Speech by High Representative / EU Special Representative Miroslav Lajčák To the OSCE Permanent Council, Vienna, 5 June 2008

Excellencies, Colleagues, Ladies and Gentlemen,

Last October I provided you with a frank and sombre account of where we stood in Bosnia and Herzegovina, but also of where we still aimed to go. Seven months later, I can today offer a more upbeat report on the country's progress towards its ultimate destination: a self-sustaining peace based on viable statehood and Euro-Atlantic integration. That being said, it is not the whole picture, and I will seek to be equally frank today.

BiH has made important progress since last autumn. The political environment has stabilised following the state-level government crisis that followed my efforts to make decision making at the State-level more efficient and less vulnerable to boycotts. The Council of Ministers meets regularly and the Parliamentary Assembly is debating and passing legislation, although still at a slower pace than the country needs.

Nonetheless, we have lately seen major advances on the country's European journey. Thanks to a political declaration and action plan on police reform produced by the leaders of the ruling coalition in October and November, BiH was able to initial a Stabilisation and Association Agreement (SAA) with the EU on 4 December.

After four months of intensive political debate and mediation by international community, the required police-reform legislation was passed in mid-April, which allows Bosnia and Herzegovina to actually sign a SAA in Luxembourg on 16 June.

And last week in Brussels, as you know, European Union started a dialogue on visa liberalisation with Bosnia and Herzegovina. The visa requirement is the single most

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visible measure which is resented by BiH citizens of their latterly second-class status in Europe.

There has been progress in other areas as well. Playing a facilitating role together with some members of the International Community, a couple of weeks ago we assisted the local authorities to change the BiH Election Law enabling all those who lived in Srebrenica before the war to register to vote in this municipality regardless of where they live now. This was a significant development in terms of substance, but also in terms of the fact that there was full agreement on such a sensitive issue. This is the sort of political maturity we need to see much more of. Not only on Srebrenica, but on all political challenges the country will face.

Meeting in late February, the Steering Board of the Peace Implementation Council (PIC) agreed unanimously on a conditions-based strategy for the transition of OHR into an office of the European Union Special Representative (EUSR). The substitution of five explicit, state-building yet achievable objectives – and the identification of two general conditions that must also prevail – for the target closure dates previously set by the PIC should focus domestic minds on delivering the required results. I believe Ambassador Davidson recently briefed you on the detail. We are already seeing forward movement on some of the objectives; while one of the conditions – signature of the SAA – is about to be fulfilled.

These are real achievements. But there are still many problems – some of them fundamental – that continue to hold Bosnia and Herzegovina back. These are at the root of the political stalemate that has otherwise prevailed since the failure, in April 2006, to pass a modest package of constitutional reforms. Where progress has been made, it has been hard-won and usually at the eleventh hour. It has also required disproportionate input from the international community.

The fundamental problem is that each of the country's constituent peoples still have widely different visions of the country's history, current status and future constitutional

structure. I spoke about this when I addressed you last October. Unfortunately, nothing has changed: each constituent people still has a different vision of the past, the present and the future of Bosnia and Herzegovina.

To a large extent, the problems of BiH stem from an exceptionally developed and persistent sense of communal insecurity. This is the twin legacy of the war and the old the Yugoslav system, in which each people had its "own" republic or autonomous province – except, of course, the citizens of multiethnic BiH. Now, in an independent Bosnia and Herzegovina, everybody seems to want a unit, if not a state, of their own. Nobody wants to be a minority. As a result, significant numbers of citizens still tolerate – rather than embrace – the idea and fact of BiH statehood.

The international community has, since 1995, made a remarkably sustained and creative effort to turn Bosnia and Herzegovina into a functional state that can serve the needs of its citizens, even when those same citizens may hold different views as to how the state should look. But nationalism still wins most votes. And the vast majority of BiH politicians continue to view almost every issue through a nationalist prism. Nationalism is thus used on every occasion and by all sides both to mobilise and homogenise their respective constituencies. Yet it also serves to hide the simple fact that politicians regularly fail – and often fail even to try – to deliver concrete benefits to citizens.

As a result, the country's effort to complete its post-war recovery and to move on to the next stage of its evolution – the road to Europe – has been delayed for far too long. The frequent paralysis of the state, caused by competitive nationalist agendas, makes Bosnia and Herzegovina different from other countries in the region.

The dynamic of confrontational domestic politics and vulnerability to events in neighbouring countries makes progress difficult in BiH. Fortunately, it does not make it impossible. The fact is that the incentive of eventual European Union membership and the enormous resources that would accompany the integration process have combined – and will increasingly combine – to address and resolve many of the challenges posed by the country's historical legacy and multinational reality.

The main goal of our future engagement will be to ensure that EU integration remains at the top of the political agenda and serves as the main driver towards ever-more cohesion, competency and reform.

As OHR has scaled down in terms of its size and range of activities in recent years, the visibility, scope and capacity of the Office of the EU Special Representative have expanded. This is no coincidence. EU integration addresses the outstanding and fundamental issues of BiH statehood. The EUSR is thus the natural successor to the OHR as the principal coordinator of international engagement in Bosnia and Herzegovina, once the time for transition is right.

This does not mean, however, that other international agencies, above all the still-large OSCE Mission to BiH, will become redundant. In fact, without OHR and the so-called Bonn Powers, the need for other international organisations to stay strong, to remain focussed and to pick up some of the slack will initially be greater. BiH citizens must, in any case, be reassured that OHR's transition does not mean their abandonment by the IC as a whole.

While the OSCE Mission cannot, obviously, do the EU's job for it, its continuing Dayton responsibilities for Annex 1B and security coordination; its work in promoting good municipal government, democratic oversight and education reform are of utmost importance. As discrimination remains widely present in the Bosnian education system, it will be important to focus future OSCE activities in education on removing all forms of discrimination from BIH schools and universities and developing the approach to education as a basic human right. I was somewhat surprised at the focus on education in most of the debates of the EU Information Campaign that my office organised throughout Bosnia and Herzegovina. Wherever I go young people are very passionate and articulate in demanding equal access and standards, better quality and ending of all forms of discrimination in education. I fully agree with them that an inclusive and modern education system is an absolute pre-requisite for successful internal re-integration of BiH

and successful external integration into the EU. As it runs counter to all human rights standards, all forms of discrimination should be removed from the BIH education system before BiH becomes an EU member. And here I mean the segregation that exists in the form of '2 schools under 1 roof', or the assimilation that prevails in other areas of BIH where the curriculum of the majority community prevails over the minority community. In Srebrenica, for example, Bosniak pupils follow the Serb curriculum at primary and secondary level.

OSCE should also remain focused on developments in the justice sector, through its monitoring of war crime trials, and promotion of human rights which will all serve to complement BiH's own Euro-Atlantic integration efforts.

The recent examples of the OSCE Secretary General's intervention over proposed Republika Srpska amendments to the entity's law on local self-governance that would have done away with the direct election of mayors – as well as the visit of the Representative on Freedom of the Media at a time when political pressures on the press, broadcasters and independent regulators were themselves making news – illustrate the possibilities for international agencies to compliment each other's efforts. Media in Bosnia and Herzegovina is as divided as the education sector. I invite the OSCE to continue to be engaged, be present, and speak out on this issue.

Finally, and as you have heard before, the fact that your Mission retains an extensive presence in the field allows it to serve as the eyes and ears of other, slimmed-down international agencies – OHR included! Like EUFOR and EUPM, its visibility around the country also contributes to the maintenance of a secure environment.

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As I said earlier in my speech, there has been some progress on meeting the objectives for OHR/EUSR transition since February, but they remain a big challenge, particularly during an election year when the country is also entering the highly demanding phase of making good on the SAA, the interim agreement that will follow and the opportunity

Brussels has offered for the eventual elimination of visas. Managing all this at once will require a degree of political concord, practical application, hard work and sound judgment on the part of the domestic authorities that will test them to the limit. But it will also demand much in the way of focus, prioritisation, encouragement and advice from the international community.

My own firm belief is that Bosnia and Herzegovina's peace, security, prosperity and statehood are best guaranteed by maintaining progress towards Europe. More importantly, that is also what the country's citizens believe. In order to help encourage and sustain their faith, I have, for example, sought to be far more active wearing my EUSR "hat" than were my predecessors. Enlargement Commissioner Ollie Rehn, High Representative Javier Solana and successive EU Presidencies have likewise done everything possible to assist in making BiH's "EU perspective" real.

But if the "soft power" of European integration is to supplant the "hard power" of Dayton and a OHR with executive powers, the people, politicians and institutions of BiH will have to do the heavy lifting: both in making OHR redundant and in making themselves fit for EU accession.

The PIC Steering Board will make an initial assessment of the progress they have made since February when it meets again later this month. A fuller assessment will be possible when the PIC convenes once more in the Autumn, by which time I hope that the BiH authorities will have made substantial progress in delivering the five objectives and two conditions.

The closure of OHR will confirm Dayton's success. But this can only happen if and when the conditions are fulfilled. As I have emphasised, meeting those conditions is not going to be easy. Nor do they, once met, guarantee the country's continuing success. The additional requirement is, and will always be, the mobilisation of political will by all sides: the will to work together on areas of common interest, the will to seek solutions rather than conflicts, and the will to move forward instead of looking back.

And looking forward means looking to EU accession: there is no alternative policy for this country. Here, the EU needs to be pragmatic, proceeding step-by-step and clarifying for BiH leaders what is required at each stage of the process. The bar must not be set too high nor too low. Bosnia and Herzegovina cannot be invited into the club on a free pass, but neither can they be abandoned or left to their own devices. I would argue that all supra-national organisations with a mandate for peace and security should have an interest, and assist where possible, in Bosnia's EU accession.

Internally, however, Bosnia and Herzegovina is going to have to come to terms with its painful past and to tackle the structural impediments that still block its path to Europe.

To join the EU, BiH must make its constitutional framework compatible with EU administrative and political requirements. This does not necessarily mean the repudiation of the Dayton model, but the discriminatory provisions of the Dayton constitution must be changd. Unfortunately, the 2006 failure to enact a set constitutional changes has had the effect of hardening positions. Expectations are now higher, proposals more contradictory, and real dialogue less frequent.

Despite this, steady progress towards EU membership can and should unlock the readiness to compromise that is so hard to see today. In fact, I believe that Bosnia and Herzegovina's political leaders *will* in due course be able to agree on those constitutional changes that are clearly and demonstrably necessary *to secure EU membership*. Why? Because more than seventy per cent of their constituents want to join the EU and expect their leaders to get them there – and sooner rather than later. Party leaders may not be inclined to accommodate one another, but they *will* be under popular pressure to forge agreements that are consistent with and meet the demands of European membership.

That is the way ahead.

Thank you.