



ADDRESS

by the Minister for Foreign Affairs of Bosnia and Herzegovina

Dr. Mladen Ivanić,

at the OSCE Ministerial Meeting in Sofia, 6-7 December 2004

Mr. Chairman,
Mr. Secretary General
Excellencies
Ladies and Gentlemen

I would like to thank Minister Passy and his staff for their very efficient work during Bulgaria's chairmanship of the OSCE, as well as for the impeccable organization of this meeting.

Mr. Chairman

Allow me to briefly inform you of the results of the wide range of activities undertaken by BiH during 2004.

We are pleased to report that today, Bosnia and Herzegovina has almost completed the implementation of property rights. Nearly 200.000 properties, representing 92% of all return claims, have been processed and the properties returned to their rightful owners.

Bosnia and Herzegovina has also made quick progress in addressing the 16 preconditions which the European Commission set for BiH authorities in order to sign a SAA agreement with the European Union.

We are pleased to report that our authorities also independently and successfully organized and implemented the first country-wide elections this year. Indeed, as reported by ODIHR, these elections passed in good order.

Economic progress in the country, one of the poorest countries in Europe, has been also significant. The country's

macro-economic stability has been maintained, inflation is less than 1%; economic growth in 2004 is estimated at 4%, and; FDI was increased by 70%. All indicators in industrial production are positive and promising. Bosnia and Herzegovina has also seen the adoption of several laws which regulate a single economic space, unify customs and provide for a centralized veterinary service. Immense progress has also been made on the issue of indirect taxation, and it is expected that a value added taxation system will be in force in the country by 2006. The development of a centralized authority for indirect taxation at the State level is a clear signal of the BiH Government's determination to fight the gray economy, and establish a wealthier, better organized and more developed society.

Since the last OSCE Ministerial meeting, BiH has also made significant strides of the issue of defense reform. In January, a law was adopted creating a state-level Ministry of Defense, which will secure control of both civilian and parliamentary control over the armed forces as well as common command and operational structures. I am very pleased to inform you that the Ministry of Defense of Bosnia and Herzegovina is today functioning and successfully completing its tasks.

Under the auspice of the OSCE, Bosnia and Herzegovina succeed to conclude Article 2 of the Dayton Peace Accord, which was one of the most important post war tools in the process of confidence and security building measures.

Furthermore, excellent co-operation has been achieved in the implementation of the Agreement on Sub-Regional Arms Control with Croatia and Serbia and Montenegro. As the party to the Agreement on Regional Arms Control, Bosnia and Herzegovina fully complies with its provisions, and it is my pleasure to

announce that we will chair the process in 2006, which again speaks unequivocally about BiH's readiness to contribute to the international community's efforts to build peace and long term stability in the region.

Bosnia and Herzegovina has also become a member of the Open Sky Treaty that represents a further step at consolidating lasting stability.

Mr. Chairman

It is important for Bosnia and Herzegovina that the OSCE continues in 2005 with reforms which will have already started and provided results. These reforms include: security cooperation, public administration reform, democratization, human rights and rule of law reform, and; education reform. Bosnia and Herzegovina also supports the intention of OSCE to start with economic development program, and we look forward to advanced expertise provided to BiH on this important issue.

Taking into consideration, the declining presence of the international community in Bosnia and Herzegovina, we consider the contributions of the OSCE Mission as valuable in Bosnia and Herzegovina's comprehensive reform process. Indeed, these contributions have to date enabled the country to sustain the momentum of the reform themselves.

Bosnia and Herzegovina understands the necessity of larger OSCE's involvement in the region of the South Caucasus and Central Asia, but it should be done without jeopardizing the gains made in Southeast Europe.

Mr. Chairman,

Bosnia and Herzegovina attaches great importance to full partnership with the international community. We are working hard and spare no efforts in order to consolidate peace in Southeast Europe as well as to promote stability, democracy, the rule of law and the respect for human and minority rights. We therefore stress the significance of the OSCE's efforts to promote inter cultural, inter-ethnic, inter-religious dialogue, respect and mutual understanding.

Bosnia and Herzegovina is determined to fight any kind of illegal activities such as terrorism, drug trafficking, organized crime, human trafficking, small arms proliferation and illegal trade, and; the proliferation of WMD just to name a few. These threats ultimately put into danger the very foundations of our society. In partnership with the international community, we are increasing efforts to strengthen the legislative framework and improve border controls. Co-operation among the countries of the region in this process is highly needed and appreciated. Bosnia and Herzegovina welcomes the increased efforts of the OSCE to assist its member state in combating these threats.

Bosnia and Herzegovina is able to share experiences in working with the OSCE, taking in consideration that the OSCE Mission in Bosnia and Herzegovina is the largest in the Organization's history. From this engagement we have gained much knowledge of strengths and weaknesses in conflict prevention. Bosnia and Herzegovina stands ready to contribute expertise in discussions of reforming the OSCE in terms of the effectiveness of its field missions and inter-institutional cooperation.

Let me conclude by thanking again the Bulgarian Chairmanship of their excellent work and expressing my best wishes for a fruitful and successful OSCE chairmanship to the incoming Chairman in Office.

Thank you for the attention.