

EUROPEAN PARLIAMENT

**PARLIAMENT OF
BOSNIA AND HERZEGOVINA**

**DELEGATION FOR RELATIONS WITH
ALBANIA, BOSNIA AND HERZEGOVINA,
AND SERBIA AND MONTENEGRO
(including KOSOVO)**

**JOINT COMMITTEE
ON EUROPEAN
INTEGRATION**

**6th EP-Bosnia and Herzegovina
Interparliamentary Meeting**

Wednesday, 3 November 2004

Mostar

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RO/SMZ/mf/pel

The meeting was opened at 9.30 am by **Mrs Fatima Leho**, chairperson of the Committee on European Integration of the Parliamentary Assembly of BiH. In welcoming the new delegation, the first since European Parliament (EP) elections in June 2004, to the meeting, **Mrs Leho** was pleased to note the continuity of membership of the delegation, which would make its future work easier. She expressed satisfaction at the fact that Mrs Doris Pack was head of the EP delegation as she was familiar with the problems faced by BiH, in particular those it was encountering on its way towards European integration. Now that the EU had "*enlarged its family*" to include Slovenia, BiH felt even closer to Europe.

1. Adoption of the draft agenda

The draft agenda was adopted.

2. Approval of the minutes of the 5th Interparliamentary Meeting EP-Bosnia and Herzegovina, held on 9-10 July 2003 in Brussels

The minutes were approved.

3. Political situation in Bosnia and Herzegovina

- **self-sustainability and functioning of the State's Institutions**
- **preparations in progress for European integration**

Mrs Leho briefly explained the background leading up to the current parliamentary Joint Committee for European Integration: in April 2003 the House of Representatives and of the People had selected its 12 Members.

The importance attributed to this 6th Interparliamentary Meeting (IPM) was reflected by the presence of eleven (of the twelve) members of the BiH side in Mostar today, the twelfth sending his regrets for his absence, which was due to illness.

The topics to be addressed at the meeting would be those generating the greatest passion and interest in BiH.

It had to be noted that much had been done since July 2003 and, while it was clear that the European Commission would have the final say, much had been achieved:

- A feasibility study had been undertaken and BiH accorded 16 priorities to tackle, in order to enable it to start negotiations on a Stabilisation and Association Agreement;
- The mid-term development strategy and integration strategy prepared by the Bosnia and Herzegovina's Directorate for European Integration had been completed;
- Laws which BiH was expected to adopt were reaching the final stage of preparation (prior to adoption).

Mrs. Pack responded to the welcome, and, before making any further comments, drew attention to the presence of other EU representatives at the meeting, in particular H.E. Rob Bosscher, Ambassador of the Netherlands, who was representing the Presidency in Office of the Council of the EU.

Ambassador Bosscher spoke of the meeting which had just started as reminiscent of "*Alice in Wonderland*" - it was possible to feel a sense of confusion in the presence of so many elements - the (Dutch) Presidency in office, the Commission, the Troika, the Directorate for European Integration. Who should start the ball rolling?

As the representative of the EU Presidency, **Ambassador Bosscher** said he would make a few initial personal remarks.

BiH was now at peace and it would not be good for the country to find itself in a "*no man's land*", left by the international community to fend for itself, caught between Dayton and the EU. Everything pointed to the likelihood that the EU was not going to abandon BiH - on 2 December, EUFOR (Operation Althea) would take over from SFOR (Stabilisation Force). The High Representative, Paddy Ashdown, the European Commission, the EU Member States and others all constituted an impressive EU presence. However, while the EU would "*walk with you*", BiH should "*walk by itself*": all the levels of government (whether at state-level or below) had a part to play in the reforms required for compliance with the conditions of the feasibility study.

The European Parliament (and, in particular, MEPs from the countries which had recently joined the EU) had a natural role to play, particularly in fostering dialogue.

To conclude these opening remarks, Ambassador Bosscher repeated what he had said at a meeting earlier that week, that everyone had to work to free BiH not only from its (recent) wartime history but also from the period preceding it.

Mrs Pack thanked Mrs Leho for the invitation to Mostar. The country was still not united and the situation remained very delicate: it was to be hoped that the results of the recent election could be accepted by all BiH's citizens. The delegation present in Mostar for this meeting was made up of "*old*" and "*new*" Members - it was helpful that Slovenia was represented as a new Member State. In 2005 Croatia would be starting negotiations for accession to the EU, which should prove encouraging to BiH.

Mrs Pack was pleased to note that also present were a Spanish colleague (Mr Guardans), and the EP's Foreign Affairs Committee rapporteur on the new EUFOR military mission (Althea), Mr Wiersma. The existence of EUFOR would bring BiH closer to the EU. She stressed, however, that the EP did not see itself as occupying the position of "*a teacher*" - even though she herself was a teacher by profession!; the EP delegation were here as colleagues (of their BiH opposite numbers), who could, hopefully, share their ideas with their counterparts.

Mrs Leho concluded the opening part of the meeting by expressing the hope that "*we are building a relationship with all the parliaments of the region*".

Ambassador Humphries, Head of the European Commission's Delegation to Bosnia and Herzegovina, expressed his pleasure at being at the meeting and how good it was that the Interparliamentary Meeting coincided with the meeting of the Consultative Group (comprising the Bosnian authorities, the European Commission and the EU Member States).

These meetings were an indication of how far BiH was moving towards "*further, deeper, stronger integration*" with Europe and, ultimately, towards EU membership.

He reminded participants that the EU had said that it wanted all the countries in the region to join the EU and that a year before Commissioner Patten had indicated that the prospect of EU membership for the countries of the Western Balkans was a real one; the European Commission would do all it could to make this come about but membership had to be earned through hard work and political will: *"How far and how fast ... will be up to you"*.

The Stabilisation and Association Process (SAP) was very important: it aimed to promote stability in the region and facilitate closer relations with the EU.

The Feasibility Study had set out the priorities BiH needed to address: any subsequent decisions would depend on its further progress in these areas. Almost one year on, it was clear that progress had been made: it was enough to compare progress on this Feasibility Study with, a few years ago, progress on the Road Map. In the latter case, progress was only made after two years, unlike the few months taken to implement provisions from the Feasibility Study. A further difference was that most of the points set out in the Road Map had had to be imposed by the High Representative; with the Feasibility Study, no such imposition was required.

Since the summer, there had been a slowing down on key legislation such as VAT and the Public Broadcasting System (PBS) laws, due in part to the elections.

The Ambassador warned against complacency, saying that while much progress had been made, substantial areas still needed work. BiH would have to show evidence of sustainable reforms, as well as allocating sufficient resources to carry out those reforms. It needed to *"improve its track record [as] legislation which is not implemented is essentially worthless"*.

The Ambassador stressed that he was aware that he was drawing attention to the more negative aspects but that this was *"part of our job"*! In this context, he pointed out that the functioning of State institutions was not always as smooth as it should be - the appointment of personnel was slow, there were problems with appointments at senior level and even with finding appropriate office space; there was an absence of proper co-ordination mechanisms between the state and entity parliaments.

A number of specific legislative issues were still pending:

- the BiH Ombudsman law (certain proposed amendments would contradict the relevant point in the Feasibility Study)
- the Foreign Investment Promotion Agency (FIPA) - certain amendments proposed would weaken FIPA whereas it was essential to encourage and attract investment to BiH.

In cases such as these, the BiH Parliament should consider not only the political aspects but also the functional and practical aspects.

- the VAT law: this was a very important law as it concerned the reform of indirect taxation. The law had been agreed in the BiH Council of Ministers and was awaiting passage through the parliament, where amendments had already been proposed. If the law failed to get through, it would be *"back to square one"* and would represent a key obstacle to further progress on the Feasibility Study.
- PBS (Public Broadcasting System) laws. While the BiH Parliament was to be congratulated on the laws passed, one key piece of legislation, relating to the structure of

the central broadcasting services and to the addition of a possible fourth broadcaster, had been temporarily withdrawn. The Ambassador expressed the wish that these draft laws would be presented - in their entirety - to parliament and that they could be adopted without further delay.

In conclusion, the EU recognised that BiH had *"done a lot"*. However, whereas the Parliament of BiH had been helpful in making sure legislation was adopted, the EU would now like to see the Parliament become much more involved in the European debate in general and for it to *"help bring the issue closer to BiH's citizens... You have a key role to play and we wish you every success in your work"*.

Mrs Leho, before giving the floor to Mr Topčagić, Director of the Government's Directorate for European Integration, said that some of the issues raised in Ambassador Humphries' remarks would be on the BiH parliament's agenda the next day.

Mr Topčagić made a number of points:

- It was a happy coincidence that two important meetings were taking place in Mostar (the Interparliamentary Meeting and the Consultative Group) at the same time.
- He wished to convey his congratulations to the new European Parliament and to say how pleased he was to welcome Members from the previous delegation as well as new Members;
- The EU had invested a great deal of money in Mostar since 1994, e.g. on the old bridge which had now been fully reconstructed;
- The EU was moving closer towards BiH and now it was up to BiH to take steps towards the EU;
- The previous year's IPM had focussed on the 16 areas on which the country had to make progress to fulfil the Feasibility Study requirements before the EU would be in a position to propose the opening of negotiations on a Stabilisation and Association Agreement (SAA). This meant that 45 pieces of legislation would have to be adopted and the status of 27 State or entity institutions would have to be *"enhanced"* - all in all, a very serious reform package.
- The government of BiH had subsequently set itself some very ambitious deadlines: currently 40 draft laws were ready for adoption; thus far, the parliament had adopted 33, the others were due to be adopted soon.
- The authorities recognised that it was not sufficient merely to adopt legislation: laws had to be implemented. To do this institutions, stable financing, staff, equipment and *"knowledge"* were indispensable. The Council of Ministers, even with a limited budget, had succeeded in improving the functioning of existing institutions and creating new ones as well as adopting and implementing a number of new laws (e.g. laws against money laundering and human trafficking); SIPA (State Information and Protection Agency), already had 900 staff, and one war criminal had already been arrested; the Indirect Taxation Authority had officially opened new premises in Banja Luka a few days before. Coordination at the political level was taking place through the Board for European Integration, on which sat the State-level premiers and the two entity premiers. High-level official meetings were held every week between the State and entity co-ordinators.

- Regarding the regional aspect of European integration, BiH welcomed and was encouraged by the progress made by Croatia, as well as by the former Yugoslav Republic of Macedonia's application to join the EU, and stressed the excellent co-operation BiH had with countries in the region.
- Other examples of BiH's international co-operation included the political dialogue with the EU which had started on the fringes of the UN General Assembly in New York; furthermore, BiH was a participant in the TAIEX programme.
- BiH welcomed the decision that had been taken by the European Commission to transfer competence for the Balkans to its Enlargement Directorate.
- BiH was preparing itself for the negotiations on a Stabilisation and Association Agreement, trying to further strengthen the Directorate for European Integration; units in other Directorates were also being reinforced, and Working Groups were being set up to "*harmonise BiH's legal system with EU law*". These moves had public support as well as that of all political parties, which had issued a declaration saying that they were ready to do whatever was required to achieve EU integration and membership of the Partnership for Peace.

In closing, **Mr Topčagić** made two further points:

- the EU's presence in BiH was probably "*greater than anywhere else in the world*". However, BiH still had a problem, internationally, with how it was perceived: it was still "*burdened by images of the war*" and had not yet been able to show just how much had been achieved since that time. BiH wanted the EU to see its new - and real - image.
- the issue of visas for visits to EU countries by BiH citizens was still a problem. Earlier in the year, the Chairman of the Council of Ministers had met Commissioner for Justice and Home Affairs Vitorino, and, on the basis of this meeting, BiH was preparing to take the necessary steps i.e. on preventing illicit trade, on border controls, and documentation. BiH wished to launch a serious dialogue with the Commission on this matter, with a view to achieving a more relaxed visa regime. This was especially important given that many Bosnian citizens also held Croatian passports.

Mr Swoboda addressed the issue of the most recent BiH election results and the role of the BiH parliament: were the dominant parties in the country ready to accept compromises?

While it was now clear that it was no longer a question of (EU) membership (or not), it was a question of BiH working towards adopting EU legislation in areas where there were still unsettled issues, particularly in the field of economic reform.

It was good to see that BiH itself was making progress on the priorities set out in the Feasibility Study, although these could not be imposed (from outside).

Another question had been raised - was the presence of a High Representative still necessary? Doubts still remained as to whether the rule of law could be guaranteed by the Bosnian authorities. However, Mr Swoboda pointed out, he would urge all political forces and all parliamentarians to work towards increased cooperation with the International Criminal

Tribunal for the former Yugoslavia (ICTY) so that the position of High Representative would become an irrelevance.

Regarding the stability of the country, Mr Swoboda, himself the European Parliament's rapporteur on Croatia's application for accession to the EU, said that he wanted to *"fulfil this task not only for Croatia but for the region as a whole"*.

The question of people with two passports (Croatian and Bosnian) was a sensitive one but one which would have to be dealt with by the two sovereign states together with the European Commission.

Regarding the influence of developments in Serbia and Montenegro, including Kosovo, on the stability and integrity of BiH, it was to be hoped that it would be clear to everyone that, independent of any such developments, there was only one BiH, and that this must remain so.

While some aspects were changing (e.g. the return of refugees), cooperation with ICTY and economic development were not progressing at the same pace.

The role of the entities was important and it was to be hoped that there would be no new tensions between the two entities and that they would both move in the same direction and at the same speed in whatever positive action they took. This was where the parliament of BiH had a very important role to play i.e. in keeping the country together and helping the entities to make progress together in their move towards EU integration.

Mr Guardans stated how pleased he was to be a member of the EP delegation. His own country - Spain - had felt very close to Mostar and had long considered BiH to be a land close to its heart and its political concerns. The EP delegation was here to *"engage in a dialogue"* with its colleagues in the Bosnian parliament, a two-way process and a way for MEPs, too, to learn from their Bosnian colleagues as to how they saw the role of the EU in their country.

Mr Kacin then took the floor. Out of respect for the delegation's hosts, he would now speak in the hosts' language. He began by referring to the film "No Man's Land". He then proposed that the European Parliament delegation should speak with the EU Ambassadors in BiH with a view to suspend any moves to reduce the budget line for de-mining activities. This reduction was a step backward - the budget line was very important for BiH as de-mining was also central to the safe return of refugees.

Bulgaria and Romania, countries in the Eastern Balkans, were currently negotiating their accession to the EU, and were nearly there. Bulgaria had succeeded in closing all the negotiating chapters, BiH had to engage all the political forces in the country *"to do their homework"*. The citizens of the region as a whole, which the EU tended to refer to as the Western Balkans, saw themselves rather as being 'Central Europeans'.

BiH needed to promote itself as a market for all its neighbours, therefore it was very important for it to develop its relations.

On the subject of refugees return, this could not happen if there was no economic prosperity for them to return to; job creation was the main pre-requisite for their return. It was important to remove the 'borders' between cantons or entities in the same country. Only if the High

Representative enjoyed fewer powers would BiH be able to move ahead and receive more foreign investment. But reducing those powers would depend on BiH itself.

The second pre-requisite for the return of refugees had to be BiH's European perspective.

BiH would have to speed up the adoption of the necessary legislation, and ensure implementation. Speed was of the essence as Turkey was standing in the wings (for EU membership).

Mrs De Groen agreed with Mr Kacin on the economic importance of job creation. It would be interesting to know what had emerged as a result of the 2001 CARDS Programme to set up organisations to create jobs. In researching the Internet, **Mrs De Groen** had only been able to identify 200 new jobs - which did not say much for a total investment of 3m EUROS. She was also curious to know at what stage the report by Transparency International on how this - and other - money had been spent was.

On the Roma, she wondered what effect the Action Plan, signed by the relevant ministries, had had on education for Roma.

The Co-ordinator of the Council of Roma had published a very critical report about the (low) number of children attending school. Why was BiH not involved in the Roma Decade Programme, which covered eight other countries?

Mr Meijer told the meeting that he had first visited BiH in 1962 and then had made subsequent visits. This was his first post-war visit and he had had the opportunity to observe the restoration work in progress that afternoon.

The situation in BiH could be paralleled - in some respects - to that in, for example, Belgium or Spain where the entities had become stronger at the expense of the State. This (outcome) was necessary if the different groups were to live together peacefully - the idea behind the Dayton Agreement. Mr Meijer concluded by saying that he could envisage problems if BiH were to enter the EU before Serbia and Montenegro State Union. Could BiH therefore envisage a situation where both entered at the same time?

Mrs Poli Bortone was interested to know if the political parties in BiH had given a clear commitment to participate in the integration of the country so that it became a truly multi-ethnic, federal country.

She noted that the BiH parliament had formulated and adopted laws but did not seem to be able to implement them, and she gave an example of the importance of moving ahead with the Public Broadcasting System law, and of communicating to the broader public the importance of those laws.

With regard to implementing foreign investment, what were the obstacles? Could it be that BiH feared this would result in allowing onto BiH's territory people who could negatively affect the cultural identity of the country?

The day before the EP delegation had been told that one million people had returned. Something must have motivated them to return given that the unemployment rate was widely known to be around 40%.

Mrs Leho addressed the points made above:

- regarding the elections in BiH, a certain resentment had been stated, especially since the national parties won;
- the process of economic development was a unifying force for all those involved in politics. The term "Western Balkans" was a political expression which *"should be abolished"*, as *"we are what we are, an old civilisation, based on the virtues of civilisation"*;
- one million people were returning or wanted to return. Certainly, harm had been done in the past decade but there was a political will among all parties in favour of European integration and significant progress had been made since the previous interparliamentary meeting in July 2003. Many laws had been adopted; implementation was the next step. But the High Representative virtually no longer needed his powers as the BiH parliament was taking its responsibilities seriously: the first Joint Commission for EU integration of both Houses of Parliament (consisting of 42 MPs from the House of Representatives and 15 from the House of the People) had been formed;
- as to the relationship with the High Representative, he himself had indicated that if BiH itself did not take all appropriate action with regard to adopting laws, then he would do it himself, and therefore BiH had taken action. *"The more BiH does, the more competences the High Representative will lose"*. However, Mrs Leho concluded on this issue, she still believed the High Representative's presence was needed in BiH.

A number of other developments had taken place:

- SIPA, an intelligence agency at state level, had been set up; there were plans to discuss the restructuring of the police; the courts were functioning well;
- The economic situation of the two entities was not well balanced e.g. with regard to salaries and pensions. (People who had worked for 40 years were receiving a pension of 200KM or less). The pace of improving the situation had to be accelerated.
- Much help had been given in the post-war period by, among others, Spain, which had also helped Mostar.
- With regard to the film "No Man's Land", in one sense BiH had gone beyond that state (depicted in the film). She believed that its people had now turned their attention towards the future, taking only the positive elements from their past history: between "Dayton" and 'Europe', a "No Man's Land" situation could not be allowed to occur again;
- On the question of the political status of the entities, different views of course existed: some people believed that they should remain as they were; others felt more progress would be possible if there were changes. However, it was important to take account of the political will of the citizens. History demonstrated that in order to have peace, people's opinions had to be respected. The final decision would have to respect the political will of BiH's citizens, to be expressed by their representatives.
- As to the question of whether BiH could enter the EU at the same time as Serbia and/or, maybe, Montenegro, it was very difficult to give an answer. The best would be if all conditions were fulfilled in parallel; on the other hand, if some countries could move faster than others, if BiH were to progress further, then why could it not consider greater liaison with the former Yugoslav Republic of Macedonia?
- On the national parties, the feeling of the BiH delegation was that the creation of a properly functioning legal system would diminish the role of these parties. While these parties were an expression of political will, for someone they were also a negative reminder of past

events. Ultimately, the establishment of a state apparatus would provide stability and security for BiH.

- On economic reforms, unlike in other countries in transition, BiH had had the war and terrible devastation to cope with. It was possible that the country had not chosen the right model of modernisation in the aftermath of the war, and that, as a result, it was now lagging behind.
- Concerning CARDS, the European Commission had monitored the job situation - but it would be necessary to have all the data, in order to discuss the number of jobs created.

After the coffee break, the meeting re-opened with an intervention by

Mr Béslagić: He agreed, in principle, with much of what Mrs Leho had said.

- The nationalistic parties were, in his view, moving more towards the centre. All parties in the parliament had signed a document of support for the move towards EU integration. As a result, the parliament was becoming more efficient.
- A solution was needed to the visa question. If the BiH delegation were to be invited to Vienna, for example, they could not go unless they were in possession of two passports (as they could not travel with the Bosnian one). The (BiH) parliamentary group should have an "annual Schengen visa" if it was to fulfil its obligations.
- Much had been done: 33 laws had been adopted but the question of implementation was becoming the measure of BiH's ability or "deservedness".
- The Museum and National Library of BiH, among the oldest in the Balkans, was about to close because the state had not taken a position (on its continued existence). This was a clear indication that it was also necessary to discuss BiH's identity.
- The BiH parliament was making enormous efforts and accepted that "*It is all up to us*" but asked that no other pre-conditions be set.
- On the issue of national minorities, to qualify as minorities, a 'minority' should constitute 3% of the population - but there were no such groups in BiH! There was a National Minorities Law which said that every (parliamentary) committee should have one member of each minority - if that were the case, the membership of each committee would be larger than that of the national parliament! (Of the more than 20 minorities in BiH, the Roma population held the most important place).
- The Council of Ministers and the High Representative had adopted the 'Jobs and Justice Programme' - but virtually nothing had been achieved yet.

Mr Suljkanović took the floor next, stressing that the European Parliament was a "democratic factor" which could contribute to the democratic processes in those parts of Europe which had not yet achieved democracy.

The fact that there was no longer a war on - and that war would not recur - was the most valuable factor for the region and for a united Europe.

He was pleased by the reference made by Mr Guardans to the question of the difficulties experienced by BiH.

BiH had taken many steps forward (e.g moving towards a Partnership for Peace with NATO) in the phase preceding negotiations with the EU. But BiH should not be singing its praises: difficulties and obstacles (e.g. the problem of the Roma, the judiciary, education, the Public Broadcasting System, etc) still remained. However, he shared the view of his colleagues that BiH was on the right track.

In conclusion, Mr Suljkanović made two points:

- very often, the level of the problem determined the way it was to be resolved;
- BiH had problems in areas where the EU's democratic standards had to be applied. However, were these standards universal? Did they have to apply to all parts of the EU?

Mr Genjac spoke next. The last elections had shown that BiH could hold free, democratic elections. The main problem in BiH was the economy - and, soon, because of a lack of financial resources, it would prove impossible to create several (state) institutions. BiH did not have its own resources for development: the IMF was very strict. So, in order to see a successful outcome, the EU had to secure new macro-financial assistance for BiH through strategic projects.

4. EU policies towards Western Balkans

Mr Kacin introduced this point of the agenda.

There were 455m people in the EU (with a further 30m when Bulgaria and Romania would join). If Iceland, Switzerland and Norway were added to the total that made another 10m. Then there was Turkey.

Turning to BiH, the country had to decide for itself to implement the whole body of EU legislation, without any outside impositions. The only path - for those who wanted to join the EU - was to "*do their homework*". While it was true that the EU had no need to adapt to new members (it was the other way round), transitional periods would be needed to enable the economy to adapt to the system and, on a political level, the EU had taken the strategic decision that enlargement was a joint project. One often heard complaints that the EU did not have a real Common Foreign and Security Policy or a defence policy, but enlargement was central to these policies: by removing the threat of war, the EU was able to expand its markets.

To compete with other countries and regions, the EU had to be better than them.

(Bulgaria had realised that the mindset of its politicians and citizens had to be changed, and all parties had agreed to take the necessary action, although huge problems still remained with the Roma, human rights and corruption).

Mr Genjac referred to the draft law on VAT which was being examined by the BiH parliament; this was a law drafted "*under the auspices of the European Commission*". It would take the form of a flat rate (at 17%), unlike the present 2-tier tax. However, the tax on food would go up even if the tax on cars would be reduced.

As far as the population was concerned, the reality was that BiH had a very poor economic situation, with low pensions and high unemployment: BiH felt the tax rate on food and books should be 0%. The Commission, for its part, held the view that it was too expensive to have a dual-rate system and that this would leave open possibilities for tax evasion. And yet BiH was aware that some EU Member States had differential VAT rates. The answer usually given (by the Commission) was that this was true but that those States were moving towards a single rate - and, as for BiH, they had to apply a flat rate.

The following day, there would be a discussion on this in the parliament. In BiH there were no social programmes to compensate for the rise in the price of basic foodstuffs. The privatisation process was not proving very successful, companies were being bought, not to increase employment possibilities but *"to create suspicious wealth"* for people buying them and then selling them on. Huge funds were being spent on administration but no funding had been earmarked for development; businessmen had to wait months for a visa to go anywhere, unless they held a Croatian passport as well.

BiH had a Central Information Agency (similar to the FBI in the US) but would need EUR 20m to enable it to function.

Although structures such as an Intelligence Service and a Public Broadcasting System existed, it was one thing *"producing something formally"*, another altogether *"doing it in practice"*. Lack of funds was a huge obstacle.

Mr Swoboda, taking up the point on the EU's visa policy, said that the EP delegation had always deplored the practice of not giving long-term visas to the BiH parliamentary delegation or to high-level business people. Unfortunately, some Member States were not prepared to be flexible, and this was unacceptable. Mr Swoboda had made this point to the President of the (EU) Council and asked that greater flexibility be applied or the reality would be that the EU was punishing those who were fighting for Europe!

On VAT, many of the arguments put forward by the Commission were understandable but BiH had to *"take the decision that is right for you at the moment"*. Many EU Member States had - or used to have - differentiated rates, and BiH would have to take its own decisions.

The social aspect would be difficult - it was possible to compensate pensioners but much more difficult to compensate the working poor as much more bureaucracy would be needed. But, on the whole, the Commission's policy was balanced.

Mr Radovanović commented on a meeting of a Belgian parliamentary committee he had attended and where he had taken note of the fact that in Belgium and in the EU as a whole, there was a move to de-centralise the police. His view was that BiH should take charge of its own reforms in this area.

Mr Bosscher intervened on the point about visa policy. Before any changes could be introduced, certain conditions had to be fulfilled - and the EU did not feel this was happening.

On VAT, there was a difference between political desirability and technical possibilities. From the technical point of view, it was better to start with a flat rate, later on other rates could be applied.

Mr Bešlić envisaged social problems emerging as a result of the imposition of VAT. The following day, he was sure, there would be "a fervent discussion" on this matter in the parliament. (He pointed out that Denmark and Slovakia were the only 2 EU Member States with a single flat rate).

Mr Guardans, again on the visa issue, said that while it was true that the visa policy was still decided by individual Member States, the EU was moving towards an EU visa policy. He would bring up this issue again when he would be back in Brussels.

On VAT and the police reform issue, he stressed that there was no *"European model"* for anything being imposed on BiH but that *"some people had decided what was best for BiH"*. However, it should be BiH to decide what was best for its particular case. There was no centralised police force in the EU as a whole - one could take Spain as an example. BiH's situation and its history were different (from those of EU Member States) but it was still up to BiH to take the relevant decisions itself.

The more mature its system and institutions, the more BiH should be able to challenge any such imposition, but, first, BiH should guarantee the security of its citizens, and secondly, ensure that there would never be a repetition of what had happened just a few short years before.

Mr Kacin referred to the analogy made with *"the most complicated member of the EU"* i.e. Belgium (The European Constitution would need to be ratified 5 times in parliament!). As such, the analogy was not helpful. Besides, Belgium had no High Representative and, no recent war, in its experience.

Croatia would have huge problems in its negotiations - for example, how was it going to carry out controls at the Schengen borders? How would it implement visa checks? It would take a new Member State two years to implement all those controls. Unless BiH established cooperation between police services, two Schengen regimes would operate - i.e. BiH *"would remain in the Western Balkans"*.

Mrs De Groen was in full agreement with Mr Guardans. While some values should be common to all Member States in the EU, not all needed to be the same. However, there should be a common approach on human rights. Mrs De Groen was saddened by the situation of those people, generally from minority groups, who could not prove their existence because they did not have enough money to pay for the required administrative documents.

Mr Genjac replied, saying he had always been an advocate for human rights. Certainly, the country did have minorities but, legally speaking, they did not exist (i.e. according to the legal definition).

Mrs Pack took up the issue of the police: if the police in BiH had been efficient, they would have been able to arrest the war criminals who were still at large. The visa issue was linked to this - if it was proving impossible to bring indicted people to the courts, then the country could not expect that its citizens would be granted visas easily. If BiH did its homework, then the EU could take the next step.

Mrs Poli Bortone spoke on VAT - this was a very important, highly sophisticated instrument in the EU. In general, the simplest way to introduce it was as a single rate. It was true that there would be an immediate and negative impact on the weakest segments of the population but had BiH done any studies to see if a flat rate of VAT at a *"not especially high rate"* could help the investment climate, which in turn would improve employment levels and lead to a better economic situation?

At the same time, BiH could start thinking about creating a social welfare programme.

5. EU military operation ALTHEA in Bosnia and Herzegovina

Mr Wiersma took the floor in his capacity as the EP's rapporteur on the ALTHEA mission. He explained that Althea was not an acronym but that the EU had decided to use the names of figures from Greek mythology for its external missions e.g. Artemis in Congo, Concordia in the Former Yugoslav Republic of Macedonia, and now, in BiH, Althea. Althea would be the first major EU military mission and, as such, it had aroused great interest in the EP's Committee on Foreign Affairs and in its Sub-Committee on Defence. It was because the Foreign Affairs Committee thought the subject so important that it had appointed a rapporteur to monitor Althea. The Committee also planned a visit in 2005 to see how the mission was functioning. Althea would replace SFOR, to show the growing links between the EU and BiH and the responsibility the EU intended to take for its own neighbourhood.

Althea had the full support of the EU.

The Althea mission would involve approximately 7,000 military personnel. However, the EU had made it clear that the EU's military presence should be linked to its civilian (i.e. reconstruction-related) presence. The links with the High Representative would increase the overall role of the EU, all in the perspective of its *"leaving again"* - i.e. the EU's greatest ambition should be for BiH to stand on its own feet.

The forthcoming resolution by the Committee on Foreign Affairs would also look at the possibility of revising the Dayton Agreement.

The EU presence in BiH should be seen as a contribution to the security of the region in, for example, the area of international crime and terrorism, and should essentially be a partly military partly police mission.

Why was the EU taking over from NATO? It was the EU's ambition to take more responsibility for its neighbourhood. In addition, the US wanted to leave the region.

The Berlin Plus formula envisaged political responsibility for the mission as lying with the EU, but with the military headquarters remaining at the Supreme Headquarters Allied Powers Europe (SHAPE). NATO support could be called upon if necessary. Althea should also be seen as providing support to BiH in its progress towards EU membership.

The EU did not envisage any major problems in the transition (from SFOR to EUFOR) as, in practice, most of the troops were already there - it was simply a question of "changing hats"!

The overall political direction of EUFOR operations would be taken by the Council Headquarters in Brussels, under the control of Mr Solana, something quite new, and with considerable EP involvement.

The EP had developed a very close cooperation with the Council and with Admiral Feith, who had come to the Committee on Foreign Affairs to explain the operations he was responsible for.

Mrs Leho invited Mr Radovanovic, the Deputy Chairman of the Committee on European Integration, to take the floor.

Mr Radovanovic highlighted the major improvements which had occurred in the field of security in BiH. The transfer of power from NATO to the EU's forces was improving the overall perception of BiH. At the same time, it allowed for certain NATO forces to be released to deal with other areas of crisis and would help the EU to develop its own experience in a relatively secure environment.

BiH expected to be treated as a partner in this mission.

No security vacuum should be allowed to occur during the transition period (from SFOR to EUFOR). Equally, it was very important for the EU mission to be co-ordinated with the NATO and OSCE missions to BiH, so that there was no overlap.

A conference was planned after six months and only then could there be a scaling-down of numbers (of soldiers). 2007 could be the time frame for the ending of the mission.

6. Situation of Bosnia and Herzegovina in the field of Justice and Home Affairs, with particular reference to the fight against organised crime and corruption, the EUPM and the co-operation with the ICTY (International Criminal Tribunal for former Yugoslavia)

Mr Guardans took the floor. He saw the rule of law not as something imposed from the outside but as *"a basic principle we either share or we don't."* But the reality was that *"we do [share this principle] and that makes us all Europeans"*.

A society needed independent judges, an effective police force, and this should happen soon, or no improvements could take place. (Judges had to be accountable to the society to which they delivered justice, foreign judges could only be accepted under exceptional circumstances. Criminal law could be taken from outside the country but had to *"reflect the country itself"*.)

BiH had moved a long way in this direction. However, there was still work to be done to, for example, centralise the police management because, from an outside point of view, it did not seem to be functioning very satisfactorily in the Republika Srpska, especially regarding the apprehension of war criminals. The EP would be interested to know how BiH felt about this issue. Certainly, many war criminals could be sentenced in BiH without the need to send them to a foreign country or to an international court. Mr Guardans pointed out that the International Criminal Tribunal for the Former Yugoslavia (ICTY) in The Hague was not a foreign court.

From the European Union's point of view, the war crimes issue was important but others were too, for example, corruption (the Transparency International Perception of Corruption Index for 2004 showed that BiH still had a long way to go). Corruption inhibited economic growth, investment, education.

On the visa issue - it would be difficult for the EU to re-think its visa policy if the state in question did not make it clear that it was only exporting tourists and businessmen.

Mr Filipović then took the floor. He pointed out that BiH had taken steps to reform the judicial system. As a result of the BiH government's support and that of the High

Representative (*"more than support sometimes!"*), the State had adopted a law to strengthen the elements of the judicial system and to render it independent.

BiH was fully aware of the commitments it had assumed. On war crimes, thanks to the efforts of the Office of the High Representative and the support of parliamentarians, a penal law had been passed regarding prosecution and transferring of suspects from the Tribunal in The Hague to the Prosecutor's Office in BiH.

Clearly, co-operation with ICTY and the arrest of war crime indictees was a sine qua non in the preparations for the opening of negotiations for a Stabilisation and Association Agreement.

The police had undertaken various related activities and the public were informed that the Republika Srpska government was encouraging the voluntary surrender of war crime indictees. Now BiH expected to see concrete results.

Cooperation with ICTY was perceived by BiH as a necessary requirement according to the decisions of the Peace Implementation Council of the previous year.

On the question of reducing crime, forgery, trafficking in drugs and people, and money laundering, BiH was currently working to align its criminal court standards with those of the EU: a professional team had been set up to follow the whole package of criminal legislation.

There were some problems with the interpretation of totally new terms and a difference of perception. Some lawyers had objected to the changes proposed as there was not sufficient jurisprudence in place (to carry out trials properly). More time was needed.

Reforms were being undertaken to strengthen the police at state level. The previous week a police summit had been held in Brussels. But Mr Filipović was not very optimistic as there appeared to be very different perceptions as to whether the BiH police force should be centralised or not.

His personal position was that, without a *"strict police structure"*, the efficiency of the judicial system would be jeopardised.

He hoped that, when the reform of criminal legislation would take place, a reform of the police could also take place.

Mr Šiljegović, from the Republika Srpska, said he represented Serbian people in the BiH parliament. He was also president of the Serbian Caucus Club in the House of Peoples.

BiH had a Minister of Defence, it was now building up an Intelligence Service, there was a border service in place, and an agency for protection and investigation (SIPA) which was at state level, as well as Interpol BiH.

He hoped that the next meeting would address the issue of BiH's own institutions as well as that of international military and police forces.

As a closing comment, he pointed out that *"everyone ignores the Ministry of the Interior but they keep on saying it should have responsibility for cooperation with the Tribunal in The Hague"*.

Mr Swoboda's view was that it was obvious that, in order to have proper defence a country needed a single common army. As such, perhaps the Belgian example was not the best. What was needed was a combination of a strong central authority and local and regional involvement.

For the BiH system to be efficient, therefore, it needed a combination of strong authority at the state level with regional co-operation in the two entities. What was needed was "*enforced cooperation*": if one of the entities did not cooperate, there would obviously be conflict.

Mr Béslagič spoke on police action on drugs, which was efficient, but noted that there were no institutions where juvenile offenders could be rehabilitated. As a result, they were just released. It would be a good idea if funds could be raised for a centre to be opened as this would avoid the worsening of the situation.

Ambassador Bosscher spoke on the financial situation of the judiciary. Two years before it had been decided to raise judges' salaries, so that they would be more independent.

But the reality was that there was not enough funding for other expenses: judges' offices could not pay their telephone bills, so the judges were well paid but their offices did not function!

On the protection of witnesses - both for organised crime trials and war crimes, BiH needed the cooperation of other European countries, as it was not always possible to get the necessary protection in BiH.

The idea of a centralised police force was not on the agenda, but, for sure, certain elements would have to be centralised, e.g. equipment or salaries. With the discrepancies which existed, it would be difficult, for example, for police from the Federation to work in the Republika Srpska in facilitating the return of minorities.

Mrs Pack made reference to point 20 of the draft Joint Statement to be approved by the end of the IPM: it should therefore read: "*Joint actions at state level within the police*".

As regards the Republika Srpska, the EU was asking nothing more of it than it was asking of the Federation - i.e. that they both capture war criminals and deliver them to The Hague.

Mr Kacin challenged the Republika Srpska authorities, asking whether it was true that they were not taking any steps to stop (war) criminals crossing the border.

In any case, borders were not the only place where criminals could be captured. An expression of political will from the Republika Srpska was missing on this issue.

Mr Wiersma was in agreement with Mr Kacin. With regard to the imminent handover from NATO to EUFOR, this would also need an exit strategy. He was not completely convinced that by 2007 BiH would be able to take over responsibility for security and defence itself. The EP delegation which was due to visit BiH in 2005 would have to examine this issue particularly closely. BiH would need a viable defence mechanism and policing system.

Mr Kacin commented on BiH's intelligence services: it was not right that it was NATO's internal services which were providing more information than BiH's own (services). Equally,

that witness protection could only be assured by an external agency. As such, the Partnership for Peace would be the first step.

Mrs Leho drew Mr Kacin's attention to the fact that there was in fact only one intelligence service in BiH.

Mr Radovanović spoke on the issue of the pay rise for judges. This was good for judges but not effective unless it was also accompanied by a better performance and a greater demonstration of responsibility on the part of the judges. Sometimes one had the impression that the opposite was true.

* * *

The delegation then heard an intervention by **Mr Reinhard Priebe**, Director at the European Commission.

He briefed the delegation on the meeting of the Consultative Group (comprising the Bosnian authorities, the European Commission and the EU Member States) which had taken place in parallel with the IPM.

The European Commission had proposed that the government of BiH focus on priorities, as a pre-requisite for the opening of negotiations on the Stabilisation and Association Agreement. The government had taken "*more ownership*" of the process of working on the 16 points to be addressed, which was as it should be, since the work had to be done by BiH's government itself and not imposed on them by the High Representative.

Adoption of a joint statement by the chairpersons of the delegations

After a discussion and the introduction of various amendments to the draft, the joint statement was adopted.

* * *

7. Any other business

None.

8. Date and place of the next meeting.

It was decided to hold the 7th EP-Bosnia and Herzegovina Interparliamentary Meeting in Brussels in the course of 2005. Dates would be agreed further on, through the delegations' secretariats.

* * *

The meeting finished at 18.35.

**DELTAGERLISTE/ANWESENHEITSLISTE/ΚΑΤΑΣΤΑΣΗ ΠΑΡΟΝΤΩΝ/RECORD
OF ATTENDANCE/LISTA DE ASISTENCIA/LISTE DE PRESENCE/ELENCO DEI
PRESENTI/PRESENTIELIJST/LISTA DE PRESENÇAS/LÄSNÄOLOLISTA/DELTAGARLISTA**

Til stede	Formandskabet/Vorstand/Προεδρείο/Bureau/Ufficio di Presidenza/Mesa/Puhemiehistö/J.L. Presidium: (*) PACK, (P), SWOBODA (VP), POLI BORTONE (VP)
Anwesend	Medlemmer/Mitglieder/Μέλη/Members/Diputados/Députés/Deputati/Leden/Deputados/jäsenet/Ledamöter: GUARDANS CAMBO, KACIN, MEIJER
Παρόντες	Stedfortrædere/Stellvertreter/Αναπληρωτές/Substitutes/Suplentes/Suppléants/ Membri supplenti/Plaatsvervangers/Membros suplentes/Varajäsenet/Suppleanter:
Present	DE GROEN, KOCH,
Presentes	
Présents	
Presenti	
Aanwezig	
Läsnä	
Närvarande	
Art. 153,2	
Art. 166,3	
Art. 162.6 Endv. deltog/Weitere Teiln./ Συμμετείχαν επίσης/Also present Participaron igualmente/ Participaient également/ Hanno partecipato altresì/ Andere deelnemers/ Outros participantes/ Muut osallistujat/ Dessutom deltog	WIERSMA
(Dagsorden/Tagesordnung Pkt/Ημερήσια Διάταξη Σημεί/Point OJ/Punto OG/Agenda Punt/Ordem do dia- punto/punto orden del dia/ Esityslista Kohta/Föredragningslista punkt):	

* (P) =Formand/Vorsitzender/Πρόεδρος/Chairman/Président/Presidente/Voorzitter/Presidente/Puhemies/Ordförande
(VP) =Næstform./Stellv. Vorsitz./Αντιπρόεδρος/Vice-Chairman/Vice-Chairman/Vice-Président/Vicepresidente/Varapuhemies
Ondervoorz./Vice-Pres./Vicepres/Vice ordförande.

Til stede den/Anwesend am/Παρών στις/Present on/Présent le/Presente il/Aanwezig op/Presente em/Presente el/Läsnä/Närvarande den.

<p>Efter indbydelse fra formanden/Auf Einladung d. Vorsitzenden/Με πρόσκληση του Προέδρου/At the invitation of the Chairman/Por invitación del presidente/Sur l'invitation du président/Su invito del presidente/Op uitnodiging van de voorzitter/A convite do presidente/Puhemiehen kutsusta/ På ordförandens inbjudan:, TOPCAGIC (on behalf of the Government of BiH)</p> <p>Radet/Rat/Συμβούλιο/Council/Consejo/Conseil/Consiglio/Raad/Conselho/Neuvosto/Rådet: (*) Ambassador BOSSCHER (on behalf of the Dutch Presidency in office of the Council)</p> <p>Kommissionen/Kommission/Επιτροπή/Commission/Comisión/Commissione/Commissie/Comissão/Komissio/ Kommissionen: (*) Ambassador HUMPREYS, PRIEBE</p> <p>Cour des comptes:</p> <p>ECOSOC :</p>		
<p>Andre deltagere/Andere Teilnehmer Επίσης Παρόντες/Also present Otros participantes/Autres participants/Altri partecipanti Andere aanwezigen/Outros participantes Muut osallistajat/Övriga deltagare</p>		
<p>Gruppernes sekretariat Sekretariat der Fraktionen Γραμματεία των Πολ. Ομάδων Secretariat political groups Secr. de los grupos politicos Secr. Groupes politiques Segr. dei gruppi politici Secr. van de fracties Secr. dos grupos politicos Puolueryhmien sihteeristö Gruppernas sekretariat</p>	<p>PPE-DE PSE ELDR Verts/ALE GUE/NGL UEN EDD NI</p>	<p>MAZZA MYLONAS GLASBERG RIZZA</p>
<p>Cab. du Président</p>		
<p>Cab. du Secrétaire Général</p>		
<p>Generaldirektorat Generaldirektion Γενική Διεύθυνση Directorate-General Dirección general Direction générale Direzioe generale Directoraat-generaal Direcção general Contrôle financier Service juridique Pääosasto Generaldirektorat</p>	<p>I II III IV V VI VII VIII</p>	<p>OPACIC</p>
<p>Udvalgssekretariatet Ausschußsekretariat Γραμματεία επιτροπής Committee secretariat Secretaria de la comisión Secrétariat de la commission Segretariato della commissione Commissiesecretariaat Secretaria de comissão Valiokunnan sihteeristö Utskottssekretariatet</p>		<p>VON BETHLENFALVY</p>
<p>Assist./Βοηθός</p>		<p>WHITTALL, ESCOFET</p>

* (P) =Formand/Pres./Πρόεδρος/Chairman/Président/Voorzitter/Puhemies/Ordförande
(VP) =Næstform./Vize-Pres./Αντιπρόεδρος/Vice-Chairman/Vice-Président/Ondervoorz./Vice-pres/Varapuhemies/Vice ordförande.
(M) =Medlem./Mitglied/Μέλος/Member/Miembro/Membre/Membro/Lid/Membro/Jäsen/Ledamot
(F) =Tjenestemand/Beamter/Υπάλληλος/Official/Funcionario/Fonctionnaire/Funzionario/Ambtenaar/
Funcionário/Virkamies/Tjänsteman

**DELEGATION FROM THE PARLIAMENTARY ASSEMBLY OF
BOSNIA AND HERZEGOVINA
JOINT COMMITTEE ON EUROPEAN INTEGRATION TO THE
6th EP-BiH INTERPARLIAMENTARY MEETING**

Wednesday, 3 November 2004

Mostar

Members of Parliament

		<i>Party</i>
Mrs Fatima Leho	Chairperson of the Committee on European Integration	SDA
Mr Filip Andrić	Deputy Chairman of the Committee on European Integration	HDZ
Mr Vinko Radovanović	Deputy Chairman of the Committee on European Integration	PDP
Mr Nenad Mišić	Member of the Committee on European Integration	SDS
Mr Mehmed Suljkanović	Member of the Committee on European Integration	SBiH
Mr Branko Zrno	Member of the Committee on European Integration	HDZ
Mr Selim Bešliagić	Chairperson of the Committee on European Integration	SDP
Mr Milorad Živković	Deputy Chairman of the Committee on European Integration	RS-SNSD
Mr Halid Genjac	Deputy Chairman of the Committee on European Integration	SDA
Mr Hilmo Neimarlija	Member of the Committee on European Integration	SDA
Mr Boško Šiljegović	Member of the Committee on European Integration	SDS
Mr Ilija Filipović	Member of the Committee on European Integration	HDZ

Government of BiH

Mr Osman Topčagić Director of the Directorate for European Integration

Staff from the Parliament

Mrs Merdžana Iglica Secretary of the Committee of Foreign Affairs
Mrs Sena Bajraktarević Department for International Relations
Mr Nijaz Čardaklija Department for International Relations
Mr Samir Ćorović Protocol
Miss Brankica Gaco Protocol
Mr Zlatko Vukmirović Office for Public Relations

Abbreviations:

SDA	Party of Democratic Action
HDZ	Croat Democratic Union
PDP	Party of Democratic Progress
SDS	Serb Democratic Party
SBiH	Party for BiH
RS - SNSD	Union of Independent Socialist Democrats