



Bosnia and Herzegovina Analytical Report

June 2022

Table of contents

1.0 Executive Summary	3
2.0 Key political developments	4
2.1 EU mediation efforts lead nowhere	4
2.2 OHR intervention paves the way for October elections	6
2.3 Bosnia's parties start preparations for the elections	8
2.4 New EU approach to the Balkans needed to stabilize the region	12
FOOTNOTES	13

1.0 Executive Summary

After a long delay and many uncertainties, the recent intervention by BiH's Office of the High Representative (OHR) has removed a financing obstacle and secured full funding for the upcoming general elections in October. While the elections now seem to be on track to take place as planned, local parties continue to ignore the EU's futile attempts to convince them to return to an EU reform path. While a new escalation of populist and nationalist policies may be expected in the coming weeks, a traditional part of pre-election campaigns, the EU will have to seriously and realistically ponder its own mistakes made in the region and consider identifying a new approach to save the dying enlargement perspective in the Balkans. A solid, relevant and concrete new EU approach – in combination with a much stronger US role in the region – may finally reduce local political and economic turmoil across the region. On the other hand, another EU failure, regardless of stronger US engagement, will create more space for Russian, Turkish and other foreign influences.

2.0 Key political developments

2.1 EU mediation efforts lead nowhere

The President of the European Council, Charles Michel, and Josep Borrell Fontelles, the EU's High Representative for Foreign Affairs and Security Policy, hosted a meeting of the leaders of all the main parties in Bosnia and Herzegovina (BiH), in Brussels on June 12, which was - according to EU officials - the last EU attempt to secure some kind of agreement among BiH's top leaders about their joint agenda before and after the October elections. EU sources explained this meeting did not try to discuss electoral reform, but tried to reach a political consensus on a much broader set of issues, including the unhindered implementation of the upcoming elections and subsequent engagement of EU accession-related reforms (which will also likely include changes of the election system).

Since January this year, EU and US negotiators on several occasions moderated meetings among local political leaders aimed at a reform of BiH's election system, but to no avail. This absence of election reform has put the upcoming general elections, scheduled for October 2, at risk, since the Bosnian Croat leadership did everything to block funding of the elections and even threatened to boycott them.

The latest meeting in Brussels also failed to produce any concrete result and was, in fact, on the verge of a complete disaster, EU sources and media reported. The gathering itself was held mainly because of the strong lobbying of the Croatian Prime Minister Andrej Plenkovic and was arranged as a meeting of top party leaders, not Bosnian institutions. This was done mainly to placate Dragan Covic, the head of the only Bosnian Croat party, the Croat Democratic Union (HDZ) that was invited to the meeting. Covic in the past refused to attend any official meetings that include the Bosnian Croat member of the Presidency, Zeljko Komsic, whose legitimacy Covic and most Bosnian Croats challenge, having in mind that he has been elected already three times into that position primarily through Bosniak votes. Yet even this arrangement – since the meeting was organized at a level of party leaders rather than Bosnian officials – did not suit Covic, who came to Brussels, but remained in his hotel room, EU sources said. In his Twitter

post, Covic explained that ‘it makes no sense to attend meetings that will legitimize and promote the two Bosniak members of the Presidency and all those who do not share the basic constitutional principles’.[1]

Even those local leaders who participated in the meeting[2], spent most of the time quarreling with each other and exchanging accusations for the dire political and economic crisis in the country, EU sources and media reported.[3]

One of the main points of disagreement was BiH’s position towards the war in Ukraine, with representatives of all Bosnian Serb parties refusing to condemn Russia for its invasion of Ukraine. As a compromise solution, a declaration adopted noted in its footnote that ‘the representatives from (BiH’s Serb-dominated entity of) Republika Srpska call for discussion and adoption of a decision in the BiH Presidency on the situation in Ukraine’.[4]

At the end, participants did not even sign, but only verbally accepted a very generic declaration, reiterating their commitment to ‘preserving and building a peaceful, stable, sovereign and independent functional European state of Bosnia-Herzegovina’ and upholding BiH and EU laws and principles. In the declaration, Bosnia’s politicians also underlined the importance of the extension of EUFOR’s mandate, due in November this year, and pledged to allow free and fair elections, as well as swiftly implementing their results.

They also pledged that after the elections, they would adopt a set of laws required for the continuation of BiH’s path to the EU, and work on the 14 priority areas identified by the EU, including electoral reform. Bosnian leaders also pledged to ‘pursue BiH’s alignment with the EU Common Foreign and Security Policy including implementation and cooperation in the areas covered by the Common Foreign and Security Policy of the EU, in accordance with Article 10 of the Stabilization and Association Agreement’[5], which according to EU officials is an informal confirmation that Bosnia will eventually adopt sanctions towards Russia, which Bosnian Serb politicians publicly refused to do.

However, EU and local sources noted that this declaration seems like yet another empty promise that Bosnian politicians made by accepting dozens if not hundreds of similar documents in the last decade. Both local and EU officials also stressed that the recent

intervention of the BiH High Representative Christian Schmidt may have secured funding for the October elections, but that their implementation is still at risk of being completely blocked by the leaders of the three ethno-political blocs and their conflicting political narratives. While holding of the October elections now seems to be secured by the OHR intervention, their implementation remains uncertain due to the deeply polarized political scene in the country.

2.2 OHR intervention paves the way for October elections

Since the beginning of this year, the Bosnian Croat HDZ party used its leverage via the state Finance Minister, Vjekoslav Bevanda, as well as its position in the State Parliament, to block or at least slow down the adoption of the 2022 State budget, and even of an extraordinary decision for the funding of the elections. Bevanda repeatedly rejected funding requests from the Central Election Commission (CEC) on legal procedural grounds, all the while slowing down the preparation of the draft budget for this year.

According to Bosnian Croat sources, HDZ officials tried to deliberately slow down or even block the holding of the elections, because they – as well as other Bosnian Croat and Croatian officials – became increasingly concerned that the massive migration of BiH citizens, who left in the past four years for EU countries seeking jobs and a better future, may have had the biggest impact on the respectively smallest ethnic group in BiH, the Bosnian Croats, who are estimated to make up barely 5% of the overall population[6]. Because of these demographic trends, the HDZ is concerned that in the upcoming, or any future elections, Bosnian Croat national parties representing actual Bosnian Croat voters could lose their majority in the Croat caucus in the House of Peoples in the Federation entity. In that case, predominately Bosniak parties – represented by Bosniak and nominally Bosnian Croat MPs - would be able to establish the Federation and state governments without representatives elected by Bosnian Croat voters, effectively changing the spirit of the Dayton agreement. ‘They also repeatedly and publicly complained over the fact that Komsic was elected into the Presidency already three times thanks to Bosniak votes. While Komsic’s election was fully in line with BiH laws and regulations, many complained that it violated the spirit of the Dayton peace accord, which established an

intricate mechanism for the protection of the ethnic interests of all three main ethnic groups in the country.

On the other hand, the HDZ leadership has also been using this situation to maintain its grip on power by mobilizing strong support from many Bosnian Croats, as well as from Croatia. The EU and US have been trying to help find a solution for this complex issue since 2013, when then EU Enlargement Commissioner Stefan Fule mediated negotiations on electoral reform, but a compromise solution prepared by the EU and US experts that was effectively guaranteeing the HDZ position in the presidency was rejected by Covic himself in early 2014. Covic's move surprised many Western diplomats and made them ponder whether he may have some other agenda driving his policies.

In recent weeks, EU officials desperately tried to negotiate a solution for the funding of the October elections, in an attempt to avoid the use of executive powers by High Representative Christian Schmidt. They were concerned that a new use of OHR powers could further undermine Bosnia's EU path, or even encourage the Bosnian Serb and Croat leaderships to retaliate and escalate the country's political crisis even more, EU officials said. Yet, faced with the possibility that the elections could be blocked because of it, EU countries reluctantly joined the US and UK in supporting Schmidt in using his powers. On June 7, BiH's High Representative imposed three decisions, providing full funding for the elections, as well as amending the election law and the law on the funding of state institutions, to prevent any similar financial blockades in the future.

Schmidt's use of his executive powers came only one day after the US administration announced a new batch of travel and financial sanctions, this time against Federation entity President Marinko Cavara from the HDZ and the RS Minister of Health Alen Seranic from the SNSD.

A combination of US sanctions and the OHR's use of its executive powers have increased the pressure which US and EU governments have been placing on local political actors in BiH, especially the three ruling ones – the SDA, SNSD and HDZ. In this situation, the HDZ and SNSD parties offered only a very mild response to US sanctions and the use of the OHR's powers. This pressure seems to be working better on the SNSD leader Milorad Dodik, who eventually

accepted the invitation to the latest meeting in Brussels and even publicly agreed to the text of the declaration, although local and international experts noted it could lead to BiH introducing some kind of sanctions against Russia.

However, Covic remained steadfast and ignored the meeting, which led to the speculations that Andrej Plenkovic, the Croatian Prime Minister and leader of the Croatian HDZ, the Bosnian HDZ's 'mother party', may decide to get rid of Covic and seek some other, more cooperative candidate to lead the HDZ in Bosnia-Herzegovina. On the other hand, Covic still enjoys strong support from the hardline wing in the Croatian HDZ, and controls two MPs in the Croatian Parliament, which may prove crucial in case of any future no-confidence vote against Plenkovic's government. In this situation, Plenkovic will likely not dare to come down too hard on Covic, at least for the time being.

Nevertheless, some Croatian media have campaigned against Covic for some time. The Nacional weekly magazine, for example, in previous weeks wrote about Covic's lucrative connections with the owners of casinos in Herzegovina,[7] and then reported that Plenkovic was looking for his replacement.[8]

After the debacle in Brussels, Croatian President Zoran Milanovic also publicly speculated that Plenkovic may try to replace Covic, forcing Plenkovic to issue a public denial and offer lukewarm support for Covic.[9]

In this situation, Croatian officials confirm that Covic's hardline policies are already placing Zagreb and Plenkovic personally in a very difficult position, both on the Croatian political scene as well as within the EU institutions.

2.3 Bosnia's parties start preparations for the elections

New political turmoil is also expected within Bosnia, where – after OHR's intervention seems to have secured at least the holding of October's elections – local parties switched gears and started preparing for the elections. The first order of business is now the selection of party

candidates for key positions, such as the BiH Presidency and the President of RS, since the deadline for the submission of candidates' lists is approaching in early July.

In these calculations, one of the most interesting details, according to local sources, is that SNSD leader Milorad Dodik has once again changed his mind and is currently planning to run for the position of the President of RS. This was his original plan, but a few months ago he changed his mind and decided to run again for the BiH Presidency, wanting to further strengthen his international position, sources claimed.

However, our sources claim that Dodik has changed his mind after he and Zeljka Cvijanovic were placed on US and UK sanctions black lists earlier this year. Due to these sanctions, Dodik believes that most of the international actors will avoid meeting him, thus he will not be able to strengthen his image as a big regional statesman, which he originally planned. In this situation he prefers to run for the position of the RS President, an institution which has the strongest mandate and most extensive powers in the RS, sources said.

In this situation, he will have to choose the SNSD candidate for the presidency among other senior SNSD officials, with the most likely candidates for this second most important position being Zeljka Cvijanovic and Nebojsa Radmanovic. However, Dodik is apparently not completely happy with either of these two options and may consider someone else. Cvijanovic is the only one in whom he has almost full trust within his party, but she is on UK sanctions lists and is perceived as a rather weak candidate within the RS electorate- as such she may not be the best option to deal with local and international counterparts, or indeed to defeat the opposition. Meanwhile, Radmanovic has much more experience and capability, but Dodik does not trust him fully since the two of them have been fighting for dominance over the SNSD for years.

Regardless of these open issues, Dodik – as well as his key ally Covic – still seems to be in a good position, as recent polls suggest that the SNSD and HDZ have a major advantage over other Bosnian Serb and Croat parties.

Meanwhile, a series of tight races is expected in the Bosniak ethno-political bloc.

SDA leader Bakir Izetbegovic has already publicly announced his candidacy for the presidency, mainly because he was pushed into this by his ambitious wife, Sebjica Izetbegovic, sources close

to the SDA say. Nevertheless, Izetbegovic personally does not like to take chances and usually avoids running for positions he is not certain he can win. Having in mind that he has in recent years become one of the most unpopular politicians among Bosniaks, he is concerned that his candidacy for the presidency may turn the elections among Bosniak voters into a referendum for or against Izetbegovic, which he could lose.

Losing a direct election race would be the worst option for Izetbegovic, because in that case it would be very difficult for him to keep his position as the president of the SDA, since his opponents in the party would use it to demand his dismissal. On the other hand, if Izetbegovic avoids a direct clash for the presidency, and even if the SDA loses some positions in the upcoming elections, he would try to use the vote tally to show that the SDA has remained the leading party among Bosniaks.

Izetbegovic's concerns are even greater having in mind that Bosniak opposition parties (both left and right ones) have, for the first time, agreed to have Denis Becirevic from the center-left SDP party as their joint candidate. Becirevic already lost to the SDA's candidate Sefik Dzaferovic in the last elections in 2018, but the difference was merely some 14,000 votes (212,500 to 195,000 votes). Nevertheless, other Bosniak candidates together won 370,000 votes, while Zeljko Komsic, who was also elected primarily by Bosniak votes, won 225,000 votes. This means that all Bosniak parties can count on some 800,000 votes.

In reality, the race for the Bosnian Presidency will be the most critical issue in the coming elections – in part because of individual races for Bosniak, Croat and Serb seats, but also because all the main 'coalitions' will try to win two seats in the presidency in order to be able to dominate it. According to one scenario, Komsic would join the Bosniak winner in the Presidency to jointly face and outvote Dodik. According to another scenario, Bosniak parties would focus their votes on the race between Becirevic and Izetbegovic (or any other SDA candidate), in which case the HDZ candidate could stand a chance of defeating Zeljko Komsic, who has lost much of his political capital in the last four years. In this scenario, the winning Bosniak candidate would face a difficult four years with SNSD and HDZ occupying other two seats in the presidency.

In this situation in which the SDA is facing for the first time a united opposition, which is promising very tight races and uncertain results, the SDA will depend more than ever before in the past decade or even more on help from outside – mainly from the Bosniak Diaspora, the Islamic community, as well as Islamic countries, claim sources close to the SDA.

This has become obvious already over the past month or so, in which the SDA launched intense communication with Diaspora organizations, and in which the head of the Islamic community, Reis Husein Kavazovic, repeatedly called for Bosniak unity ahead of the elections.

The expected tight race in the Bosniak ethno-political bloc will underline the influence of Turkish president Recep Tayyip Erdogan. Since the 1990's Erdogan was one of the closest family friends of the Izetbegovic family, and one of the key pillars of their dominance of the SDA.

Nevertheless, Turkish sources say that over the past few years Erdogan has become disappointed in Izetbegovic, mainly because of his repeated failure to ensure that organizations close to the Turkish opposition operating in BiH are closed and some of their leaders extradited to Turkey.

Sources close to the SDA claim that Izetbegovic has already asked for some help from Erdogan, and that Erdogan has already pledged some funds, as well as promised to visit BiH, probably for the Srebrenica anniversary on July 11. However, the same sources also said that Erdogan will continue observing developments on the Bosniak political scene very closely, and will be ready to support a new Bosniak leader, if he finds a proper candidate for that role.

However, pre-election campaigning in Bosnia is only starting to heat up and it is too early to make any concrete calculations or conclusions, since there is still enough time until elections and the situation can change in many different ways. One way or the other, the upcoming summer and fall promise to be interesting and hot, sources agreed.

2.4 New EU approach to the Balkans needed to stabilize the region

Besides local preparations for the elections, the EU also seem to be (trying to) prepare to add to the busy agenda in the Balkans. Namely, several different senior EU officials suggested that the EU seems to be finally actively planning to consider a new approach to enlargement in the Balkans. Several EU leaders – from Borrell to French President Emmanuel Macron – in recent months admitted that the EU has made critical mistakes in the Balkans and needs to find a way to advance the enlargement agenda.

EU sources said that one or more EU member countries are preparing new policy papers that would outline key changes to the existing enlargement methodology. The same sources say these proposals may include some of the recommendations outlined in the recent paper published by veteran EU enlargement official Pierre Mirel.[10]

EU sources also say that the President of the European Council, Charles Michel, has used his recent Balkan tour to discuss different ideas and options for new enlargement approaches. The source said that Michel will probably publicly raise this topic at the upcoming summit of the European Council on June 23-24, where Michel may task the European Commission to prepare a new approach to enlargement, which would in that case be finalized during the Czech presidency, by the end of the year.

EU and local officials and experts agree that a new approach is critical for the EU to finally establish its strong position in the region, and motivate Balkan leaders to move away from populist and nationalist policies, often supported by Russia, Turkey, or other foreign influences, and return to their EU path.

FOOTNOTES

[1]https://twitter.com/Dragan_Covic/status/1536031783887814657

[2] The meeting was attended by 12 out of 16 invited party leaders, predominantly those from Bosniak parties: Sefik Dzaferovic (SDA, chair of the BiH Presidency), Edin Forto(NS), Bakir Izetbegović (SDA), Elmedin Konakovic, (NiP), Zeljko Komsic, (DF, member of the BiH Presidency), Nermin Niksic (SDP), Nermin Ogresevic (NES), Elzina Piric (PDA), Senad Sepic (NB); Bosnian Serb parties: Petar Djokic (SP), Milorad Dodik (SNSD and member of the BiH Presidency), Nenad Stevandic (US). In addition to Covic from the HDZ, two Bosnian Serb opposition leaders also refused the invitation - Borislav Borenovic (PDP)and Nenad Nesic (DNS), while the leader of SBB Fahrudin Radoncic excused himself because of his other obligations.

[3]Interviews with EU officials,

<https://politicki.ba/vijesti/sta-se-desavalo-tokom-razgovora-u-briselu-red-svada-red-uvreda/23933>

[4]https://www.consilium.europa.eu/en/press/press-releases/2022/06/12/political-agreement-on-principles-for-ensuring-a-functional-bosnia-and-herzegovina-that-advances-on-the-european-path/#_ftn1

[5] Ibid

[6] While BiH's latest census in 2013 showed that BiH population is made of 50.11% Bosniaks, 30.78% Serbs and 15.43% Croats, estimates by different local and international organizations, such as the Catholic Church or the EU, suggest that the migration trends in recent years reduced the number of Croats to under 5%.

[7]<https://www.nacional.hr/enormno-bogati-vlasnici-kladionica-i-kockarnica-financiraju-covica-i-hdz-bih-a-oni-ih-stite-od-placanja-poreza-2/>

[8]<https://www.nacional.hr/na-pomolu-politicki-kraj-dragana-covica-plenkovic-u-predsjednistvu-bih-zeli-vidjeti-gradonacelnika-mostara/>

[9]<https://www.vecernji.ba/vijesti/plenkovic-podrzavam-covica-i-to-sto-ne-zeli-biti-na-sastanku-s-dvojicom-predstavnikabosnjaka-1594334>

[10]<https://www.robert-schuman.eu/en/european-issues/0633-in-support-of-a-new-approach-to-the-western-balkans-step-by-step-membership-with-a-consolidation>