Speech by the High Representative, Wolfgang Petritsch to the North Atlantic Council

This is my third formal meeting with the North Atlantic Council, the second in my capacity as High Representative, and it is an honor, once again, to be with you and to have the opportunity to discuss our peace implementation efforts in Bosnia and Herzegovina.

My message to you today is simple – SFOR's presence remains absolutely essential if the Dayton project is to succeed.

Before I expand upon that topic, I would like, first of all, to let you know that relations between OHR and SFOR are at present excellent. We are working together effectively in all areas of peace implementation, and the synergy created by our close cooperation is making progress much easier.

I would like to thank Secretary General Lord Robertson, the Chairman of the Military Committee, Admiral Guido Venturoni, outgoing Supreme Allied Commander Wesley Clark and my good friend, COMSFOR Ron Adams, for their continued and unwavering support. I would like to pay a special tribute to Wes Clark. His vision, creativity and tenacity were crucial both in getting to the Dayton agreement and then in its implementation. He has been a vital force behind the improved coordination between SFOR and the OHR, and has always supported vigorous action when needed. Wes, in your absence, I salute you and wish you the best of luck. I look forward to an equally close and cooperative relationship with General Joseph Ralston.

I heartily congratulate SFOR for their recent capture of Momcilo Krajisnik, the most senior figure yet to be detained – and, more recently, for the detention of Dragan Nikolic, aka Jenki, the notorious commandant of Susica prison camp.

I sense a renewed determination to complete the process of arresting indicted war criminals, which is very welcome indeed. I remain convinced that bringing to justice those responsible for the atrocities of the 1992-1995 war is absolutely essential to the process of reconciliation. It is also essential to the broader regional goal that the International Community has set itself – closing the net around Slobodan Milosevic, the chief architect of the strategy that has overtaken the Balkans for more than a decade. Eliminating the influence of Milosevic remains crucial to the long-term stability of the region.

I will now, if I may, give you a short overview of the current situation in Bosnia and Herzegovina. Now that the municipal elections of April 8th are over, and as we head towards the ministerial meeting of the Peace Implementation Council on May 23rd in Brussels – where do we stand?

Two important points need to be made to fully understand the significance of these elections. First, the elections were peaceful and routine, thanks to SFOR's presence and to careful planning by the OSCE and SFOR. And second, the political landscape in Bosnia and Herzegovina is now more pluralistic than it was before.

I am much encouraged by this development: political pluralism is a sure sign that democracy in Bosnia and Herzegovina is maturing.

The most significant shift of power was in the Bosniak areas, where the SDP made substantial ground at the expense of the SDA. This is important, because parties like the SDP – a modern, relatively multiethnic party – hold the keys to the

country’s future.

Only with leadership from modern, civic minded as opposed to ethnically defined political parties can Bosnia and Herzegovina hope to integrate with Europe. The SDP will likely form governments in at least 20 municipalities and it is now a major force in 4 of the 10 Federation Cantons. We expect them to do even better in the future.

It is true that in the Bosnian Croat areas the HDZ still dominates, but it is worth noting that voter turn-out in those areas was down to around 40 per cent – far lower than in previous elections, and dramatically lower than the national average.

This indicates that Bosnian Croat voters are growing weary of the HDZ, but have not yet found an attractive alternative. The HDZ, already shaken by the defeat of its parent party in Croatia in early January, seems to have taken this message to heart. It is now in the midst of a major restructuring, which we hope will lead to more cooperative officials at the municipal and Cantonal levels in the future.

In the Republika Srpska, meanwhile, the SDS also did well. But they only received an outright majority in 16 municipalities.

The exclusion of the Radicals, the SRS, was completely successful. Their threats of physical violence and voters’ boycott – closely monitored, as ever, by SFOR -proved to be a bluff. They were unable, even, to capitalize on the arrest of Momcilo Krajisnik, a few days before the elections.

Interestingly enough, the SDS did not pick up as many SRS votes as they might have expected. In 1997, the SDS and SRS together won 44% of the vote. Yet in this election, the SDS only won 37%.

And pluralism is also growing in the RS. The rise of a new party – the PDP, led by a respected economist, Mladen Ivanic –

is significant, and the fact that Dodik's party, the SNSD, did not do badly is also important. Both Dodik's and Ivanic's parties have good ties with the SDP in the Federation. We will need to see Ivanic in action, but we could be seeing the development of a new political center in Bosnia.

In summary, I would say that the nationalist parties are still strong – but that their grip is weakening. Our reform of the media, the professionalization of the police, our insistence on economic reform – all these are steadily eroding their sources of power.

At the meeting of the PIC Steering Board tomorrow in Lisbon, we will need to decide about general elections in the autumn. I would be interested in your views on this matter.

We will also finalize our strategic plan for the next 18 months, which will form the basis of the ministerial declaration at the PIC meeting on May 23rd/24th.

The agenda at this PIC will, I hope, be substantially different from that of previous PICs. That is because I believe we have crossed a watershed in the Dayton process. After 1995, the priority was reconstruction. But now that the four-year, $5.1bn post-Dayton aid package has been delivered, the focus has switched to reform and self-sustainability.

There are three areas on which I intend to concentrate, under the assumption that, if we succeed in these three areas, success in other areas will follow.

My strategic priorities for the next period of peace implementation are:

First, economic reform; Second, the acceleration of the return of refugees and displaced persons; & Third, the consolidation of institutions particularly at the state level.

If we are to have any hope of success in these vital areas, we

must have a stable security environment. One of SFOR's greatest achievements to date is not necessarily dramatic, nor even, necessarily, visible from abroad. It is the sense of security and stability that SFOR provides for the people of Bosnia and Herzegovina on a daily basis.

Without that sense of security, very little would be possible. Increasingly, the stable security environment is being taken for granted, which is healthy for the people of Bosnia and Herzegovina. But for you, the international decision-makers who provide the resources that enable SFOR to provide this security, this important achievement should not be forgotten or taken for granted.

As a matter of fact, SFOR's active engagement will be more important than ever in the near future. What we are really beginning to do in Bosnia and Herzegovina is to deconstruct the old political-economic system that was inherited from communist Yugoslavia, and that was further refined during the war years.

Under this system, politicians fight for power by all available means, and, once in power, use the system to line their own pockets and to stay in power at all costs.

Concepts such as "public service" and "democratic change of leadership" get little support. The people of Bosnia have been cowed by centuries of authoritarian rule into thinking of themselves as subjects rather than as citizens, or for that matter, as "citoyens" even.

We are trying to change that. As we begin to succeed, and as we take away some of the politicians' favourite toys, they will resist – at times even with violence. That is why I am certain that we will continue to need SFOR muscle.

We have made considerable progress in restructuring the media. SFOR played a crucial role in that process back in 1997. This spring, the threat of SFOR action helped us shut down Erotel,

the illegal Bosnian Croat broadcaster.

We are now beginning to restructure the economy – the source of money for the Bosnian politicians and the real bone of contention in Bosnia and Herzegovina – and there is bound to be resistance.

Last year's successful action in Mostar, Operation Westar, is a good example of what it may take to obtain solid evidence of corruption, crucial if this endemic disease is to be eradicated. My staff is working closely with SFOR to permanently stabilize the situation around Drvar and in the rest of Canton 10. I am currently also considering options to take action on the so-called "Arizona Market". Both these operations will almost certainly require SFOR backup to succeed.

The same holds true for returns. To accelerate the returns process, I took two significant steps last year. First, I imposed a package of changes to the legislation governing the Entity Property Laws. Tortuous bureaucracy has proved a major obstacle to refugee return, a fact that obstructionists on both sides of the old cease fire line exploited mercilessly. Not any more.

Second, in November I removed 22 public officials from their posts for persistent obstruction of Dayton – particularly of Annex 7 of Dayton, the annex which guarantees the right to return.

The 22 came from all three ethnicities; the majority of them had proven track records of blocking the returns process. The move was, to my satisfaction I must say, wildly popular with the general public. For hundreds of thousands of them, returning to their pre-war homes remains perhaps the number one political issue.

I was greatly encouraged by this positive reaction: it is clear to me that the vast majority of Bosnians and

Herzegovinians – particularly the young – do not want to live in mono-ethnic ghettos, but accept the Western European principle of multiethnicity, despite the terrible war.

They are optimistic – and so am I – that we will see a big surge in the return process in Bosnia and Herzegovina in 2000, to a large degree due to the improved security environment. Return figures of the first two months of this year already point to this positive development.

However, such a surge in returns will raise tensions in certain areas, as hardline nationalists make a last ditch effort to impose their will. While I do not expect large-scale problems, SFOR must be ready to engage quickly to prevent small-scale tensions from spinning out of control. Without SFOR protection, the entire process of refugee return, the centerpiece of Dayton implementation, could be thrown into jeopardy.

As part of our effort at institutional reform, we will be moving aggressively this year to depoliticize the judiciary. Respect for the rule of law is obviously vital to long-term stability.

The goal is a fully functioning, independent and effective judicial system, without which there can be no long-term sustainable economic development, no effective domestic protection of human rights, no assurance of law and order.

As we move ahead with this project, which will include the removal of judges and the criminal prosecution of some politicians, and their well-connected friends, I am again sure that there will be resistance.

I do not want to sound alarmist, and I do not think there will be significantly more security problems than in the past – but I also do not think there will necessarily be less. Our task is still unfinished: some of the hardest parts of it are yet to be encountered.

Indeed, I will go further, and say that we are now moving into a decisive phase of peace implementation. If we can keep the momentum going for the next 18 months, a lot will be accomplished.

We very much appreciate the role being played by the "Multi-national Specialized Units" – the so-called MSUs. I foresee an even greater role for their use in vigorous support of International Community initiatives.

As High Representative, I am sometimes asked how many troops are necessary to maintain security in Bosnia and Herzegovina. I am asked because the current draw-down of forces, from 30,000 to 20,000, is in everyone's minds in Bosnia and Herzegovina.

But as a civilian, I am not equipped to answer the question. Others – indeed, probably all of you – are more qualified than I. What I can say is that the tasks ahead of us will require a stable security environment – and that those tasks are key to the entire Dayton project.

What is very clear is that SFOR is extraordinarily busy and fully committed to the task of providing that security environment. But we are, as I say, entering a decisive phase in the implementation of the peace. In my opinion, therefore, we should play safe and be very circumspect about discussing any further reduction of troop levels for the time being.

Looking at the longer term, a stable security environment in Bosnia and Herzegovina will not be possible so long as three, relatively large, separate armies exist in Bosnia which are primarily designed to fight each other.

Bosnia and Herzegovina needs to develop a logical and affordable security structure of its own, based on the balance of interests and mutual confidence. In cooperation with SFOR, we are in the process of defining Bosnia's future security.

As you know, the current size and structures of the Entity Armed Forces are at gross variance with the defense needs of Bosnia and Herzegovina, and are not financially sustainable. It is essential that resources are redirected from these armies in order to regenerate the economy. To this end, we warmly welcome the commitment of the authorities to an additional 15% forces reduction by the end of 2000. And we expect much more in the future.

I note with approval the very active influence and leadership of NATO and SFOR in this crucial downsizing project. I am also extremely pleased by Secretary Albright's recent announcement that Croatia and the Federation have agreed to channel reduced military assistance through the Standing Committee on Military Matters – the SCMM. It is essential that the SCMM, and all external donors, ensure transparency of external military assistance to the Entity Armed Forces, and that we hold tight to this undertaking. No channeling through the SCMM must mean no money.

Meanwhile, we are working towards the creation of a State Level Security Policy and the transfer of supreme military command away from the Entities to the centre. The Standing Committee on Military Matters is the vehicle to achieve this aim. The SCMM must develop and implement a common security policy for BiH and cooperate with the International Community to implement a fundamental force restructuring by both entities with the aim of creating sustainable and affordable defense structures consistent with the long term security needs of BiH.

The SCMM has established a Defense Ministers' Working Group to address the issue of state security policy. To date, the output of the Defense Ministers' has been disappointing. Ineffective working procedures may be masking outright obstructionism. We need to go on improving the effectiveness of the SCMM. The secretariat, in particular, will need foreign assistance and training to build it up to a permanent cadre of

staff trained to acceptable European Standards.

Meanwhile, both SFOR and OHR will continue to give guidance and support. It is hoped that the Defense Ministers' Working Group will produce a detailed draft report containing viable options for the Presidency by mid 2001. We hope that we can convince them that Partnership for Peace can be wrapped around them if they are prepared to forge enough of a unified command structure and control elements, including officer training, so that partners have the usual points of contact. In turn, we hope that NATO will be able to accommodate the unique circumstances of Bosnia and Herzegovina in the Partnership program without waiting for the confidence to suddenly spring up to form a unitary army.

Ladies and gentlemen, I think I have taken up enough of your time already. Let me close by saying that I do not consider military reform to be in any way separate from the civilian aspects of Dayton implementation. It is part and parcel of the same project. For instance, institutional knowledge of the laws of armed conflict and the Geneva Convention are an important element for Bosnia and Herzegovina membership of the Council of Europe.

The International Community is fully committed to BiH's integration into the European family of nations, and expects the same commitment to be shown by the Bosnia and Herzegovina authorities. It is their country, and their future: this is at the heart of my concept of "Ownership." Obstruction of military reform, of the establishment of a unified command and control, can only harm the aspiration of all the people of Bosnia and Herzegovina for a better, European future.

It is, I believe, a future that the people of Bosnia and Herzegovina deserve. Thank you very much for listening.