
Implementation of the Dayton Peace Accords

By

Robert S. Gelbard

Special Representative of the President and the Secretary of State

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Mr. Chairman, members of the committee: It is a pleasure to be here today to discuss our progress toward fulfillment of the Dayton peace accords.

I would like to offer a brief, prepared statement, which I will submit for the record, allowing plenty of time to address your questions. I understand that your primary interest today is Bosnia, but I also would like to update you on the deteriorating situation in Kosovo—a situation which has the potential to threaten broader security in the region and our substantial investment in a stable Bosnian peace.

When I assumed this position in April of last year my first task was to conduct a serious review of our policy and programs and to develop with all other relevant elements of Executive branch a comprehensive plan for accelerating the pace of implementation. That review, approved by the President in mid-May last year, served as the foundation for a reinvigorated focus on all aspects of implementation, with a strong emphasis on improved collaboration between military forces and civilian implementation agencies in the field. It also served as the basis for a strategy designed to marginalize hard-line extremists who were systematically blocking all efforts to implement Dayton, particularly in the Bosnian Serb entity, and to shore up more moderate, pro-Dayton leaders from all three ethnic groups so they might offer a credible alternative to Bosnia's entrenched wartime leadership.

Support for democratization, the rule-of-law, and greater pluralism is at the core of Dayton, and has remained a fundamental priority as we advance implementation. Not only are we helping Bosnia recover from the devastation of 4 years of war, we are working with its leaders, as we have in other east European countries, to overcome 40 years of centralized, communist political and economic control. This is a long-term process, but recent progress on the economic front illustrates just how far we have come: The IMF approved a stand-by arrangement for Bosnia last week; the World Bank approved a major structural adjustment credit just this morning; and Bosnia's new national currency, being printed as we speak, will be introduced into circulation June 15. Bosnia should soon be ready for Paris Club debt rescheduling, and it has adopted a privatization regime which should go a long way toward attracting foreign investment—the long-term engine of growth for the Bosnian economy.

Let me be clear. I do not mean that U.S. troops in Bosnia are nation-building. That is my job, with the cooperation and support of the international community. But the peace process remains fragile, and without the security and confidence SFOR's presence provides, especially in light of conflict in the Federal Republic of Yugoslavia, Bosnia could well lose ground or, worse, slip back into war. And that would mean endless instability in a region central to U.S. national interests.

The implementation plan has provided the framework—essentially a roadmap—for implementing all of the various aspects of Dayton. Once we determined precisely what had to be done and where the obstacles to progress were, we began to use with the parties—including Croatia and

the Federal Republic of Yugoslavia (FRY)—every bit of leverage we could identify to press them to meet their obligations under the agreement. While we have brought tremendous political and economic pressure to bear on each of them over the course of the last 14 months, the best leverage we had with those hard-line Bosnians seeking to block arms control or police reform, refugee returns, or free elections was clearly the SFOR presence.

Our policy review produced agreement that SFOR's robust support for civil implementation efforts would be essential to overall success. General Clark—coming to the post of SACEUR with both expertise and clear enthusiasm for the task—has helped ensure that the civilian-military partnership in Bosnia is a reality. This partnership, along with invigorated U.S. leadership in pressing for political change and strengthened civilian leadership on the ground has produced tremendous results.

The pace of implementation has increased since the election of a moderate government in Republika Srpska (RS)—probably the most important breakthrough we have made to date. Last summer, RS President Plavsic realized that the Serb entity was falling further and further behind the Federation as a result of the intransigence of its corrupt leaders. Our sustained pressure on hard-line Bosnian Serb extremists created the space for her to make a break from Radovan Karadzic and his clique and to forge a coalition with more moderate political leaders long silenced by the extremists.

This shift in power—hard won in assembly elections last November—has resulted in an almost paradoxical situation: Right now, there is greater pluralism in the Republika Srpska, and, on a number of fronts, better cooperation from that entity government, including on the sensitive issue of surrender of indicted war criminals.

We also increased the pressure in recent months on Federation leaders—Bosniaks and Bosnian Croats alike—to stop fighting among themselves and follow through on a whole range of commitments. For example, we suspended assistance to Bosniak-controlled parts of Sarajevo in the face of their unwillingness to enable major refugee returns to Sarajevo which would begin to restore it as a vibrant, multi-ethnic, cultural center. They have since passed property laws that make that possible, and we will continue to press to ensure they are fully implemented.

The Bosnian Croats, still largely controlled by a group of extremists, have been blocking implementation on a variety of fronts. The most blatant has been the refusal of the Bosnian Croat military leadership, as well as the police in a number of cantons, to adopt official Federation insignia and symbols, choosing instead to display the flags and insignia of the wartime "Republic of Herzeg Bosna." In response to their continued intransigence, we have suspended activities associated with the Train and Equip program which is designed to support a unified Federation Army, not two ethnic armies, and we expect the problems to be addressed quickly.

Even given the obstacles we face—and are bound to continue to confront—we have made tremendous progress:

The political and economic influence of indicted war criminals in the RS has been significantly reduced since the inauguration of the Plavsic/Dodik government last fall. The capital has been moved from Pale to Banja Luka, state-run media has been wrested from SDS control and restructured, and the civilian police, under a new minister of interior, are cooperating with the International Police Task Force (IPTF) restructuring and reform program. Moreover, rapid reform of the RS budget and fiscal controls as well as its privatization laws and the restructuring of the Customs service have substantially reduced the control of Karadzic and cronies over entity resources.

Freedom of movement and security have dramatically improved—individual Bosnians can and do routinely travel between the entities. New common license plates were a tremendous help, but this trend is largely a result of the restructuring, training, and ethnic integration of local police forces. The ethnic integration of police forces also has proven to be a critical factor for refugees when deciding when and if to return home.

Almost all of the Federation police forces have been restructured, and we now are making good headway in down-sizing and restructuring the RS police forces. In addition, RS special police—paramilitary forces—have been disbanded by SFOR. RS and Federation Interior and Justice Ministries have signed mutual cooperation agreements and are exchanging information on war crimes issues.

The Bosnian economy continues to recover and grow, especially in the Federation: given the political changes in the Republika Srpska, it too has begun to receive desperately needed assistance. Industrial production almost doubled in the Federation in 1996 and grew by an average of about 25% nationwide in 1997. Power has been restored to all major Bosnian cities and water to most: nation-wide railroads are running again, regional airports have opened to civilian and commercial traffic, and, in July, Bosnia will have a unified telecommunications system with a single country code.

Over 400,000 refugees and displaced persons have returned home since the war ended—170,000 of those in 1997. We and the UN High Commissioner for Refugees have focused tremendous energy on accelerating the return process for the remaining refugees and DPs, most of who would return to areas where they are in the ethnic minority. Under the best of circumstances, the process of reintroducing families to their towns and homes is slow and complex, but even in areas where returns have been explosive - for example in Drvar—minority returns can and are succeeding. In fact, in Drvar, despite some initial violent incidents, 1,000 Serb families have returned and stayed.

Thirty-four of 79 publicly indicted war criminals have been brought to justice: 28 are still in the custody of the International Criminal Tribunal for the former Yugoslavia in the Hague; three have been released. Four more are confirmed deceased, and the Tribunal has dropped 13 indictments. Thirty-one publicly indicted war criminals remain at large and their transfer to the Hague remains a top priority for this administration and our allies.

These advances are concrete, measurable progress—meeting many of the benchmarks we established last December—which, if continued apace, will ensure that the peace process becomes self-sustaining and irreversible. Our next big challenge will be to help ensure that the September national elections are an engine for further progress, greater pluralism, and the empowerment of a new generation of leaders focused on Bosnia's future rather than its tragic wartime past.

Last year's municipal elections and the Republika Srpska assembly elections provided a powerful precedent for change. Councils have been seated in 133 of 136 communities. Only one—Srebrenica—remains completely intransigent. Extremists were voted out in a number of key cities in both entities, and the moderate Plavsic-Dodik coalition made important gains in former Karadzic strongholds including Bijeljina, Bratunac, Visegrad, and Zvornik.

We are working actively now—through support for independent media, opposition parties, and grassroots NGOs—to advance that trend and, hopefully, to replicate it to some greater extent in the Federation. A major split has just developed in the hard-line Bosnian Croat party (HDZ). We hope to help turn that split into an opportunity by nurturing more moderate leaders and supporting those willing to embrace and implement Dayton. Similarly, we intend to keep the pressure on the monolithic Bosniak leadership and media to share power and begin to democratize.

While much progress has been made, there is still a great deal of work ahead of us to ensure the gains are consolidated. The international community—in the form of the Peace Implementation Council (PIC) and NATO—are effectively setting the agenda for the next year during their meetings in May and next week. NATO has agreed not only to extend the SFOR mandate; the allies have adopted our benchmarks for measuring progress. The PIC Steering Board Ministers will meet June 9 to review implementation progress this year and establish goals for remainder of 1998. This agenda, too, will reflect the priorities and benchmarks we have outlined—benchmarks which will be achieved in close coordination with SFOR and NATO.

While the situation has evolved tremendously, SFOR's presence and active role in ensuring a secure environment remain critical. No local force could have provided President Plavsic with a sufficient sense of security to stand up and publicly condemn her old mentor Karadzic for corruption or to install a coalition government against tremendous opposition. Nor would thousands of refugees have traveled across the IEBL to vote in their old home towns in an effort to secure a future there for themselves and their children. Yet today, Bosniak members of municipal councils in RS towns are regularly crossing the IEBL to attend meetings and help administer these governments.

SFOR has provided critical support to all of these implementation efforts and a precipitous withdrawal could well threaten this positive momentum. The United States is determined to ensure that this progress accelerates and that gains made become irreversible. The U.S., like all of our NATO allies, not only wants these troops out of Bosnia and home, we want them to be able to point with pride to their enduring contribution to peace, stability, and, ultimately, the process of democratization in eastern Europe.

Kosovo

While this hearing is focused on Bosnia, the escalating violence in Kosovo is of enormous concern given the massive violations of human rights as well as the obvious threat the crisis poses for regional stability. We have been adamant in all our dealings with the Dayton signatories, especially President Milosevic, that the gains of the Peace Agreement must not be put at risk by developments in Kosovo or attempts at political manipulation by Belgrade.

The United States has led international efforts to get Belgrade to deal with the legitimate concerns of the ethnic Albanian majority in Kosovo through political means and insisted, since Dayton, on maintaining "outer wall" sanctions conditioned on progress on Kosovo. After Belgrade provoked the current crisis with a brutal crackdown by police paramilitary forces in February, we persuaded our allies to adopt a number of new sanctions keyed to the opening of a substantive dialogue with the Kosovo Albanians.

We used that leverage and active United States diplomacy to persuade Milosevic finally last month to start negotiations on Kosovo's future status. Talks are continuing in Pristina—the next round is set for tomorrow, but the process, initiated by Kosovo Albanian leader Dr. Rugova in a May 15 meeting with President Milosevic, is extremely fragile. It is seriously jeopardized by Belgrade's disproportionate and indiscriminate use of force in response to violence from Albanian extremists.

The United States deplores the use of indiscriminate and overwhelming force by police and military against civilian populations. Reports of atrocities, wanton destruction of homes and property by Serbian forces, and actions to prevent delivery of humanitarian aid are abhorrent and only perpetuate and increase the level of violence by further radicalizing the Kosovo Albanian majority.

The dialogue will only succeed if Belgrade cooperates in taking immediate and concrete steps to stop violence, to reduce tensions, and at the same time acts to intensify the pace and seriousness of the talks. Belgrade is on notice that we will not accept a sham dialogue. Secretary Albright has made clear that if the dialogue fails to produce results and violence continues, suspended sanctions—the investment ban—can be quickly reinstated and that we will work with the allies to develop additional measures if necessary.

We cannot allow the situation to unravel further or to threaten what we have accomplished in Bosnia. We have succeeded in getting dialogue started and will continue to up the pressure if Belgrade refuses to cease the violence.