

## **The Impact of the European Integration on Statehood in Western Balkan - Case of Bosnia and Herzegovina**

Excellencies, ladies and gentlemen,

Thank you for the invitation to speak today and congratulate you on excellent organization of this conference.

In this introductory statement, I would like to draw your attention to following three points. **First**, there has been a major development in Bosnia and Herzegovina in the institutional and public sector building in last ten years. I have a feeling that this progress has not been recognized. Throughout my presentation, I will demonstrate how national government progressively acquired new duties and responsibilities that were not mentioned in the Dayton peace agreement. **Second**, that progress has been achieved through the European integration process. EU guidelines, from the one side, and perspective of the membership from the other, have been playing a vital role in terms of assisting the government towards key reforms. Process opened up the road to Brussels, moved the country from the phase of the post conflict management and stabilization to the institution building and transition period. **And third**, through the process of European integration in the future, the existing public sector will be additionally adjusted to modern European practice. While Dayton is becoming our past, Brussels is increasingly our future.

### **Where we were**

In the early post Dayton phase, post conflict management was the priority of the international community, implementation of the military part of the Dayton agreement was more important than the implementation of the civil one. 60 000 international troops were brought to secure the peace. From that number they were downsized to less than 7000 troops in 2004. And not a single attack on troops has taken place, peace was accepted.

There was no coordination between state and entities, there was no freedom of movement, and refugees could not return, not even vote during election in their pre war municipalities in the early post Dayton phase. Dayton constitution created huge, complicated, expensive public sector apparatus. It also shattered internal market. It was not meant for making functional European economy.

In the early post Dayton period, state government was given only three ministries, foreign affairs, civil affairs and foreign trade, few other competences. From the other side, each entity was given more than 15 ministries and all major authorities from judiciary, persecution, police, economy, military etc. However, Dayton did not prevent entities to transfer their authorities to the state in order to meet European standards and move towards EU. This is exactly what has been experienced as a result of the European integration process.

### **Chronology of EU initiatives towards Western Balkans and B&H**

After the signing of the Dayton Peace Agreement, the European Union suggested one initiative after another, which finally resulted with the EU membership perspective. The first suggestions of the EU were more under the influence of Dayton and less of Brussels. That was the phase of the post conflict management, refugee return, democratization. That was also the phase of the absence of the strategic relations towards the countries of the Western Balkans.

#### *Regional Approach*

EU Regional Approach was promoted in 1997, when conditionality as a concept was mentioned for the first time. Declaration on special EU – B&H relations has been adopted. In addition, EU B&H Consultative Task Force was created in June 1998. Strategic EU approach was defined through EU Stabilization and Association Process from 1999. At the same time, Stability Pact for South Eastern Europe was promoted. In the meantime, B&H Presidency and Parliament adopted resolution on readiness to move in the European integration process. Finally, EU has listed 18 EU Road Map guidelines to be fulfilled by B&H in order to start Feasibility study and move to the next phase.

#### *EU Road Map*

Through the fulfillment of the requirements listed in the EU Road Map from March 2000, national government progressively acquired new duties and responsibilities that were not mentioned in the Dayton peace agreement. Following institutions and legislations were founded at the state level in two years: Civil Servant Agency, Permanent Secretariat in the Presidency of Bosnia and Herzegovina, State Treasury; single passport was adopted, election law was passed, and the law on state border service was fully implemented. Issues of competition, consumer protection, veterinary, accreditation, intellectual property and standardization were addressed through appropriate laws for the first time on the state level.

#### *Feasibility Study and Program 16*

In the aftermath of the 2002 elections, just before the EU Feasibility study started, Council of Ministers of Bosnia and Herzegovina was given new competencies. For the first time non-rotating prime minister was given four years mandate. Political solutions that were unthinkable and unacceptable up until that moment became matter of mutual agreements. Feasibility study, which was published by the European Commission in 2003, identified 16 priority areas. As a result of reforms undertaken by B&H, the state has gained greater responsibilities in areas such as judiciary, security, customs and tariff

policies, statistics, defense, human rights, food security, competition, markets etc. The Law on the Indirect Taxation System has been enacted, a B&H state level Competition Council, High Judicial and Prosecutorial Council of B&H established. New institutions and ministries that were not included in Dayton agreement were formed at the national / state level, Ministry of Defense, Intelligence-Security Agency – OSA, State Information and Protection Agency – SIPA, Indirect Tax Authority, Competition Council etc. More than 40 laws have been adopted and 27 institutions were created or reconstructed.

Allow me to point that European integration enables the government of Bosnia and Herzegovina to take over the responsibility from the international mediators. In that context, we can see significant improvement in the reduction of the application of Bonn powers in terms of imposing new legislation. There is simplified perception that all major reforms have been undertaken by High Representative. During 2002 the OHR imposed 32 laws, 14 laws in 2003, while only 3 were imposed in 2004. The OHR did not pass a single law in relation to follow up from the EU Feasibility study.

#### *European partnership*

By using common methodology for adoption of *acquis*, Bosnia and Herzegovina has independently created implementation program of the mid-term priorities from European Partnership. This document was brought out before the Council of Ministers and adopted in 2005. Within this program 30 general priorities were identified, along with 81 single priorities, 79 plans, 102 institutions were taking part in implementation, there were 566 planned activities, and 197 legislative actions were taken. I would also like to point out that our national institutions are also taking over the process of planning and programming of the European Union aid.

#### **B&H and European integration in the future**

Bosnia and Herzegovina is expected to move on to the next stage of its relations with the Union, the start of the negotiations on signing a Stabilization and Association Agreement. This will take place when remaining EU requirements from the Program 16 are fulfilled; adoption of the action plan for creation of the single police structure in B&H and public broadcasting service law is adopted.

We are preparing ourselves for the negotiations. We are studying cases of Croatia and Macedonia who already negotiated, signed and substantially implemented their Stabilization and Association agreements. Based on their experience, we can see that this set of commitments will be more serious and more complex matter than all previous requirements. Then, too Brussels will have clear demands to build and strengthen the state structure and public sector.

Stabilization and Association Agreement serves as a primary source of the European Union law. As such, it will enable easier harmonization of the national laws of Bosnia and Herzegovina with the European standards, especially in areas such as internal market and economy. It is expected that new state ministries, institutions and agencies will be

created as a result of entering contractual relation with the EU, agriculture for example. It will be new, qualitative change in the EU / B&H relations, B&H would move from the voluntary to the obligatory harmonization.

## **Conclusion**

The European Union will provide more security and political stability in B&H through the Stabilization and Association Process. It will also activate regional cooperation, facilitate mutual dialog, foster economic, political and security agreements between states from the South Eastern Europe. Through reforms, Bosnia and Herzegovina will get functional market economy; two or rather three economic spaces will be integrated into one. Freedom of movement of goods, persons, services and capital will be fully secured. Consumers will be protected from products not complying with the EU standards. Finally, the existing public sector will be additionally adjusted to modern European practice. These changes will be carried out through the gradual fulfillment of political, economic, legal and administrative criteria of the European Union.

European integration is the best exit strategy for the international community from B&H. High representative will be replaced by the Special representative of the EU in B&H. By entering contractual relations with the EU, B&H will take over the responsibility from Office of the High Representative to implement European legislation.

Finally, allow me to mention that clear EU perspective was given to five Western Balkan countries at the Thessalonica Summit in 2003. EU should stick to its promises and countries from Western Balkan should fulfill its obligations. That is how we should proceed.