

Check against delivery

*Speech by the High Representative and EU Special Representative, Valentin Inzko
To the Permanent Council of the OSCE
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A More Positive Direction

Ladies and Gentlemen,

I want to begin by thanking you for inviting me to speak to you. In recent weeks I've taken part in an intensive round of consultations aimed at identifying the consensus that exists for a renewed push to achieve more satisfactory progress in Bosnia and Herzegovina. It's in the context of these consultations that I am here today. The OSCE is one of the key strategic players in Bosnia and Herzegovina's recovery, and your input on how best to deal with current challenges is indispensable.

In operational terms, cooperation between my office and the OSCE mission to Bosnia and Herzegovina continues to be close and productive. Ambassador Robbins and I have established a strong personal and professional rapport and our offices are engaged in a series of joint initiatives, specifically in the areas of institution and capacity building, inculcating good governance, upholding the rule of law, and sustaining a positive long-term security environment in Bosnia and Herzegovina.

Just in the past few weeks we have together engaged our domestic partners on issues related to the Central Election Commission, the Revised Annex 7 Implementation Strategy, education reform, conflict of interest legislation, the state-level ombudsman institution, the BiH anti-discrimination law, the criminal procedure code of BiH, and the destruction of surplus weapons and ammunition.

Planning for a transition from OHR to a reinforced EUSR will reflect the importance of maintaining close cooperation with the OSCE. With its field presence, OSCE has the capacity to provide political reporting and analysis, for example, that will go beyond the EUSR's capabilities. The reinforced EUSR will be expected to take the lead, but it will find creative and cooperative ways of working in tandem with the OSCE.

Now, I would like to discuss the current situation in Bosnia and Herzegovina and lay out briefly some of the steps I believe should be taken in order to address the major challenges – steps for which there is now broad and solid support.

A More Positive Direction

All of us can agree that the situation is not as positive as it ought to be, or as we had reason to hope just a few years ago that it would be by now. The decision by the European Commission *not* to recommend that BiH citizens be granted visa-free status was a great disappointment to the people of Bosnia and Herzegovina but it didn't come as a surprise. It was abundantly clear that in this, as in many other areas, there hadn't been nearly enough political or institutional progress over the last two years.

The country's elected representatives have not invested sufficient efforts to reach agreement on practical issues – measures required for visa liberalisation being just one example. Although there is a declared commitment to the processes of Euro-Atlantic integration, BiH institutions and political leaders need to find ways to fast-track measures falling under the EU and NATO agenda, to remove these questions from the day-to-day political bickering.

As you may be aware, I was the first Austrian Ambassador to Bosnia and Herzegovina after the war. When I arrived in 1996 the country was visibly and terribly scarred by the conflict. Because of my family connection with former Yugoslavia and my familiarity with some of the languages spoken there I believe I was able to get an insight on how the *character* of the people addressed the horrible circumstances in which they had been placed.

Well, the first reaction that comes to mind is one of admiration.

Faced with catastrophe, BiH citizens characteristically showed courage, dignity, and resilience.

That's what we have to tap into in order to find a way around the major obstacles that confront the country fifteen years after the end of the war.

The people of Bosnia and Herzegovina have continued to show remarkable resilience in the face of political leaders who have repeatedly failed them. We have to emulate that resilience and find a way of making the system perform better.

Until now I have been obliged to take remedial measures. In June, for example, I annulled a set of conclusions adopted earlier by the RS National Assembly purportedly seeking to recover competencies that had been transferred allegedly to the state. These conclusions were based on confused and erroneous arguments and they were shifting the focus of BiH politics from important things like securing visa-free travel. So I had to act.

But putting out bushfires is not enough.

We need to point Bosnia and Herzegovina and its leaders in a more positive direction.

Since I took up my position at the end of March I have had intensive talks with leaders of the main political parties. I believe that in the right environment these leaders have the capacity to implement the kind of policies that will take Bosnia and Herzegovina much further along the path of Euro-Atlantic integration and at the same time deliver real benefits to citizens such as greater personal security, more access to properly paid jobs, better public services and a reduction in corruption.

They will do this if the international community maintains the common goal of helping them to implement the legislative and institutional agenda that has been mapped out by the Peace Implementation Council and which is contained in the agreements reached by the BiH authorities with the European Union and NATO.

In other words, we have to speak with one voice if we want them to act coherently.

Following my consultations in recent weeks I believe that the international community *will* speak with one voice.

The Agenda

In this context, the real question is not – and as you know, this has been a focus of media attention for a long time – when should the OHR be closed. The real question is when will the people of Bosnia and Herzegovina begin to reap the benefits of coherent policies. Closing the OHR won't *make* Bosnia and Herzegovina more stable. The OHR will be closed when Bosnia and Herzegovina *is* more stable.

The agenda for achieving this has been laid out by the PIC.

We are now seeking to facilitate an acceptable and sustainable resolution of the apportionment of property between the BiH State and other levels of government, as well as an acceptable and sustainable resolution of defence property; and we are also striving to achieve the political and social conditions that would allow for a positive assessment of the situation in Bosnia and Herzegovina by the PIC Steering Board based on full compliance with the Dayton Peace Agreement.

I have had to make it clear to party leaders that such an assessment will not be possible as long as some parties challenge the sovereignty and territorial integrity of the country, challenge the authorities of the High Representative, and seek to roll back the reforms achieved since Dayton. I have also made it clear that such an assessment will not be possible as long as the political establishment cannot make the Dayton system work so that the country is functional.

This being the case, we have a clear political agenda and that is to foster a consensus in the political establishment on how to make Dayton work in a sustainable way, which will allow BiH to meet the challenges of Euro-Atlantic integration.

As I mentioned before, there is in Bosnia and Herzegovina a remarkable pool of resilience and creativity, and we must tap into that pool in order to succeed.

In the coming months, I believe we must hold the leaders of this country accountable to their promise of rapid and substantial progress on the issue of visa liberalization. The Roadmap benchmarks are realistic and achievable. If the key requirements can be implemented, and if by doing this the visa liberalisation that citizens desperately want to see can be delivered, then it has been demonstrated that progress is possible in Bosnia and Herzegovina, and if it's possible in regard to visas it is possible in regard to everything else.

In addition, with the recent passage of four laws related to visa liberalization which had previously failed in the parliamentary assembly, we saw that leaders can work out their differences when faced with the prospect of failure in their common goals of visa liberalization and Euro-Atlantic integration.

Together with the European Commission I have launched a process to focus State and Entity authorities on EU priorities. We meet regularly to go through some of the concrete outstanding EU priorities. This is essentially a technical mechanism but it is one that can speed up reforms even as the larger debate over Bosnia and Herzegovina's eventual destiny picks up speed.

However, I must stress that we are *not* working in a benign environment. The world recession is rapidly eroding Bosnia and Herzegovina's economic stability. As party leaders dither, citizens are suffering. This is also why it is of paramount importance that we continue to remind the political leaders of their responsibility to deliver improvements to the citizens..

We are in a race – we have to fix the economy month by month even as we try to secure a longer-term fix for the political system. This requires ad hoc decision-making and creative politics.

For all its faults, Bosnia and Herzegovina's political establishment is rather good at both those things. For this reason I think we can move forward with some confidence that we will reach our destination, though we will undoubtedly have to pass through some interesting times in order to get there.

Thank you