Testimony by Acting Deputy Assistant Secretary of State Matthew Palmer House Foreign Affairs Committee Subcommittee on Europe, Eurasia, and Emerging Threats "The Dayton Legacy and the Future of Bosnia and the Western Balkans" April 18, 2018

Chairman Rohrabacher, Ranking Member Meeks, and Members of the Committee, thank you for inviting me to appear before you today to discuss the challenges that we see in Bosnia and Herzegovina and our strategy for addressing them. I would like to express my sincere gratitude to the House of Representatives and this Committee for your interest in Bosnia and Herzegovina. I recently returned from a trip to the region, and I can tell you that the people of Bosnia and Herzegovina share our desire to see their country integrated with the West.

We have a long history of good relations with Bosnia and Herzegovina. It is a member of the Global Coalition to Defeat ISIS, a solid partner on counter-terrorism, and a proactive counterpart in efforts to limit the spread of violent extremism. The country is, however, facing its most serious challenges since the 1990s, which, left unchecked, could have serious consequences for the Western Balkans, Europe, and the United States.

Electoral Reform

There is a real risk that national elections in Bosnia and Herzegovina (BiH) this fall could fail to produce a government unless political leaders can reach agreement on reforms to the country's electoral law. Without a government, the country could face a prolonged post-election crisis, during which progress would stall on pressing objectives such as tackling corruption, strengthening rule of law, countering violent extremism, and furthering the country's Euro-Atlantic integration. There is considerable risk that corrupt actors would use the opportunity to undermine state institutions and further weaken the the rule of law. Basic governmental responsibilities such as passing a budget would become impossible. Most importantly, such internal problems in Bosnia and Herzegovina open the door to malign actors such as Russia, which is intent on sowing chaos in the region and thwarting Bosnia's Euro-Atlantic future.

To ensure that election results can be implemented, Bosnia and Herzegovina's political establishment must find compromises that balance the collective rights of Bosnia and Herzegovina's three constituent peoples (Bosniaks, Croats, and Serbs) with the individual rights of all citizens of Bosnia and Herzegovina, both of which are enshrined in the constitution. The tension between these often opposing political systems principles has been reflected in a number of cases filed with the Constitutional Court of Bosnia and Herzegovina and the European Court of Human Rights. Current electoral reform efforts will need to be aimed at finding balanced solutions that are consistent with the decisions of these courts.

The most pressing reform issue concerns elections to the upper chamber of Parliament, known as the House of Peoples, of the Federation of Bosnia and Herzegovina. In December 2016, the Constitutional Court ruled that the electoral mechanism to establish the Federation House of Peoples was inconsistent with the constitution and gave the state Parliament six months to fix the

election law. When Parliament failed to do so, the court invalidated these sections of the law, and in doing so effectively eliminated the legal basis for establishing the House of Peoples. Without a fully constituted House of Peoples, it will be impossible to form either the Federation Government or the state-level House of Peoples, the upper house of the Parliamentary Assembly. In consequence, neither the Federation nor the state-level government would be able to adopt legislation.

The multiethnic town of Mostar poses a similar problem on a more localized scale. The state parliament failed to amend sections of the electoral law that the Constitutional Court had declared unconstitutional, so the court struck them down. As a result, Mostar has not held local elections since 2008

The Constitutional Court of Bosnia and Herzegovina and the European Court of Human Rights have also ruled in numerous cases that constitutional provisions governing elections to the Presidency are discriminatory. Under the current setup, anyone who is not from one of the three major ethnic groups is ineligible to run for president. Fixing this would require amending the state constitution, a time-consuming task that will require significant political will. We have seen no proposal that satisfactorily addresses this issue. Because of the length of time needed to accomplish this, we are urging the political parties to prioritize reforms related to the House of Peoples and hold off further consideration of the Presidency until after the October elections.

The State Department has engaged at all levels in support of efforts to reform electoral processes. Over the past year, we have met regularly with the leaders of key political parties to encourage them to work toward consensus. Ambassador Maureen Cormack and her staff at the U.S. Embassy in Sarajevo have led an electoral reform facilitation process since last October, bringing parties together to negotiate a mutually agreeable solution. I had the opportunity to meet with all three members of Bosnia and Herzegovina's Presidency while in Sarajevo April 3-4, as well as with other leaders from across the political spectrum. We have also engaged international partners who support Bosnia and Herzegovina's Euro-Atlantic ambitions to discuss how to best advance electoral reform and promote rule of law in Bosnia and Herzegovina.

Addressing Challenges

These challenges are formidable, but we are and must remain active in helping Bosnia and Herzegovina to confront them. In addition to helping political leaders agree on electoral reforms, we are taking steps to shore up rule of law and stamp out corruption by pressing the government to accelerate reforms and providing targeted assistance. We are also urging political leaders and criminal justice institutions to demonstrate the political will and courage necessary to investigate, prosecute, and punish corrupt actors and the organized crime groups they protect far more aggressively. Additionally, we are working to spur economic growth by improving the business climate.

Conclusion

A stable, prosperous Bosnia and Herzegovina that is integrated within the Western Community of Nations and is a strong partner on counter-terrorism helps make America safer, is a better place for U.S. business, and will bolster peace, stability, and prosperity in the region. Political leaders must commit themselves to the deep reforms needed to make the country a success. We need to help them to make these necessary reforms and push back against Russian malign influence and other external threats. These goals are ambitious, but we are committed to seeing a democratic, prosperous Bosnia and Herzegovina, closely partnered with the United States in advancing our common interests.