

“Continuing and Accelerating Bosnia and Herzegovina’s EU Integration in the Framework of the New British-German Initiative”

BiH should be a country which everyone would feel as their own, where every person, nation will be able to reach their goals and achieve interests. It is a country with a future which has a lot of friends in the world, which helped BiH and which are ready to continue helping. Bosnia is a country with great potential, primarily in people, as well as natural beauty, geo-strategic position, energetic and other potentials which are destined to raise this small but beautiful country in the heart of Europe, to the level of a developed country, with a healthy economy and a stable political system.

Of course, the situation in BiH, political and economic is very hard, induced by internal contradictions, global economic crises, constant political struggle, lack of consensus on key directions of the development of the country, whether it should be decentralised or a centralised country, etc. But also there are certain external factors, first of all the Global geo-strategically changes, economic crises, wars in Ukraine and so call Islamic States and natural disasters that more and more often hit the country and have a negative influence on the fragile economy and society. We entered the 20th years since the Dayton Peace Agreement has been signed, and the process of democratisation and seek for a consensus is still on going. War wounds are not forgot, but the time flaws and alerts, that we should not lose generations and time, that we should work together to make the future brighter and prosperous. We all hope that the coming years brings us an upheaval when BiH will acquire membership status for EU.

I shall use this chance to thank our friends in Hungary for the understanding that Hungary shows concerning the situation in BiH and the help they offer us on our path to Euro-Atlantic Integration. Let me say a few words about our relations.

“Bosnia-Herzegovina has always been supported by the Hungarian Government since after the war and later, and especially as we are approaching the EU”.

Hungary also helped Bosnia and Herzegovina in the process of liberalisation of visa regime with the EU. Today, we can freely travel with our biometric passports without visa in the countries of the Schengen area. We appreciate also that the Hungarian Government has supported Bosnia-Herzegovina to assume the Presidency of the United Nations Security Council as a non-permanent member in 2011. Undoubtedly this represents for Bosnia-Herzegovina the greatest foreign policy achievement so far. The Visegrád Countries’ Group is also important, where Hungary plays a significant role, since they have several projects to help my country in the field of justice, law enforcement, the fight against organised crime and illegal migration.”

I’m sure that Hungarians know and understand my country much better than many others do. Hungary is a nice country with proud people and Budapest is just wonderful. Through the history of these two countries we share a lot of experiences and a substantial common historical heritage. And today we share the same values, as well as political goals. The European Union is Bosnia and Herzegovina’s most important foreign policy aim, in which Hungary gives us significant help.”

EU Foreign Affairs Council on its meeting on 16th of March 2015 welcomed the Written Commitment by BiH Presidency and agreed to proceed with the conclusion and entry into force of the Stabilisation and Association Agreement with Bosnia and Herzegovina.

The Council calls on Bosnia and Herzegovina’s leadership to fully uphold its commitments and obligations, including those relating to the adaptation of the forthcoming SAA, and to remain engaged with the European Union under the renewed approach and maintain the positive momentum by developing an initial agenda for reforms in consultation with the European

Union. This reform agenda, to be developed and implemented also in consultation with civil society, should include reforms under the Copenhagen criteria and agreed functionality issues (including the EU coordination mechanism). Meaningful progress on the implementation of agenda for reforms, including the "Compact for Growth and Jobs", will be necessary for a membership application to be considered by the European Union."

The Stabilisation and Association Agreement, SAA, signed on 16 June 2008, although ratified by all EU Member States in early 2011, has not yet entered into force because BiH has not fulfilled its obligations, primarily in the execution of the judgments of the European Court of Human rights in Strasbourg- Sejdić- Finci, as well as some key reforms.

BiH is behind its neighbours in the EU integrations- Croatia, which is in the EU for the second year, Serbia, a candidate for EU membership, as well as Macedonia, Montenegro ...

The foreign ministers of the EU member-states have concluded that political statements made by the members of the BIH Presidency, the 14 leaders of the parliamentary political parties and representatives and delegates in the Parliament of Bosnia and Herzegovina, is the first promising move made in years, which will accelerate the process of reforms and integration.

PRESIDENCY OF BIH WRITTEN COMMITMENT

Is based on complexity of the social and economic situation in Bosnia and Herzegovina, dedicated to the principles, values, and goals on which the European Union is established, affirming membership of the European Union as a strategic goal of Bosnia and Herzegovina, Welcoming the renewed approach of the European Union to Bosnia and Herzegovina, pursuant to the conclusions of the European Union Foreign Affairs Council dated 15 December 2014,

The institutions of government in Bosnia and Herzegovina (institutions of Bosnia and Herzegovina, the Federation of Bosnia and Herzegovina, Republika Srpska, the Brcko District and ten cantons), in agreement with the European Union and pursuant to the Copenhagen Criteria, (whether a state has the institutions to preserve democratic governance and human rights, has a functioning market economy, and accepts the obligations and intent of the EU), and the of *acquis communautaire* (common legislature) which the European Union, will develop and implement, a programme of measurable initial reform measures, to include:

Economic and social measures, in the framework of the Compact for Growth and Jobs in Bosnia and Herzegovina, with the aim of stopping negative economic trends, initiating a process of rehabilitating and modernising the economy, fostering sustainable, efficient, socially just and steady economic growth, creating new jobs, increasing and more appropriately targeting social assistance, and creating a favourable and just social environment. Specific measures will aim at reforming fiscal policy, indirect taxation policy and foreign trade policy, reducing taxes on jobs, eliminating barriers to jobs, improving the business climate, better investor protection, stronger adherence to the rule of law, public administration reform, increasing the transparency of regulations and procedures, cutting opportunities for corruption, improving the targeting of social assistance and more effective, efficient and equitable social protection policies. Specific measures will be developed and implemented in agreement and in cooperation with economic and social partners, civil society, the European Union and International Financial Institutions;

Measures for building a functional market economy;

Measures for strengthening the rule of law, particularly the efficiency of institutions of the rule of law in the fight against corruption, organised crime and terrorism and ensuring full legal certainty for any natural or legal person;

Measures to accelerate the reconciliation process and restore broken trust;

Measures to strengthen administrative capabilities, enhance functionality and increase the efficiency of institutions at all levels of government for accepting and implementing the *acquis communautaire* of the European Union and other obligations for accession to the European Union.

The institutions of government in Bosnia and Herzegovina will, at a later stage (consequent to the initial reform measures), make progress regarding the implementation of additional reforms in order to improve the functionality and efficiency of all levels of government in Bosnia and Herzegovina, and direct special attention to the implementation of the ruling of the European Court for Human Rights in the case of *Sejdic and Finci vs. Bosnia and Herzegovina*.

BiH today, seems to be more optimistic than before, despite the fact that the economic and political situation remains difficult, with negative trends. If urgent measures are not taken, the country is on the brink of economic collapse, as one of the poorest in Europe. Many countries in the region and in Europe fear that in such state Bosnia and Herzegovina could become a threat to the security of the entire region. Therefore, the new initiative gives hope to exit from the current situation, and that brings a new quality in relations with the EU, in fact, the announcement of the entry into force of the SAA, means opening a political dialogue with the EU, which made a big step forward to BiH. Thus the entry into force of the Agreement shall initiate formal and political dialogue, through the structures that need to be established under the Agreement, notably the Stabilisation and Association Council, and also the Parliamentary Committee for Stabilisation and Association. In this sense it is a new quality, as well as other legal, institutional and economic matters. Bosnia and Herzegovina, will be placed in a more favourable position in the field of public procurement, because it will be granted access to procedures for public procurement in the European Union. Concerning the business environment, the procedures will be under equal treatment like for the companies from the European Union. As for Bosnia, under the Agreement it would have to enable companies and individuals from countries of the European Union to have the right to the enjoyment of public goods in terms of ownership of such public goods as well as the opportunity to purchase real estate in Bosnia and Herzegovina.

SAA represents the rules for a comprehensive partnership on free trade between BiH and the EU, which means that BiH companies for the first time would have access to the EU market of 500 million consumers, and BiH companies will be able to provide services throughout the EU and compete for public affairs. BiH citizens will benefit from the various EU quality control and health and safety standards. SAA will ensure better quality and availability of products, the competitiveness of BiH products, with the consequences of lowering prices and greater choice of goods and services to citizens, better business environment, the convergence of EU legislation and standards, which in turn will attract foreign investors. SAA will improve the work of BiH institutions, enhance their effectiveness and reduce crime and corruption, which is a sore point of the society.

Two months ahead will consist of procedural and other preparations so that, as expected, in early June the Agreement of Stabilisation and Association Process EU - BiH could begin. Its activation opens the way for the application for EU membership. It is anticipated that BiH could hand in the credibility assessment for the EU membership in mid 2017.

In 2015 Bosnia and Herzegovina marks 20 years since the end of the war and the signing of the peace agreement, which was formalised by the Dayton Peace Agreement. The country is unfortunately still deeply divided, especially the last 8 years, in which the country is not moving forward. The crisis, which continues today, began with a failed attempt of a constitutional reform in 2006, the so-called April package. Only today we see how much BiH has lost due to the failure of adopting the April package. Until then, BiH has been a leader in the EU integration process in

the former Yugoslavia. No matter how imperfect the April package was, certainly it was a step forward.

In BiH, except for the war, nothing can happen overnight, nothing that is good for this country. Good comes with patience and hard work to achieve common interests of all people living in BiH. No matter which nation or minority you belong. Good comes by respecting the interests of others and compromise. By Consensus. Adoption of the April package of constitutional amendments failed in the BiH Parliament, since it did not receive a 2/3 majority, because one party voted against it which insisted on the abolition of entity voting, and analysts say that the reason was vanity of the leader of that party, who wanted to reach political capital and power by refusing the package. The April package contained many positive changes in relation to the Dayton constitution, and it should've been the one crucial turning point in the fate of this country and a chance that is rarely provided. Nine precious years have gone in vain for the citizens of BiH. By the application of the April package, different directions of politics in BiH would be opened, one that would not be based solely on ethnic identity, but would rely more on economic, social and other issues of common interest to all citizens. The British-German initiative offers us just what we need now, after so many years lost. And one more important thing to say about the failed April Package, to which we must go back and recall, if we want to rise this country in the coming years.

April package was supported by all political parties in the Republic of Srpska, which is generally considered to obstruct the progress of the country and that the problem lays itself in the Republic of Srpska. Today's problem in the formation of the government in BiH shows functional problems that exist in the Federation of BiH, because the authorities in the Republic of Srpska formed back in November last year, and political parties from the Federation were not able to agree on the constitution of the government of the Federation of BiH and the Council Ministers, for full five months since the completion of elections in October last year. There is not just one side that can be blamed for everything in BiH. We cannot build a country on this matrix. There is a perfect number of institutions in the country at all levels which need to answer all of our questions and hopes for a better tomorrow. Who committed crimes, who stole from the country, who ruined companies and left workers on the streets? It is rather a legal than a political procedure and response. Politics should not interfere.

Since the last elections in October 2014, until today, in the process of government formation at the central level and in the FBiH, a battle is led on whether the ethnic or civil principle should prevail in the government and its functioning. And that is why the formation of the government stormed into a problem. The Constitution of BiH, regardless if someone likes it or not, is clear, and says that the BiH is consists of two entities and three constituent people. So, from Bosnia last days comes good news, about the political agreement between the political parties, and this week, tomorrow, we will have the new Council of the Ministries, and the Government of FBiH.

The world today is not the same as the world 10 years ago. Geopolitical changes are tectonic by nature, the world is changing and we cannot conclude in what direction. Disintegration strengthens at the expense of integration. The crisis in Ukraine, as well as the so called Islamic state, threaten to drag the whole world into a conflict, and the region of Western Balkan is particularly vulnerable to all geopolitical developments, especially to negative ones. BiH more than ever, should accelerate the process of integration into the EU. It should be prepared for the events that will follow, and the best way that can be done is by integrating into the EU. BiH must not repeat the mistakes of the Former Yugoslavia, because the consequences could be the same for the country.

Beginning of 90s, before the break up, the crisis in Yugoslavia culminated, nationalism with the geopolitical change on the world scene, demolition of the Berlin wall 1989, repeal of communism in USSR. The new Historic epoch occurred, new relations, and Yugoslavia lost its

geo-strategic worth, on which it built its future. A new world was formed, where it was necessary to fight for a new international position and new allies. Unfortunately, there was not any individual capacity which would recognise that moment and which would with struggle on the plan of foreign policy, international affirmation stop the disintegration of the country. Yugoslavia surely required serious reforms, it didn't have democratic institutions, democratic capacities, nor leaders which could answer to the historical moment, reorganise the country, introduce a multiparty system, avoid war and direct the country to the economic and market competition with other European countries, which already then measured their success, not with the quantity of patriotism, but with the gross national income! Meanwhile, economic crisis, nationalism, action or inaction of the international factor, political leaders, the change of the geopolitical map of Europe and the world, pushed Yugoslavia to break up and the worst, to bloody clashes! Today similar situation in the world, we in BiH need action and economical and social reforms. Urgently.

I believe that the question of the political modernisation is the main question of the people that live in this area. And I'm afraid that the 20th century can be observed as lost for the people of BiH, since it was proved that the political idea that existed on this area wasn't correspondent with time. We lived in some shapes of political and other Utopia, which could look pink at one time! We turned to the past, instead of looking at the future! We lived for century our unrealistic lives!

We came to a conclusion that the problems of former Yugoslavia are almost the same to the problems BiH is facing today on its path of development, and those are:

Conflicts between different ethnic groups, due to different views of the common state, its future and efficiency to save national interests of each constituent nation;

Disagreement on the constitutional order of the country;

Neglecting on solving major political, economic, national problems of the country;

Economic crisis;

Lack of functional consensus of the International community in solving the political status; and

World geopolitical changes;

BiH is supposed to be a country where each individual would feel it as their own, a country in which all the people can achieve their goals.

If the leaders of the political parties in BiH don't act fast in resolving important questions, BiH risks of becoming a "black hole" in Western Balkan.

The current situation leaves serious consequences for the economy and country credit rating. In addition to that, natural disasters, flooding, have hit BiH last year which blocked the country and the economy. The floods are estimated to have caused the equivalent of nearly 15% of GDP losses, in 2014 in BiH, which is amount of 1,5 billion of EUR!

On this occasion I wish to emphasise that during the catastrophic floods in BiH in May 2014, people in BiH showed great solidarity and helped each other. Help had arrived from one entity to another, it did not matter, how one was called or to which nation he belongs, the only thing that was important was to help the people who are really in need. And it is the quality we observe that exists in BiH amongst our people, unfortunately floods had to happen for us to be aware of that. And it is certainly a new and essential force in the further development of the country.

Interethnic conflicts exist in BiH due to the different views of the common state. Not even one of the three constituent nations living in BiH see their country in the same way, which is the main problem. The question of constitutional order, entity voting in joint institutions BiH, administrative and territorial organisations. Some want BiH to be a centralised country, others

decentralised, while some want to change the structure of the Dayton Peace Agreement, and that BiH instead of two should have three entities!

Consensus in BiH is the key word for the future of the country! Among the main problems in BiH are majorization, conversion of relative majority into absolute, imposing decisions about coexistence from sides, disrespect or different interpretation of concluded agreements. BiH is based on the letter of the Dayton Peace Agreement rather than on its spirit, since Bosnia and Herzegovina is a country where three Constituent nations live, in order for constitutional or any other change to happen, all three nations must agree! If such an agreement does not exist in one of the three nations, the decision is made by outvoting, which crashes the basis of the country. (It's better to negotiate for years, then to be in war for even one day!) The question of centralisation or decentralisation of BiH should also be decided in democratic debates and procedures of those who it concerns the most- the people of BiH!

However, it is important to know that the economy is the key factor for further development of BiH towards EU. Unemployment rate in Bosnia and Herzegovina increased to 43.81 % in January of 2015 from 43.60 % in December of 2014.. Out of almost 44% of the unemployed people in BiH, more than 60% are young people below 30 years of age.

Receiving candidate status next year has a key influence on further processes, since after getting the candidate status minimum of 6 to 10 years, should pass before entering the EU. That's the period which BiH should use to build its economic and political system, for its own sake but also for the possibility to join the EU according to EU standards.

The visa liberalisation for the citizens of BiH is an important step towards the EU, it's surely the advantage which citizens enjoy and which shows benefits of EU processes.

CONDITIONS WE HAVE TO IMPLEMENT AND FULFIL FOR THE APPLICATION TO BE APPROVED FROM THE EU:

1. Sejdic - Finci Verdict Unfortunately, even five years after the verdict was passed by the European Court of Human Rights in Strasbourg, in the case of "Sejdic-Finci", no concrete progress was made in the implementation of the Verdict. Verdict, particularly in the part related to the system of election of members of BiH Presidency from the Federation, but also from RS, the rights equally to be given not only to the constitution people but also to the others (national minorities!).

2. Coordination Mechanism and Communication on European Issues

Agreement on mechanisms of vertical and horizontal communication and coordination on European issues in BiH is one condition set by the European Union for further progress of BiH.

3. Economic reforms, which is the new condition set by the newest EU initiative

BiH should strengthen its economy, to be economically independent and self-sustaining. To use its natural, human, geographical, historical, national resources which should be its advantage not disadvantage compared to other countries of former Yugoslavia.

Now the topmost is that the war is behind us, and we are in the process of development in many aspects. There are still some difficulties and problems in our society, but I'm convinced that step by step we will solve them. We are a country of young and talented people with optimism, and of natural resources. In the future we should achieve better coordination between civil societies and government bodies. The protests that took place in February 2014, showed that in BiH in the future nothing will or can happen without a certain degree of influence of the non-governmental sector in policy decisions of the governing structures. And the sooner a culture of dialogue between government and non-government sector and civil societies is established, the earlier

BiH will benefit from this dialogue and of course, the sad images of destruction of property that belongs to everyone will not be repeated and new, ugly images of the country will not go into the world.

There are some thoughts today, that the situation in BiH can be solved only by a new conference, Dayton 2. Part of the domestic political forces, believes only in that option, which of course makes it difficult to implement reforms in BiH. Unfortunately, many are inclined to seek help from the outside, instead of turning to a partner in BiH. The Chairman of the Presidency of Bosnia and Herzegovina Mladen Ivanic said a few days ago at an international conference in Mostar that this is not the time for "Dayton Two", because in BiH there is no agreement on this, and on the international stage nobody is interested to accept new international conferences. "The opening of this topic automatically means three ideas in one place - one is a president without an entity, another idea is autonomous Republic Srpska if possible, and if not then what we have now, and the third idea is the third entity," said Ivanic. Dissatisfaction with the Croatian nation and its position, says Ivanic, can be solved by rationalising the number of cantons and relations within the Federation, and changing the mode of elections of Croatian members of the Presidency and the elections in the House of Peoples.

"Reasonable people will find a solution in any constitutional framework. If people are not reasonable every story about the Constitution is in vain. The essence is in the willingness of key political figures to compromise and orient to what we have in common, such as lower taxes to increase investments and create jobs,"

"The situation today is much different," the focus should rather be on reaching an agreement than to impose a solution. "Which is the new approach of the International community to problems in BiH. More attention should be devoted to discussions on reforms (such as those related to the EU), with the general public in a simple and direct way. "

The Chairmanship of BiH to Council of Europe

In the first part of my speech I mentioned that until now the biggest foreign policy success of BiH was chairing the Presidency of the United Nations Security Council as a non-permanent member in 2011. In May this year, BiH is taking over the chairmanship of the Committee of Ministers of the Council of Europe as another foreign policy event of enormous importance for BiH, especially since it comes in the moment of activation of the SAA and the acceleration of EU integration according to the British-German initiative.

BiH diplomacy in the first half of this year, gives special attention to the preparation of the meeting of the Standing Committee of the Parliamentary Assembly of the Council of Europe in May in Sarajevo, as the first political event under the presidency of Bosnia and Herzegovina, as well as to the implementation of joint initiatives of BiH and Serbia to organise a joint event for BiH presidency of the Committee and the OSCE Presidency of Serbia, with support of the Parliamentary Assembly of Council of Europe.

The conference on Western Balkans which was held a few days ago in Pristina is of great importance. Johannes Hahn, European Commissioner for Enlargement and Neighbourhood Policy, confirmed on the conference that the European Union has set aside one billion euros for the improvement of infrastructure in the region of which a good part would be intended for BiH. A billion euros will be made available for infrastructure investments through Investment Framework for the Western Balkans (WBIF), the national IPA program and the EU transport network (Connecting Europe Facility - CEF).

The projects in infrastructure, transport and energy are crucial for economic development, attracting new investments and job creation. The Prime Ministers of the regions will meet in

Brussels April 21 and already in 2015 one hundred million euros will be available from the IPA funds as an investment grant. “

Regional cooperation, infrastructure and project linking, is the way out of the crisis and the acceleration of EU integration. The European Commission has previously presented the principle of connecting (connectivity) as a key objective of achieving economic growth and further integration of the region into a common economic space of the EU.

BiH and NATO

All members of the North Atlantic Treaty Organization (NATO) want BiH to succeed in the way of NATO integration.

The Russian Federation, has nothing against the EU integration of Bosnia and Herzegovina, but does not support the BiH accession to NATO.

BiH will get MAP status the moment it resolves the condition of Tallinn from 2010 which is the registration of 63 perspective military locations on the Ministry of Defence, after which BiH enters the Membership Action Plan.

The question of NATO integration of BiH reopened within the increased activities towards the EU, but also the recent events, the war in Ukraine and the threat of Islamic extremism in the south.

BiH has recently made a decision on providing military assistance in ammunition, donating 1 million ton to the Government of Iraq, with what BiH joined the western military coalition in the fight against the so-called Islamic state.

All parties in BiH agree that BiH is in the process towards NATO, but the difference is that there is no agreement that BiH should join NATO, and a good part considers that BiH should not join NATO.

War Crimes in Bosnia and Herzegovina

There are certain opinions (parallels with today!) that the growth of nationalism in the former Yugoslavia occurred due to the fact that the truth was never told about the crimes which were committed during World War II! (Like today, everyone has their own truth, perception of crime, the number of casualties, etc!) The painful experience of the World War II, forces us to confront what actually happened in the last war in BiH 1992-1995, not to postpone the answers to the questions, to confront the past for a better future, and hence, not to transfer the mortgage to the generations to come! Without addressing the issues of crime, it will not be possible to have a common life in BiH.

July 11th 2015 will be 20 years since the war crime, by the ICTFY final verdict in January 2015 genocide in Srebrenica. Everyone who participated in this crime must be brought to justice.

Those who had committed crimes, they did so in their own name, not in the name of the nation to which they belong. For the nation to which they belong, they are a disgrace and misfortune, a dark shadow in the history of honourable people.

In the earlier part of my presentation I said that a matrix of guilt of just one nation in BiH must not exist. In the unfortunate war in Bosnia-Herzegovina all the nations suffered.

Muhammad Yunus, a banker and economist from Bangladesh, world known as the founder of the concept of corporate social responsibility, which in 2006 received the Nobel Peace Prize, this month has spent several days in BiH and sent several important messages.

The most important for the people of BiH is, that in order to change the society, we must change ourselves.

Budapest, 30.03.2015.