time since there was concrete evidence of this cooperation. It is also your commitment under Dayton to abide by the rulings of the Human Rights Chamber and the Constitutional Court of BiH – there must be a greater effort to implement these decisions, including the decision concerning the location of the remains of Colonel Palić.

As I said earlier, a direct, frank and constructive dialogue can deliver solutions to big political problems. I believe that if we have that kind of dialogue over the next few days we can reach a solution. You have to understand that this is not a situation in which we are on opposite sides. We all want to reach the same goal. It is my task to help you find the solutions on your European road, because it is clear to everybody that you were not able to do it on your own. Too much time has been lost and if there is no solution by Sunday, you will lose even more.

You've heard it said before that the train is leaving the station soon. This time it really is. And it won't be back for at least another year. It's time to separate perception from reality. Police reform isn't about your existence; it's about efficiency and your European future.

For the sake of all citizens, I do hope that we will reach a solution in the next few days.

Thank you for your attention.