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**BOSNIA AND HERZEGOVINA: PROSPECTS FOR
THE POST-DAYTON ERA**

DRAFT GENERAL REPORT

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* Until this document has been approved by the Committee on the Civil Dimension of Security, it represents only the views of the Rapporteur.

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I. INTRODUCTION

1. On 21 November and 14 December 2005 the international community celebrated the tenth anniversary of the conclusion and signature of the “General Framework Agreement for Peace in Bosnia and Herzegovina” (known as the Dayton Agreement) that put an end to over three years of war in Bosnia and Herzegovina. This anniversary provided an opportunity to take stock of ten years of reconstruction and transition in Bosnia and Herzegovina and to look to the future. Although opinions were divided as to the Dayton legacy, a majority agreed that it was time to move Bosnia into the post-Dayton phase.

2. Given the importance of the Balkans to Euro-Atlantic security, this report is an attempt to review the situation in Bosnia and Herzegovina (BiH), emphasising the reconstruction of the institutions and of civil society and the international community’s outstanding contribution to these changes.

3. The year 2006 certainly marks a turning-point for Bosnia and Herzegovina that should determine the future of the country, both domestically and in its relations with Euro-Atlantic institutions. On the domestic front, while the international community would like to achieve a progressive disengagement, Bosnia and Herzegovina still has to prove that it is a viable and stable State, with or without international supervision. The recent failure of the discussions on constitutional reform, like the resumption of ethno-nationalist rhetoric during the general election on 1 October, has done nothing to reassure the observers.

4. On the international scene, Bosnia and Herzegovina is now involved in the preparatory phase of its accession to the European Union, after the go-ahead for negotiations on a Stabilisation and Association Agreement (SAA) in November 2005. The year 2006 might also be an important stage on the way to integration into NATO. On the occasion of the tenth anniversary of Dayton, many observers were already announcing Bosnia and Herzegovina’s transition from the Dayton era to the Brussels era.

5. However, the fact remains that Bosnia and Herzegovina is rebuilding itself in a domestic and regional context that is not yet fully stabilised. Tensions between ethnic groups and constituent entities of the Bosnian State resurface regularly. Moreover, independence in Montenegro, and above all the issue of the final status of Kosovo, raise particularly tricky questions, which will doubtless have repercussions in the region as a whole. Lastly, the issue of co-operation with the International Criminal Tribunal for the former Yugoslavia (ICTY) continues to delay Bosnia and Herzegovina’s complete integration into Euro-Atlantic institutions.

6. The Committee on the Civil Dimension of Security visited Bosnia and Herzegovina on 1-3 March 2006 to witness first-hand progress made in the country’s reconstruction. The Committee was also able to meet several high officials of the ICTY in The Hague on 28 February 2006. The information gathered during these visits has provided the food for thought in this report.

II. RECONSTRUCTION AND STATE BUILDING IN BOSNIA AND HERZEGOVINA

A. THE BOSNIA AND HERZEGOVINA OF DAYTON: A WEAK AND DIVIDED STATE

7. The break-up of the former Yugoslavia led in Bosnia and Herzegovina to the most murderous conflict in European territory since 1945. The confrontations culminated in the massacre of nearly 8,000 Bosniac civilians in Srebrenica in the summer of 1995 and ended the following autumn with a

death toll of between 100,000 and 200,000 according to estimates (recently revised downwards) and nearly 2 million displaced persons. The Dayton Accord, concluded on 21 November 1995 by Alija Izetbegovic, the Bosnian President, Slobodan Milosevic, the Serbian President and Franjo Tudjman, the Croatian President, and signed in Paris on 14 December 1995, put an end to the confrontation. The Dayton Peace Accord laid down a detailed framework which recognised the existence of a single Bosnian State while organising the difficult coexistence of the various communities, under strong international supervision.

8. The State of Bosnia and Herzegovina that emerged from Dayton is weak and divided. It brings together, under one institutional roof, two “Entities”, a Bosno-Croat Federation (the Federation of Bosnia and Herzegovina or FBH) and a Serb Republic (the Republika Srpska or RS), and recognises three “constituent peoples”: Croats, Serbs and Bosniacs. The inter-entity boundaries closely follow the front lines left over from the conflict. The Federation occupies 51% of the territory, the RS 49%. Within the Entities, particularly the FBH, other demarcation lines separate areas with a Croat majority from those with a Bosniac majority. Thus the Federation is divided into 10 cantons, five with a Bosniac majority, three with a Croat majority and two mixed, plus the autonomous district of Brcko, created in 2000 and directly related to the central level of government.

9. Annex 4 to the Dayton Accord contains the Constitution of the State of Bosnia and Herzegovina. The institutional structure mirrors the complex territorial organisation and includes a whole series of checks and balances to prevent the domination of one community over others. Executive power at the central level is assigned to a collective presidency (one representative of each of the three constituent peoples elected by direct universal suffrage) which rotates (one of the three members chairs the presidency every 8 months) and to a Council of Ministers. Legislative power is exercised on an equal footing by two assemblies, a House of Representatives directly elected by the people of each Entity and a House of Peoples, appointed by indirect suffrage. The same complex structure is reproduced almost unchanged at the level of each Entity and at FBH canton level. In total, Bosnia and Herzegovina has 14 assemblies and nearly 200 Ministers for a population of 4 million. It is estimated that between 50% and 70% of the Gross Domestic Product (GDP) goes to fund this gigantic bureaucracy.

10. The responsibilities of the State institutions are reduced to a minimum. Article III.1 of the Dayton Constitution lists ten areas of competence, mainly in the fields of foreign relations in the broad sense and of infrastructure. All other areas of competence, including internal affairs, education or social policy, go to the Entities. Even the State budget comes from contributions by the Entities.

11. The constituent peoples and the Entities carry considerable weight, both in the appointment of national representatives and in the decision-making process at the central level. Thus the only possibility in election to the presidency of Bosnia and Herzegovina is the election of a Serb member by the population of the RS and of a Croat member and a Bosniac member by the population of the FBH, thereby excluding the candidature of Serb representatives in the Federation, of Croat or Bosniac representatives in the RS or of representatives of minority groups. The appointment of members of the House of Peoples (Serb members appointed by the RS National Assembly, Bosniac or Croat members appointed by the House of Peoples of the Federation) is equally discriminatory.

12. Each of the three constituent peoples has a “right of veto” in the legislative assemblies, enabling it to block any decision that it regards as contrary to its vital interests. Following a judgment in 2000 by the Constitutional Court, this vital interest veto has been extended to the Entities and the cantons, to guarantee the equality of the three communities before the law throughout the territory.

13. The last precaution imposed by Dayton: the whole system operates under strict supervision by the international community, which is the guarantor of interethnic peace and the smooth running of the Bosnian State, through the High Representative and the Peace Implementation Council.

B. POLITICAL RECONSTRUCTION

14. The political and institutional consolidation of the State of Bosnia and Herzegovina has been a long and painful process. Many advances have been made only after substantial pressure exerted by the international community. One of the priorities was extension of the powers of State institutions. The creation of a common currency, a common customs area and common indirect taxation made it possible to consolidate the unification of the country. In the area of security, significant reforms are in progress to reorganise the courts, the police and defence. In all, nearly 30 new institutions have been created in recent years to consolidate the Bosnian State.

15. The fact remains, however, that these transfers of power have not always resulted in greater efficiency or in increased resources. As the Committee learned during its visit to Sarajevo, the BiH Parliament, which has only 57 members (42 in the House of Representatives, 15 in the House of Peoples) with more and more extensive powers is quite literally overloaded. This is compounded by unsuitable procedures, a lack of skilled staff and regular political deadlock among representatives of the various communities. This same lack of effectiveness is apparent at all levels of public administration. Several speakers have mentioned reform of public administration as one of the priority issues for the future.

16. Lastly, political life is still dominated by political parties operating on an ethnic basis: on the Bosniac side the SDA (Democratic Action Party) and the SzBiH (Party for Bosnia and Herzegovina, formed by secession from the SDA); on the Serb side the SDS (Serb Democratic Party, created by Radovan Karadzic), the SNSD (Social-Democratic Independent Party) and the PDP (Democratic Progress Party); lastly, on the Croat side the HDZ (Croat Democratic Union) and the HDZ 1990 (formed by secession from the HDZ). The party with the most diverse base is the SDP (Social-Democratic Party), which seeks to present itself as a European social-democratic party of classic type.

17. The first general elections entirely financed and organised by the Bosnian authorities were held on 1 October 2006. The people were called upon to elect their representatives in 6 simultaneous elections, two at national level and four at Entity level: election to the presidency of Bosnia and Herzegovina; election of members of the House of Representatives of Bosnia and Herzegovina; election to the RS presidency and vice-presidency; election to the RS National Assembly; election to the Federation House of Representatives; election to the 10 cantonal assemblies of the Federation. In all, over 7000 candidates and 773 lists competed, representing 36 political parties, 8 coalitions and 12 independent candidates.

18. These elections provided a graphic illustration of the ambiguities in the present situation. On the one hand, the international observers welcomed the smooth running of the elections as a whole. On the other, the election campaign and the results revealed sharp divisions within the political class and the people regarding the future of the country, between those who wish to regard Bosnia as a "normal" State and to tackle fundamental problems and those who are still trying to call the very foundations of the Bosnian State into question.

19. As regards the organisation of the elections, the International Election Observation Mission (IEOM), which included representatives of the OSCE, the OSCE Parliamentary Assembly and the

Parliamentary Assembly of the Council of Europe, took the view that the manner in which these elections were conducted was “generally in line with international standards for democratic elections” and welcomed the “further improvement and progress in the consolidation of democracy and rule-of-law”. Nonetheless the international observers also stated that the elections were organised in breach of Council of Europe rules because of ethnic criteria affecting voting and eligibility, as a result of parliament’s rejection of constitutional reform.

20. In its preliminary report the IEOM stressed that the election campaign was calm overall, but was marked by sharp nationalist rhetoric and occasional inflammatory statements from key election contestants. In this respect the failure of the constitutional reform, like the current negotiations on the future status of Kosovo and the independence of neighbouring Montenegro, seems to have fuelled nationalist views and radicalised positions among Bosniac representatives, calling for abolition of the Entities within a unified State, some Serb representatives demanding a referendum on independence for the RS and some Croat representatives calling for the creation of a new Croat Entity based on the Federation. The High Representative had to intervene on several occasions during the campaign to call the candidates to order and to try to refocus the debate on the principal political, economic and social issues.

21. The election results also send a mixed message. The official rate of participation of 54.48% at the national level is certainly higher than in the previous elections in 2002, but is still low for a ballot described as crucial to the country’s future, because the new authorities will be called upon to manage the freeing of the country from its international supervision. Moreover, and although the results show a loss of momentum by the traditional nationalist parties, in particular the SDS and the HDZ, and a victory for the parties regarded as more moderate, all the parties have borrowed from nationalist rhetoric and have taken on few basic commitments. One of the major challenges will be to reconcile the radically opposed positions regarding the country’s future taken by the two parties declared the winners, the SzBiH of Haris Siladjic, the Bosnian Prime Minister during the war, and the SNSD of Milorad Dodik, the strong man of the RS.

C. THE ECONOMIC SITUATION

22. Neither is the economic reconstruction of Bosnia and Herzegovina fully mastered as yet, although considerable progress has been made since the end of the civil war. Since 1995 the GDP has increased threefold, and exports of goods tenfold. Today Bosnia and Herzegovina has the highest growth rate in the Western Balkans (about 5 to 5.5% in 2005) with a reasonable rate of inflation, though on the rise relative to previous years (around 4% in 2005). Exports, direct foreign investment and industrial production rose by 25% in 2005 relative to the previous year.

23. A number of important reforms have been adopted, here again often under international pressure, in order to make the territory of Bosnia a unified and homogeneous economic entity. The unification of the customs service or the adoption as from January 2006 of a single value-added tax covering the whole of the territory are substantial advances to this end. During its visit to Sarajevo the Committee learned that the national share of the budget would be the greater in 2006 for the first time, thanks to the introduction of the single value-added tax.

24. The fact remains, however, that the economy of Bosnia and Herzegovina is still far below its pre-war levels. With an official unemployment rate of 40% (the true rate is estimated at around 20%) and with 18% of the population below the poverty line, the standard of living of the people is still very low. Moreover, more than half the GDP goes to fund a top-heavy administration. Lastly, efforts still have to

be made to combat corruption, to improve the climate for investment in the country and to promote enterprise.

25. Several of the Committee's contacts in Sarajevo pointed out that attention should be concentrated on the economy now that the groundwork on consolidating the institutions was going well. In this respect the opening of negotiations with the EU on an SAA and the recent elections are in principle a good opportunity to emphasise the economic and social future of the country. The High Representative himself, Christian Schwarz-Schilling, has made the economy one of the main priorities for his term of office. However, some relaxation in the economic reform process, as well as a measure of fiscal and budgetary slackening, was a feature of the pre-electoral climate, and this might restrict the new government's room to manoeuvre.

D. BUILDING A MULTI-ETHNIC SOCIETY

26. The major challenge in reconstructing Bosnia and Herzegovina, as in the rest of the Balkans, is still the consolidation of a multi-ethnic society in which ethnic affiliation is neither a threat nor a central criterion in citizenship. Substantial progress has been made along these lines, but there are still a number of problems in key sectors.

27. In many ways the situation in Mostar is symptomatic of these difficulties. The Dayton Accord had installed an embryonic central administration which was to ensure the complete reunification of the town eventually. In fact the interim statute, which managed the division of the town, remained in force until January 2004, when Paddy Ashdown, the High Representative, decided to impose the new statute, involving the abolition of the existing municipalities and creating a single local assembly. However, there is strong local resistance and today Mostar is still far from being unified, despite the good intentions expressed when the town's famous bridge was reopened in July 2004. Recent crises, involving *inter alia* nomination to vacant posts in the common local administration, have given rise to a strong reaction by the international community, for which the reunification of Mostar is still an important symbol for the rest of Bosnia and Herzegovina and must not fail.

1. Development of civil society

28. The development of a real diverse and dynamic civil society in Bosnia and Herzegovina is a slow process. Two problems are usually suggested as explanations for this phenomenon. On the one hand, and although the law permits the creation of NGOs throughout the territory, many of these organisations still operate on an ethnic basis and are present in only one of the Entities.

29. A second problem arises from the fact that most of the NGOs in Bosnia were created in the period immediately after the end of the conflict, on the basis of the funding available at the time. They therefore reflect the offer of funding more often than the real demands and needs of society. Thus the Committee learned during its visit to Sarajevo that more than a thousand NGOs in Bosnia and Herzegovina were active in the field of human rights. Nevertheless, as a representative of one of these organisations admitted, this abundance of institutions is counter-productive and has impeded the emergence of a real machinery to protect human rights in Bosnia and Herzegovina.

30. This overkill and lack of harmonisation is also found at the very heart of the authorities responsible for protecting fundamental rights. Thus Bosnia and Herzegovina has nine Mediators, three for the State level and three for each Entity. Amendments to the Law on Mediation passed by parliament in June 2006 after over two years of discussion should eventually lead to unification of the institution of Mediator at the central level.

2. The refugee issue

31. The conflict in Bosnia and Herzegovina had led to the displacement of over 2 million people. The Dayton Peace Accord guaranteed the right of all displaced persons to return to their homes. According to the United Nations High Commissioner for Refugees (HCR), 1 million have returned to their homes. After several years of deadlock, the reform of property law in 1998, under international pressure, has made it possible to speed up restitution procedures. According to several estimates, almost all requests have been met.

32. Nevertheless the issue is far from settled. According to estimates by the Bosnian authorities, 500,000 people could still apply to return. Moreover, the process of return and restitution has not always yielded the results expected. Thus only half of those who have returned have resettled in areas in which their community is now a minority. There are many who, having got their property back, have immediately left again to settle elsewhere, alleging various kinds of discrimination (in employment, education or the social services) in communities where they were now in a minority. In this respect the return of refugees and displaced persons has merely accentuated the geographic division of the country among the various ethnic groups still further. The Croat population decreased to the greatest extent after the conflict. Many Bosno-Croats preferred to settle in Croatia, where they acquire citizenship automatically.

33. In January 2005 the Bosnian, Croatian and Serbian governments committed themselves to the EU, the OSCE and the HCR to settle all issues affecting refugees and displaced persons in the Balkans before the end of 2006. In practice, negotiations among the three governments, which have since been joined by Montenegro, have not really led to any concrete result. The governments still have to reach agreement on a common "travel warrant".

3. The position of minorities

34. The Constitution of Bosnia acknowledges three constituent peoples, and on the basis of the last population census in 1991, 17 ethnic minorities are officially recognised. The principal groups include the Roma (the largest minority, the most realistic estimates varying between 20,000 and 80,000), Albanians, Macedonians, Montenegrins, Serbs and Hungarians.

35. Bosnia and Herzegovina has ratified most of the international instruments dealing with the protection of minorities and has passed a number of important domestic laws. However, implementation of these provisions is still problematic. During the Committee's visit to Sarajevo, the Mediators for Bosnia and for the Federation all agreed that there was still a great gap between the legal provisions and the situation on the ground. According to them, discrimination based on ethnicity, sex or political affiliation was still too widespread. Some minorities, especially the Roma, were particularly disadvantaged, like the category "others", who belong neither to the constituent peoples nor to the officially recognised minorities.

36. The most important problems relate to education and the use of minority languages in public life. Political representation for persons belonging to national minorities is also made difficult, if not impossible, by the electoral machinery set up by the Dayton Constitution, especially with regard to election to the presidency or to the House of Peoples of Bosnia and Herzegovina. This machinery has also been deemed contrary to the European Convention on Human Rights by the European Commission for Democracy through Law (Venice Commission) of the Council of Europe.

4. Education

37. Education certainly provides the best illustration of the gap that must still be bridged in order to create a real multi-ethnic society in Bosnia and Herzegovina. It is one of the areas in which the Council of Europe takes the view that the commitments entered into by Bosnia and Herzegovina when it joined “to eliminate all aspects of segregation and discrimination based upon ethnic origins” have not been complied with.

38. When the Committee visited Sarajevo, many contacts stressed the fundamental importance of education in securing the advances made in national reconciliation. Unfortunately education reform is hostage to the Bosnian institutional maze and to tensions between communities.

39. Responsibilities relating to education are fragmented. Most are exercised at Entity level, or even at Canton level in the case of the Federation. The Ministry for Civil Affairs at the State level is responsible only for human rights and for international commitments entered into by Bosnia and Herzegovina. A total of 14 ministries share the responsibilities.

40. Consequently any initiative taken at the State level can be implemented only with the approval of the local authorities. In reality the State authorities are incapable of giving substance to the Education Reform Strategy submitted in November 2002. In particular, implementation of the framework law on primary and secondary education passed by the Bosnian Parliament in July 2003, which should have led to the rapid harmonisation of laws at Entity and Canton levels, was greatly delayed by strong opposition at local level. Pressure from the international community and intervention by the High Representative broke the deadlock in some regions, but the situation in the country as a whole is still highly politicised.

41. Moreover, and despite agreement on a common core curriculum, the school education and the teaching manuals still bear the marks of an ethnic approach. In some parts of the country there is only one course available, the one for the majority group.

42. The international community has sought to promote temporary solutions to assist the integration of children from different communities. One of these initiatives, “two schools under one roof”, in fact ended in actual segregation, with all sorts of rotation machinery whereby courses for children from different communities could be organised so that there were never any activities together at the same time. In some cases it was decided in the end to separate the two schools entirely. Despite the introduction of catchment areas for public primary schools, some parents sometimes prefer to send their children to schools in the neighbouring area which suits their requirements in terms of courses better. This has led to a great increase in cases of “bussing”.

43. The situation in the universities is hardly any better, and until recently the discussions on passing a law on higher education at the national level were deadlocked. Although a consensus does exist in Bosnia regarding the necessity for implementing European requirements in this area, *inter alia* the Bologna process, opposition is concentrated on the issue of transferring legislative and budgetary powers to the State level. Laws on higher education have been passed in RS and in some Federation Cantons, but it was only recently that the various ministers responsible for education reached agreement on a draft law governing higher education. This was passed in the Council of Ministers on 1 June 2006 and submitted to parliament at the end of August 2006. However, the draft was not passed before the elections on 1 October 2006.

E. THE SECURITY SITUATION

44. Security is undoubtedly the area in which the most far-reaching changes have been made. The end of the conflict and the stabilisation of the security situation made in-depth reorganisation of the institutions responsible for security possible. However, this process has not gone on unobstructed. Reforms in the defence and police sectors finally made remarkable progress only in 2004-2005 after years of obstruction, under pressure from the international community.

1. Security threats in Bosnia and Herzegovina

45. During the Committee's visit to Sarajevo many local and international contacts stated that the security threats in the Bosnia of today were different in kind from those in the 1990s. Organised crime, the state of the economy or the continuing fragmentation and malfunctioning of the security services are among the main current threats.

46. In terms of organised crime, Bosnia and Herzegovina is still an important source and transit country for all kinds of trafficking. For example, Europol estimates that 80% of the heroine reaching the territory of the EU passes through the Balkans. The same networks are used for traffic in marijuana, coming mainly from Albania. Bosnia and Herzegovina has also become a major consumer of drugs. Human trafficking into the EU is said to affect about 120,000 persons from the Balkans every year.

47. Sometimes terrorism is also put forward as a major threat in Bosnia and Herzegovina. The international community and the Bosnian police concentrated first on the former mujahideen fighters who came from abroad to support the Bosniac army in the conflict, some 500 of whom subsequently settled in Bosnia and Herzegovina. They are now concentrating on the threat arising from young Muslim extremists, sometimes from abroad, who find Bosnia and Herzegovina conducive to preparing terrorist activities. The first case of this type, involving five persons of whom two were nationals of third countries, was brought before the Sarajevo State Court in May 2006.

48. The Bosnian authorities have adopted an antiterrorist Strategy for 2006-2009 and have set up a cell co-ordinating antiterrorist activities in the country. A new law on combating terrorism and the financing of terrorism was to be discussed by the new parliament. The fact remains, however, according to assessments by Bosnian and European officials on the spot, that the terrorist threat in Bosnia should not be exaggerated and is no more serious than elsewhere in Eastern Europe.

2. Defence reform

49. At the end of the war, Bosnia and Herzegovina had two armies, each with its chain of command, 400,000 troops in total, strong ethnic and political allegiances and almost no democratic control. A Defence Reform Committee (DRC) bringing together the main relevant local and international officials was set up in 2003. Long and difficult negotiations culminated in September 2003 in a draft reform in conformity with the principal requirements set by NATO for admission to the Partnership for Peace (PfP): creation of a Defence Ministry at the State level and progressive elimination of Defence Ministries at Entity level; creation of a unified professional army of 10,000-12,000 men, with 5,000-7,000 reservists (as against 60,000 at present). The law on the armed forces strikes a balance between the reality of the ethnic divisions in the country and the necessity for establishing modern armed forces meeting NATO standards. Thus it provides for the formation of three multi-ethnic infantry brigades consisting of battalions from the three communities. The law also emphasises the importance of preserving identity and ethnic ties within regiments.

50. Some major stages in implementing defence reform have already been completed, with the appointment in March 2004 of the first Defence Minister of Bosnia and Herzegovina, the transfer of all decision-making and budgetary powers relating to defence to the State level in the summer of 2005 and the official ending of conscription on 1 January 2006. Moreover, on 5 July 2006 the presidency of Bosnia and Herzegovina took a decision on the composition and structure of the armed forces. These will consist of 10,000 men plus 5,000 reservists. Ethnic distribution is based on the adjusted results of the 1991 census: 45.9% Bosniacs, 19.8% Croats, 33.6% Serbs and 0.7% from other ethnic groups. On 31 December 2007 the transformation of Bosnian defence should be complete. It should be noted that even before completion of defence reform a small unit of the Bosnian armies and police force has been involved in international peacekeeping operations in Africa, Haiti, Cyprus or even Iraq.

51. During its visit to Sarajevo the Committee heard very positive reports on defence reform. A strong consensus among the various partners has made it possible to implement the key elements of reform quickly. NATO has played a central part in this process, contributing its expertise and offering the prospect of accession to the PfP.

3. Police reform

52. The reform of the police was trickier, encountering obstacles and stubborn resistance, particularly from the authorities in the RS. The present police organisation is fragmented and inefficient. The police forces in Bosnia have three constituents, which co-operate only with difficulty: centralised police in the RS, decentralised police in the Federation and a few agencies and institutions at the State level. The latter, in the main a State intelligence agency (*Intelligence Security Agency* SIPA), a local equivalent of the FBI (*State Investigation and Protection Agency*) and a customs and immigration service (*State Border Service*) were set up in 2004 and are steadily becoming operational. In July 2006 SIPA had recruited about 50% of its staff, 895 in number. During 2005 the Agency had dealt with 513 cases linked to organised crime or war crimes.

53. However, a compromise on the overall restructuring of the police could be found only in October 2005, under strong pressure from the international community. This is along the lines of the three requirements imposed by the EU: a unified structure under the exclusive authority of the State; lack of political interference; the creation of functional and efficient areas of operation. The aim of the reform is to create a unified police under democratic control and conforming to European standards in 5 years.

54. A directorate for police restructuring consisting of local and international representatives is responsible for preparing an action plan for putting the reform into practice; it should be adopted by the Council of Ministers by December 2006. It is for the directorate in particular to find acceptable solutions to remaining tricky problems, concerning *inter alia* the design of the police areas.

55. The decision-making process in the directorate has been particularly slow and laborious in practice. A first step to break the continuing deadlock was taken on 3 May 2006, when the steering committee decided to abandon the rule of consensus and put forward a majority proposal for a police organisation model on two levels, local and national, thereby rejecting any attempt to retain police forces at Entity level. This decision gave rise to an immediate response by the RS authorities, who decided by way of protest to limit their participation in the steering committee to the role of observer. The RS authorities are also amassing declarations suggesting that reform of the police is a roundabout way of achieving abolition of the Entities and therefore the end of the RS, and calling for a referendum on the issue. No substantial progress has been made since May, and the steering

committee has decided to postpone the deadline for submission of the final police restructuring project from 30 September to 30 November 2006.

56. Lastly, the issue of “dicertified” policemen has been a continuing source of tension. These are policemen dismissed from duty by the United Nations Police Mission, which was in Bosnia and Herzegovina until 2003. When it left, no other authority was appointed to consider appeals by disestablished officers. This issue crops up regularly, and the international community has undertaken to find a solution.

III. EVOLUTION OF THE INTERNATIONAL COMMUNITY’S ROLE IN BOSNIA AND HERZEGOVINA

57. The former Yugoslavia hosted the first great post-conflict reconstruction operation under the aegis of the international community. This operation called for concerted efforts by the principal States and international organisations with a direct interest in the region, in particular the UN, the EU, NATO and the OSCE. It was also based on a number of original devices, of which the person of the High Representative of the international community is only the most visible sign. Most of these mechanisms are being reassessed today, to make the necessary emancipation of Bosnia and Herzegovina possible.

58. Nevertheless the fact remains that not all the lessons from the Bosnian experiment have yet been learned. An important indicator will be the capacity of the mechanisms put in place by Dayton to adapt to the needs of today’s Bosnia and to consolidate achievements.

A. THE HIGH REPRESENTATIVE

59. The designation of the High Representative of the international community is certainly one of the most remarkable elements in the Dayton set-up. He is the face, the unified and personified representation, of the international community in Bosnia and Herzegovina. He is the guarantor of implementation of the civilian aspects of the peace settlement.

60. He is completely independent of the local authorities and is responsible only to the Peace Implementation Council (PIC), the principal co-ordinating body for putting the civilian aspects of the Dayton Accord into practice, consisting of representatives of 55 countries and international agencies involved in the peace process. The PIC appoints the High Representative, who must then be approved by the UN Security Council. Since 2002 the High Representative has also been the Special Representative of the EU in Bosnia and Herzegovina.

61. In response to the institutional deadlocks caused by constant tension among ethnic communities in Bosnia, the international community decided to strengthen the authority of its representative. At its meeting in Bonn on 10 December 1997 the PIC interpreted the High Representative’s mandate as including a list of special powers, known since as the “Bonn powers”, which are binding on the parties. These include the power to quash decisions by the local authorities, to impose certain decisions and to dismiss local officials.

62. Successive High Representatives have interpreted these powers broadly, imposing decisions as varied and sensitive as choosing the flag for the State of Bosnia and Herzegovina, the Criminal Code or the resignation of members of the presidency. Today a consensus seems to be emerging that it is time to allow Bosnia and Herzegovina to free itself from supervision by the High Representative.

Although intervention by the High Representative was necessary in order to impose difficult reforms, it also has a perverse effect. It helps to short-circuit essential discussions, takes away local authorities' responsibilities and encourages apathy in a public that has difficulty in identifying with decisions seen as imposed from outside. This is all the more difficult to justify because the exercise by the High Representative of his vast powers is itself not under real democratic control.

63. The handover on 31 January 2006 from Paddy Ashdown to Christian Schwarz-Schilling, the new High Representative, provided an opportunity to start the transition to a new policy of progressive limitation of the High Representative's role. While a high level of interventionism was a feature of Lord Ashdown's mandate, Mr Schwarz-Schilling has become the instigator of a laissez-faire policy, based on the slogan: "assist, advise and promote". The aim of this new approach is to give the Bosnian authorities a sense of responsibility and to assist the essential "ownership" of the reforms by the public. However, Mr Schwarz-Schilling has stated that he would not hesitate to use the Bonn powers to guarantee respect for the Dayton Accord, especially on the issue of co-operation with the ICTY.

B. NATO

64. The Dayton Accord had entrusted the implementation of its military aspects to an international force of 60,000 men under NATO command, IFOR (*Implementation Force*). In December 1996 the Stabilisation Force (SFOR) took over; it has been progressively reduced in strength from 32,000 to 7,000 men. The SFOR mission came to an end on 2 December 2004 and was replaced by a EU mission, EUFOR-Althea.

65. The operations in Bosnia and Herzegovina have been particularly important in the context of NATO's transformation in the post-cold-war world. The intervention in Bosnia and Herzegovina was the first peace support operation by NATO within the framework of a UN mandate. It was also the operation in Bosnia and Herzegovina that persuaded NATO to develop a doctrine for civilian-military co-operation. Besides IFOR, like SFOR, included a high proportion of contingents from Alliance partner-countries, including Russia and the Mediterranean countries. The progressive handover of the mandate from NATO to the EU was also a useful test for implementing the "Berlin Plus" arrangements and co-operation between the two organisations. Lastly, operations in Bosnia contributed to the reassessment of Alliance policy towards the Balkans, changes which proved particularly useful at the time of the intervention in Kosovo.

66. Today NATO retains a reduced presence in Bosnia and Herzegovina. The basic mission of the 150-strong headquarters in Sarajevo is to help the Bosnian authorities in reforming the defence sector and in preparing Bosnia for accession to the PfP and subsequent integration as a full member. As such, NATO has a primary role in monitoring the implementation of defence reform, and is also giving the Bosnian authorities operational support in counter-terrorism, intelligence and the arrest of war criminals.

67. Apart from the presence of Alliance forces on the ground, the prospect of joining NATO has played a key part in encouraging the reform process in the country. Bosnia, with Serbia and Montenegro, is the last country in the Balkans not to have joined the PfP yet. Since the adoption of the defence reform, the issue of co-operation with ICTY is the main obstacle to Bosnia's integration.

C. THE EUROPEAN UNION

68. The role of the European Union in Bosnia and Herzegovina has also changed radically. Today the EU is in the forefront in implementing the military and civilian aspects of the Dayton Accord. These

activities are co-ordinated on the ground by the EU's Special Representative, a duty carried out by the High Representative.

69. The current framework for relations between the EU and Bosnia and Herzegovina is the Stabilisation and Association Process. Negotiations for the signature of a Stabilisation and Association Agreement (SAA) were opened in November 2005, after the compromise on police reform. Signature of the SAA would be the first step towards Bosnia's future accession to the Union. This, however, is a long-term prospect for the country and is unlikely to come pass for a decade, having regard to the technical and political requirements of the accession process.

70. The EU has contributed to the political and economic reconstruction of the country on the basis of the Stabilisation and Association Process. Over 2 billion euros have been spent on aid since the end of the conflict, *inter alia* through the CARDS programme (Community Assistance for Reconstruction, Development and Stabilisation). A number of community programmes have also been extended to Bosnia and Herzegovina.

71. The Union has also committed itself progressively on the ground, with two large-scale operations, the EU Police Mission (EUPM) and EUFOR-Althea. The EUPM, launched in January 2003, was the first operation as part of the European Security and Defence Policy (ESDP). It followed a UN police mission. In its early years the EUPM has been the subject of criticism. In particular the Union was criticised for dispensing too quickly with assistance on the ground from the UN mission, giving the EUPM too ambitious a mandate without allocating the necessary resources. The EU Council took these criticisms on board, and in November 2005 it decided to extend the EUPM mandate until the end of 2007, with a reduced presence and a refocused mandate.

72. The EUPM's aim is to establish a "sustainable, professional and multi-ethnic police service operating in accordance with best European and international standards" through mentoring, monitoring, and inspecting. To this end it has set itself three main tasks: 1. To supervise the implementation of police reform; 2. To support local initiatives in combating organised crime; 3. To check that local police forces are doing their job responsibly and without political interference.

73. Most of the 400 members of the Mission are collocated with the central and local Bosnian police. As the head of the EUPM explained to the delegation when it visited Sarajevo, the stress is on local initiative and ownership of reforms.

74. The EUFOR-Althea operation was set up in December 2004, as a replacement for SFOR. The number of troops was reduced from 7000 initially to 6500 at the end of 2005. In many ways the European operation resembles that of its NATO predecessor. The personnel initially deployed were 80% the same as SFOR personnel. The headquarters is in the same premises as the NATO mission and the geographical allocation of manpower is similar to that of SFOR. During the Committee's visit to Sarajevo many contacts said that the handover had taken place with no major problems.

75. EUFOR has a broader mandate than its predecessor, aiming to maintain a stable and safe environment for the implementation of both the military and civilian aspects of Dayton. This mandate includes combating organised crime. Lastly, EUFOR is co-operating with NATO and SIPA in seeking out and arresting war criminals.

IV. THE PROSECUTION OF WAR CRIMINALS

A. THE INTERNATIONAL CRIMINAL TRIBUNAL FOR THE FORMER YUGOSLAVIA

76. The International Criminal Tribunal for the former Yugoslavia (ICTY) was created by a UN Security Council resolution in May 1993. It was the first modern example of the establishment of a real international criminal court. Its mandate is to bring to justice persons allegedly responsible for certain violations of international humanitarian law (grave breaches of the 1949 Geneva Conventions and violations of the laws and customs of war), crimes against humanity or genocide in the territory of the former Yugoslavia since 1991. The jurisdiction of the Tribunal has been extended to crimes committed during the conflict in Kosovo.

77. In March 2005, the date of publication of the latest indictments, the Tribunal had indicted 161 persons, most of them for crimes committed during the conflict in Bosnia. In June 2006, 96 proceedings had been brought to a conclusion. However, six of the accused are still on the run, among them two major figures in the conflict in Bosnia: Radovan Karadzic, the leader of the Bosnian Serbs, and Ratko Mladic, their military commander.

78. However, the Tribunal has seen a notable improvement in co-operation by the authorities in the Republika Srpska during 2005. Although there had been no transfers to The Hague since the end of the war, 12 persons indicted by the Tribunal were transferred by the RS in 2005. However, problems of co-operation and sharing of information persist, and the fact that Karadzic and Mladic are still on the run casts a shadow over relations between the Bosnian authorities and the international community.

79. The Tribunal's experience has been a major innovation. It created a precedent in international criminal justice and laid the foundations for the subsequent creation of the International Criminal Court. It has indicted a head of State in office, Slobodan Milosevic, for the first time. It has contributed to the development of international humanitarian law and has defined its key concepts: genocide, crime against humanity and war crime. It has shed light on some of the darkest episodes in the recent history of Europe and has given the victims a voice. Lastly it has contributed directly and indirectly to strengthening the rule-of-law and the legal system in the Balkan countries.

80. Nevertheless a number of criticisms and accusations, more or less well-founded, have been levelled at the Tribunal, particularly in the Balkans. The premature death of Slobodan Milosevic before the end of his trial was a blow to the prestige of the Tribunal, preventing complete clarification of the former President's responsibility and of the events for which he was tried. Two other recent cases have helped to fuel complaints against the Tribunal: the suicide of Milan Babic, the former president of the self-proclaimed Serb Republic of Krajina during the conflict, in his cell in The Hague in March 2006, and the conviction of Naser Oric, the commander of the Bosniac forces in Srebrenica, sentenced in June 2006 to 2 years' imprisonment as against the 18 years called for in the indictment. The accused had been released following this judgment, because the Tribunal took the view that he had already served his sentence. This case helped to foster accusations by some of the Serb political class in Bosnia and Herzegovina against a tribunal which, according to them, was anti-Serb. An appeal has been lodged against the judgment.

81. Since the Tribunal was created for a specific purpose and for a limited time, its work will soon come to an end. The grouping of trials relating to the same facts and transfers to local authorities have already made it possible to speed up the Tribunal's work. The Tribunal's Completion Strategy provides for the end of all trials at first instance by 2008 and for all work to cease by 2010. Nevertheless the Tribunal authorities all made clear to the members of the Committee that these deadlines could be

met only if the last of the accused still at large were quickly arrested. Consequently they have postponed the initial deadlines for one year. It seems difficult to imagine that the Tribunal would close its doors before being able to try Ratko Mladic, Radovan Karadzic and the others. Every new trial or sentence serves as a reminder that those primarily responsible are not in the dock.

B. THE PROSECUTION OF WAR CRIMINALS IN BOSNIA AND HERZEGOVINA

82. The ICTY statute provides that the Tribunal has jurisdiction to try war criminals concurrently with national courts. At first, however, the Dayton Accord did not provide for any particular machinery for trying war criminals in Bosnia and Herzegovina. Besides, at the end of the conflict the legal system, like other institutions in Bosnia, was extremely weak. The trials, which were at Entity court level before the creation of a court at State level, were therefore generally regarded by international observers as falling short of international standards.

83. The establishment of the Prosecutor's Office and the State Court of Bosnia and Herzegovina at the end of 2002, as well as the necessity for relieving congestion in the ICTY by refocusing its activities on high-ranking suspects, gave new impetus to initiatives for trying some war criminals at national level. In January 2005 this led to the creation within the State Court of Bosnia and Herzegovina of a special War Crimes Chamber and of a Registry for war crimes and organised crime which are now fully operational.

84. The War Crimes Chamber of the State Court of Bosnia and Herzegovina, which includes an international presence in its first phase, has jurisdiction to try cases transferred by the ICTY as well as the most sensitive cases initiated at national level. Nine defendants have now been transferred to the Bosnian court by the ICTY. On 9 May 2006 the Court began hearing its first case, the trial of 11 persons for crimes committed at the massacre of Srebrenica.

85. Nevertheless the present mechanisms for trying war criminals in Bosnia and Herzegovina raises a number of problems, the first of which relates to continuing difficulties in co-operation among States in the region in arresting and trying war criminals. Although co-operation with respect to investigations and evidence has greatly improved in recent years, the thorny problem of extradition of persons suspected of war crimes to the country where these crimes were committed remains. An agreement on this issue by the governments of Bosnia and Herzegovina, Croatia and Serbia and Montenegro has been long awaited.

86. Another issue that was raised several times during the Committee's visit to Sarajevo related to guarantees given to witnesses who agreed to appear in local trials. According to the ICTY authorities local witness protection mechanisms still fell far short of what was required.

87. Lastly a more general question arises as to the usefulness and time-limit of these legal proceedings. Apart from their cost, critics stress that subjecting the issue of war criminals to an excess of legal procedures might prevent national reconciliation rather than promoting it. In this context alternative solutions such as reconciliation commissions or truth commissions might seem preferable. Thus a truth commission on the massacres at Srebrenica had been set up in 2003 by Paddy Ashdown, the High Representative, and had induced the RS authorities to acknowledge, for the first time, the involvement of RS security forces in the massacres. In May 2006 another truth commission was set up, under pressure from the Serb community, to throw light on the number of victims linked to the conflict in the Bosnian capital. This approach, however, was not free from political motivation. The initial refusal by the government to create a Sarajevo Commission had involved a boycott of

parliament by Serb representatives, as well as the filing of a motion of censure against the government.

V. PROSPECTS FOR POST-DAYTON BOSNIA AND HERZEGOVINA

A. A YEAR OF TRANSITION ON THE DOMESTIC FRONT

88. The tenth anniversary of the Dayton Accord provided an opportunity to reconsider the constitutional and institutional future of Bosnia and Herzegovina. Its emancipation is seen as an essential preliminary stage that will open the way to Bosnia and Herzegovina's full integration into NATO and into the EU.

89. Discussions are organised around two main points: a reform of the institutions as established by the Dayton Constitution and progressive reduction in the role of the High Representative. However, ambitions have had to be scaled down, and the timetable for these changes is still uncertain.

90. Discussions on constitutional reform were opened in November 2005, between local parties and spurred on by European and American mediators. The ambition to adopt a new constitution replacing the Dayton Constitution was soon abandoned, being regarded as unrealistic. Efforts were therefore concentrated on modifying the mechanisms most open to criticism. After several rounds of negotiation, agreement had finally been reached among the seven main Bosnian political parties on 18 March 2006, incorporating a number of important advances.

91. The most sensitive issue was the reform of the Presidency. According to the agreement, the tripartite presidency was to be abolished and replaced by a single president flanked by two vice-presidents. All of these were now to be appointed by the parliament and no longer directly elected. Nevertheless the rotation principle would not have been abandoned; the presidency was to continue to rotate every 16 months. The president and the vice-presidents would still represent each of the three constituent peoples. The balance of forces within the executive was also to be modified. The Council of Ministers was to be increased from 9 to 11 members. In addition, the President of the Council was to become a fully-fledged Prime Minister with enhanced powers, particularly with regard to the appointment of Ministers.

92. The second issue was the reorganisation of the parliament. The number of parliamentarians was to increase (from 42 to 87 members for the House of Representatives and from 15 to 21 members for the House of Peoples). The members of the House of Representatives were no longer to be elected in the Entities but at national level, based on the principle "one voter one vote". The members of the House of Peoples were to be elected by the Representatives. The powers of the latter were to be reduced substantially. The House of Peoples were to lose the power to pass laws, and its principal function was to be the protection of vital national interests.

93. The last issue was the extension of the powers of the central State to the detriment of the Entities, giving the central authorities a monopoly in the areas of defence, security, foreign affairs, foreign trade, monetary matters, etc. The Entities were to retain shared competence, *inter alia* in the areas of taxation, electoral law, justice, agriculture, science and technology and local government.

94. On 25 March 2006 the Bosnian Presidency decided to pass these amendments to the parliament, in the hope that they might be adopted in time for the October elections. A month later, however, parliament rejected the bill by two votes or so. The irony is that this rejection is linked to the

Bosniac and Croat parties' wish to go still further by abolishing the mechanisms whereby any law passed by the House of Representatives must have the support of at least one-third of the RS representatives and one-third of the Federation representatives.

95. Be that as it may, the rejection of the constitutional reform is regrettable. Many observers had accepted that the draft was far from perfect or complete, but it would have been a first stage and would have shown that the Bosnian authorities were ready to take on the country's future. It is now to be hoped that the parliamentarians elected in October, with their aura of fresh legitimacy derived from the polls, will find the courage to take up the discussion again at the point where it stopped. To do this they will first have to overcome the deep divisions caused by an election campaign which radicalised positions regarding the future of the country.

96. The internal emancipation of Bosnia is also subject to a second essential condition: the progressive abolition of supervision by the international community. Mr Schwarz-Schilling, the new High Representative, has already initiated a new approach to progressive disengagement. At its June 2006 meeting the PIC made this approach official, giving Mr Schwarz-Schilling the task of dismantling the Office of the High Representative by 30 June 2007. Nevertheless it left the door open for subsequent postponement of this deadline, to take account of the national and regional context. The High Representative has already stated that substantial delays in the adoption of essential reforms might entail such a postponement which, however, would not be in the interests of the local authorities. In addition, during the campaign prior to the elections on 1 October 2006 several candidates called for a strong international community presence to be maintained.

97. This decision would not affect the office of EU Special Representative in Bosnia and Herzegovina, which Mr Schwarz-Schilling should continue to hold beyond 30 June 2007. On this basis, the Union is considering strengthening his commitment in Bosnia and Herzegovina to accompany the dismantling of the Office of High Representative. The international community hopes that the completion of this process will confirm Bosnia and Herzegovina's irreversible transition from the post-conflict phase to full and complete integration into the Euro-Atlantic community.

B. PROGRESSIVE INTEGRATION INTO EURO-ATLANTIC INSTITUTIONS

98. The EU and NATO have stated repeatedly that in the long term all the Balkan countries should join both organisations. However, the integration of Bosnia and Herzegovina into Euro-Atlantic institutions has been slower than in the case of its neighbours, with the sole exception of Serbia and Montenegro. Thus Bosnia is still not a member of NATO's PfP, and started negotiations for the signature of a SAA with the EU only at the very end of 2005.

99. Progress in the consolidation of institutions and in the rule-of-law, particularly in the defence and police sector, has made it possible to restart the integration process for Bosnia. The negotiations on the SAA should now give the Bosnian authorities an additional incentive to keep the reforms on course. The Union has stated on several occasions that the rate and the success of the negotiations on the SAA would be closely dependent on progress by Bosnia and Herzegovina in several key areas, all regarded as preconditions for signing the agreement: strengthening legislative and administrative capabilities; continuing the reform of the police; implementing the reform of public-service radio and television; co-operation with the ICTY. These priorities were restated by Mr Schwarz-Schilling in a speech to the parliament of Bosnia and Herzegovina on 24 May 2006. In this "programme speech" the High Representative put a work programme to the parliamentarians for the 100 days remaining before the October general elections.

100. A number of advances have been made since: adoption by the Prime Ministers of Bosnia and Herzegovina and of the Entities in June 2006 of a national strategy for the reform of public administration; adoption by the Council of Ministers of the draft law on higher education; adoption in July 2006 of the decision on the ethnic composition, structure and stationing of the armed forces.

101. In all, however, the results of parliamentary activity in recent months have been rather disappointing. The pre-electoral context seems to have led to more radical positions rather than encouraging the various political parties to deal with the priority issues as quickly as possible. Revision of the Constitution has been rejected. Police reform is deadlocked. The laws on higher education and public-service radio and television have made but little progress. At the same time, regular inter-community squabbles have continued to retard parliamentary and government activity.

102. The last cycle of negotiations on the SAA is scheduled for November 2006. The Union should then decide whether or not to authorise the signing of the agreement. However, the High Representative has already warned that the delays that have built up in the adoption of the reforms, especially the reform of the police, are likely to lead the Union to postpone the signature of the SAA right to the end of 2006, or even to early 2007. Similarly, following the general elections on 1 October 2006 Javier Solana, the High Representative for the Common Foreign and Security Policy, stressed that the EU would judge the new Bosnian authorities by their actions.

103. Besides, in the short and medium term the issue of co-operation with the ICTY will also be decisive, both for the admission of Bosnia and Herzegovina to the NATO PfP and for progress in negotiations with the EU. The Union has already suspended negotiations on the SAA with Serbia because of insufficient co-operation with the ICTY.

104. Lastly, there is the fear that what is now called “enlargement fatigue” is going to slow down the process of Bosnia and Herzegovina’s integration into NATO and the EU, at the risk of causing the reforming forces in the country to lose their motivation and a return in force of nationalist rhetoric.

C. THE REGIONAL CONTEXT: ASSET OR LIABILITY?

105. The regional context in the Balkans appears mixed. Conflicting processes are at work, and their impact on the situation in Bosnia and Herzegovina still seems uncertain. Some of the countries in the region are stabilised and on the way to full and complete integration into Euro-Atlantic bodies. This is true in particular of Croatia, with which the EU decided to open accession negotiations in October 2005. It is also the case with the FYR of Macedonia*, which was officially granted the status of candidate in December 2005. Lastly, in June 2006 Albania signed a SAA with the Union. In addition the three countries are participating in the NATO Membership Action Plan and should join the Alliance when it next enlarges.

106. The most important source of uncertainty for the region is still the situation in Serbia and in Montenegro. Serbia embarked on negotiations with the Union on an SAA in October 2005. However, these were suspended on 3 May 2006 because co-operation by the Serb authorities with the ICTY, in particular regarding the capture of Radovan Karadzic and Ratko Mladic, was deemed insufficient. In addition, the break-up of the Federation of Serbia and Montenegro following the referendum on self-determination in Montenegro was a fresh setback for the country, although the divorce was an uncontested and peaceful one. Above all, the issue of the future of the province of Kosovo is still undeniably the most important source of potential tension in the region.

* Turkey recognises the Republic of Macedonia with its constitutional name.

107. Developments in the situation in Serbia might have an adverse effect on Bosnia and Herzegovina. Some representatives of Serb nationalist parties have already expressed themselves on several occasions in favour of a referendum on self-determination in the Republika Srpska on the Montenegrin model or compensation for Serbia, assuming that Kosovo does become independent, by the transfer to Serbia of RS territory. Even if these scenarios have been categorically excluded by the international community, speculation of this kind is not likely to ease relations in the region.

108. Another potential source of tension in relations between Serbia and Bosnia and Herzegovina arises from the genocide proceedings instituted by Bosnia against Serbia before the International Court of Justice. During its visit to The Hague the Committee was able to attend the second day of the hearings in this case, which has already lasted 10 years and which regularly reawakens painful memories of the conflict between the two countries. In addition the decision, which is not expected for several more months, might have important financial consequences if Serbia were to be held responsible. This would be the first time an international tribunal had held a State responsible for genocide.

109. In spite of all, co-operation among States in the region has been greatly strengthened in several areas since the ending of the conflicts in the former Yugoslavia. Until recently the principal tool used by the international community to promote regional co-operation in the Balkans was the Stability Pact for South-Eastern Europe, adopted in June 1999 by 39 countries and 17 international organisations. The Pact has provided a framework within which it has been possible to develop several regional initiatives in trade, energy, combating organised crime, population movements, etc.

110. Efforts to promote regional co-operation in the Balkans have been given a new lease of life during the past two years. They have recently led to an agreement in principle between governments in the region, made official in April 2006, to extend the Central European Free Trade Area to the Balkans, and to the progressive transformation and institutionalisation of the Stability Pact into a purely regional organisation between now and 2008.

VI. CONCLUSION

111. Over ten years after the conclusion of the Dayton Accord, Bosnia and Herzegovina is still involved in a lengthy process of reform. The Committee's visit to Sarajevo showed it that fundamental advances had been made in the institutional, political and socio-economic fields. However, as this report attempts to demonstrate, these are fragile and have to be consolidated and reproduced in a number of other areas. The international community will expect a firm and unambiguous commitment to the reform process from the new government formed after the October elections.

112. Without doubt the prospect of accession to the EU and to NATO is one of the main driving forces for the reform process. In that respect the negotiations with the European Union on the SAA, like the continuing dialogue with the Alliance regarding Bosnia's inclusion in the PfP, are a key issue for the country. However, it is also of crucial importance for the Bosnian authorities to press on with reforms without waiting for the completion of these processes.

113. The reform of the Dayton Constitution in particular is a fundamental stage in consolidating the State of Bosnia and Herzegovina, the process of democratisation and the protection of human rights and fundamental freedoms. In this respect the rejection by the parliament of Bosnia and Herzegovina of the draft constitutional review is disappointing and puts back the prospect of in-depth institutional

reform several years. It is now for the new parliament formed after the October elections to resume negotiations on this topic.

114. As regards the security situation, local and international stakeholders seem to be in agreement that the principal threats today stem from the state of the economy and organised crime. Relations between constituent peoples no longer represent a potential threat of armed conflict. Nonetheless, as the campaign before the recent elections clearly demonstrated, there is still much to be done in order to complete the institutional and political integration of the two Entities, the RS and the Federation, and to put an end to the recurring tensions fuelled by latent communitarianism. Reform of the education seems to be a particularly difficult challenge, but is essential to the unification of the country and national reconciliation. Special attention should be given to the issue of minorities.

115. Ten years after Dayton, however, the time has come for a progressive reduction in the international presence in Bosnia. In this respect the planned transition of the office of High Representative to simple Special Representative of the EU will be an essential stage on the way to emancipation of the local authorities. However, this does not mean total disengagement by the international community. On the contrary, supporting the various international institutions is still essential in helping Bosnia to build on the remarkable advances of recent years. The NATO Parliamentary Assembly, through its experience of democratisation processes in transition countries, also has a part to play. It is essential for parliamentarians from Alliance countries to maintain their support for the parliament of Bosnia and Herzegovina and the local authorities in their efforts to achieve full and complete integration into the Euro-Atlantic community.

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