

Ongoing Defense Reform in Bosnia and Herzegovina – Challenges and Perspectives

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Bosnia and Herzegovina is designing and implementing comprehensive reforms in many areas of its society, aimed to establish functioning institutions necessary for the creation of a climate of stability as a prerequisite for economic development, prosperity and the well-being of its citizens. A good question to be asked here would be: “Why should defense reform, as one among many, be that important?”, or: “Why is this ongoing defense reform different from the numerous defense reforms in Bosnia and Herzegovina which had been implemented in the last decade?”

Defense reform is a key component of security sector reform in general, a necessary and first step in building a climate of stability. It is also a path with no alternative for Bosnia and Herzegovina (BiH) achieving its strategic goal: accession to Euro-Atlantic integration structures. If there is one issue that all political options in BiH agree upon it is the commitment to join Euro-Atlantic structures, chiefly the European Union (EU) and the NATO alliance. Although joining the two institutions are two separate processes, meeting the criteria for entry into EU and NATO proceed in many areas side by side. We consider joining NATO’s PfP program as one, and a vitally important step on the path toward Euro-Atlantic integration.

It is a truth that defense reform has been going on since the Dayton Peace Agreement, but the principal difference between the ongoing and previous reforms is that earlier defense reforms had been mainly focused on massive dismissal of redundant military personnel, while the current one encompasses not only reshaping of existing structures, but, one could say, also the establishment of a completely new defense system.

Defense and security sector reforms have become especially important in the last few years as Bosnia and Herzegovina seeks to follow the pace of the progressive processes which have been developed in other countries of the region. Bulgaria, Romania and Slovenia joined the Alliance in the last enlargement round, and the Adriatic Charter Countries, Albania, Croatia and Macedonia, have already joined the MAP process with clear perspectives for full-fledged membership.

Bosnia and Herzegovina has to establish well functioning institutions, to demonstrate ability for greater co-operation in defense and security in order to combat contemporary threats that require collective efforts.

The key concept, however, is the ability of our security institutions to perform tasks within their competencies. Here, *ability* refers to security institutions that have the capacity to act, be relied on to act, and conduct tasks in the area of their competencies. The ongoing Reform specifically addresses this capacity and the adaptation of our defense and security institutions to new challenges.

The international security forces that have provided the safe and secure environment Bosnia and Herzegovina needed while recovering from the conflict are drawing down. If Bosnia and Herzegovina is to join with other countries in collective defense and security organizations and processes, it knows that it must create the conditions whereby international military oversight is no longer necessary. A strong commitment of BiH Authorities is to enable the current EUFOR mission to be the last UN mandated foreign military presence in BiH. To do this, Bosnia and Herzegovina must have modern, relevant, credible, and affordable forces that contribute to the stability and defense of the country and its citizens, and to the region as a whole.

Right now we are in a process of creating organizational structures required for the takeover of work currently under EUFOR Authority. The armed forces of BiH have already undertaken competencies for site inspections, management of military demining in BiH, and the handover of airspace management to BiH is underway.

The Armed Forces have also demonstrated that they are ready to be a contributor to regional and international peace efforts, even if they are just emerging from being a recipient of such efforts. BiH has provided personnel for UN Peacekeeping Missions in Eritrea and the Democratic Republic of Congo and it is now in the process of deploying its fourth rotation of an EOD platoon in support of the operations in Iraq.

But to better understand scope and depth of the ongoing processes, let me just remind you of the main features of the defense system of BiH before the defense reforms were undertaken in 2003 and 2004.

They are as follows:

- a lack of BiH state level command and control of the Armed Forces
- ambiguities and inconsistency in terms of defense responsibilities between entity and BiH state level
- an unjustifiable number of reserves and large quantities of small arms and light weapons to arm them
- a large number of weapons and ammunition storage sites, many of which were in poor condition.

To make the long story short, the Dayton Peace Agreement stopped the war, but as a result two semi-autonomous defense systems were established at entity level with very limited capacities and competencies of the state level institutions in defense matters. It could have been considered as non-compliance with obligations the state had in accordance with OSCE Code of Conduct on Politico-Military Aspects of Security.

Defense reform has been a continuous process in Bosnia and Herzegovina since 1996. After a period of large-scale force reductions, it became both possible and necessary to consider the issue of state-level command and control over the armed forces. This was possible because of improvements in security and stability, and necessary because of Bosnia and Herzegovina's desire to join the community of Euro-Atlantic states – a community characterized, *inter alia*, by armed forces under

democratic state control and directed towards the foreign policy and security objectives of the state.

A number of legal reforms have been undertaken aimed to establish the basis and capacity for the state to conduct its responsibilities in the realm of defense and security. The Law on Defense adopted in 2003 first created today's Ministry of Defense, Joint Staff, and Operational Command. This law was the linchpin of defense reform, providing the basis for today's defense institutions. Moreover, the Law on Defense provided the basis upon which to form the state parliamentary Joint Defense and Security Committee, the first ever exercising parliamentary oversight over all Defense institutions in Bosnia and Herzegovina.

By the High Representative's Decision enacted on 31 December 2004, the mandate of the defense reform was extended. Just to remind you, the Defense Reform Commission was tasked that, in the year 2005, it should examine and propose the legal and institutional measures necessary to enhance State level command and control, promote cooperation with the International Criminal Tribunal for the former Yugoslavia (hereinafter: ICTY), achieve fiscal sustainability, strengthen parliamentary oversight, and promote development of a single military force by transferring the competencies of the Entity Ministries of Defense to the level of the State of Bosnia and Herzegovina.

In the last year, the Commission defined a concept in order to provide for a necessary institutional and legal framework needed to fulfill the above-mentioned tasks. It included drafting a new Law on Defense and a first ever-single Law on Service in the Armed Forces of Bosnia and Herzegovina, which were passed in the Parliamentarian Assembly of BiH in mid-October 2005 and entered into force on 28 January 2006.

Furthermore, the two laws will further consolidate defense and security institutions and provide the basis for the country to provide a safe and secure environment for itself and to contribute fully to regional security and stability.

In short, these laws address two broad themes: the creation of a *single defense establishment* in Bosnia and Herzegovina under fully functioning state-level command and control; and, the restructuring of the armed forces to meet the requirements of internal stability and the foreign, defense and security policy aspirations of the state – specifically, collective defense and security.

Implementation of these laws started on 1 January, with dismantling the entity Ministries of Defense and making them a part of one single Defense Ministry of Bosnia and Herzegovina, and putting the entity army commands under the operational command of the BiH AF Joint Staff. The Defense Law stipulates a two-year transition period until all operational units are established and fully manned. The unique defense reform task of joining two armies of distinct history and doctrine will require these two years and is a challenge not encountered by other countries experiencing defense reform.

However, our new Law on Defense also provides the basis for the next round of restructuring of our armed forces. This re-organization will focus on developing units that meet the needs of Bosnia and Herzegovina, but also are suitable for collective security operations that meet NATO needs. Although firm decisions have yet to be taken, the concept encompasses the creation of general purpose light infantry that could, for example, perform constabulary missions, and explosive ordnance destruction and de-mining units, which Bosnia and Herzegovina has special expertise in but which are in short supply in NATO member forces.

Furthermore, driven by affordability and future mission requirements, the new concept includes restructuring away from the traditional system of conscription and large passive reserves. By abolishing military compulsory service since 1 January, Bosnia and Herzegovina became a leading country in the region in implementing the concept of a fully professional military. Since Bosnia and Herzegovina cannot afford to maintain a large standing force or rarely used specialist units, the reserve force will be restructured to produce usable reinforcement elements for the armed forces at a relatively low cost. Again, decisions must be taken,

but this could include the creation of reserve infantry companies and platoons that could reinforce active infantry battalions; reserve specialist units could be activated when those capabilities are required; or individual reservists could provide specific specialist capabilities to active units.

As we know, the issue of economics is also extremely important. All countries face the problem of prioritizing the allocation of budget revenues. Defense is but one area that competes for budget revenue. The trend in defense budgets shows a reduction over the last years – however, the new defense reforms will allow for a more efficient allocation of budget resources. The BiH Defense Budget approved for the current year is 278 million KM – approximately €140 million. Given the ambitious reform agenda, the budget proposal for the year 2007, developed by the Defense Ministry, is 331 million KM, but the general instruction in the meantime issued by the Ministry of Finances imposes limitations to all BiH institutions to request for the next year only as much as they were approved for the current year. This impediment might seriously undermine one of the reform goals – among others with projected downsizing of the personnel from 13,000 to 11,000 - to have more funds available for operational costs.

A major challenge, therefore, is to provide a continued and an unimpeded funding through one single defense budget, particularly in this transition period.

Major tasks in the near future, during the transition period, will be:

- To issue regulations required by new laws in defense matters; To fully implement a single system for financing, budgeting and auditing;
- Implementation plan for the transfer of property and conversion/removal of ammunition and weapons; Personnel training in defense matters at the state level;
- Implementation phase by phase of a detailed plan for transferring functions, including establishment of an appropriate operational system;

- Revising strategic documents, including defense policy.

We are nearly at the end of the first transition year, as stipulated by the BiH Defense Law and remarkable progress has been achieved.

In early July the BiH presidency made the decision on size, structure and locations of the Armed Forces of Bosnia and Herzegovina. The decision defined the Armed Forces of Bosnia and Herzegovina as a professional, single military force that is organized and controlled by Bosnia and Herzegovina as well as the size, structure, locations, manning and ethnic representation in the AF BiH.

The total size of the AF will be 10,000 military professionals, 1,000 civilians, mainly in the Defense Ministry and 5,000 of active reserve.

The new Armed Forces will consist of three maneuver brigades, one tactical support brigade and aviation forces equipped with helicopters, all under the control of the Operational Command. The three maneuver brigades will each consist of three infantry battalions, one from each of three infantry regiments. There will be three infantry regiments, each responsible for maintaining and fostering military heritage and identity of the units from which they are descended, meaning the ARBiH and HVO components of the former Federation Army and the former VRS.

The other smaller branches of the AF BiH, such as engineers, signals and artillery will be organized as single regiments and have units assigned in support of the three brigades. The regiments have no operational or administrative authorities. They have a small regimental headquarters of less than 10 military personnel that handle ceremonial and other regimental affairs.

Based upon the decision on size and structure, numerous operative decisions, guidelines and criteria for the Ministry of Defense of BiH have been adopted, or are in a process of adoption, including ongoing work on more than 30 regulations.

As we continue our restructuring process and the implementation of our defense reforms, the operative principle for the Armed Forces of Bosnia and Herzegovina is to organize, man, equip and train our forces in order to achieve interoperability internally and with NATO and partner country forces.

Our goal is to achieve interoperability with NATO across the full range of defense functions from the highest levels of defense policy decision-making through the operational and tactical levels of military responsibility.

Achieving standardization and interoperability will be a long-term process, but it can be achieved only through effective training and joint operations with military forces of partner countries and participation in selected PfP activities, in accordance with the decisions of the NATO Istanbul Summit.

Today, with a newly formed single, state level defense structure, Bosnia and Herzegovina is an active participant in more than twenty bilateral cooperation programs with friendly countries. It is a member or participant in most of the regional initiatives of South Eastern Europe dealing with defense and security and has a Tailored Cooperation Program with NATO which we hope will soon be replaced by an Individual Partnership Program, once BiH joins NATO's PfP Program.

It happens sometimes that such an intensive cooperation agenda, although in essence aimed at supporting BiH defense reform, becomes an overwhelming demand for the still fragile defense structures of BiH, which are not able to adequately respond to these cooperation offers.

The reasons for that are usually related to the fact that an intensive transformation agenda doesn't allow qualified personnel to prioritize their mid- and long-term tasks against the immediate ones and "invest" some of their time into training, education or other type of foreign assistance programs. Especially, there is a quite limited number of qualified individuals who possess adequate general knowledge, specific

skills and required language capabilities, to be able to participate in programs offered.

In essence there is more provided than can be consumed. Also, it is very difficult for the recipient to say NO to offers even if they will complicate the situation and many times cost more to absorb than they are worth.

From the point of view of a recipient, coordination among assistance providers can significantly contribute to the successful implementation of bilateral and multilateral defense cooperation programs

The South Eastern Europe Clearinghouse is a good example of a coordinated effort to harmonize and “regulate” foreign assistance programs in the area of defense, provided to the countries of the region.

Our experience is that the most useful offers are “project-based” cooperation programs – those that assume implementation of a project with a single partner consisting of several mutually related activities within the same area (e.g. demining), instead of performing the same number of *ad hoc* activities in not directly related areas.

Most sensitive, however, is the issue of further personnel downsizing with a necessity to provide adequate resettlement programs for military personnel and civilians that will be dismissed from service.

Besides programs which will be provided by BiH authorities, retirement under favorable conditions and severance payments, the Defense Ministry of Bosnia and Herzegovina has applied for NATO Trust Fund.

This initiative was supported by the NATO Secretary General, and in accordance with NATO Trust Fund Policy, this spring, the North Atlantic Council approved the Assistance Program for Redundant Military Personnel, for which the BiH MoD had applied.

Aim of the project: The purpose of the project is to enable those persons who are going to be demobilized in the course of the defense reform process over 2006 and 2007, and also those who were

demobilized through previous staff downsizing and were left out from the programs of assistance. Overall, about 6,000 personnel will be concerned.

Duration: Three years, with possible extension to deal with further caseloads-pending donor commitment.

Budget: € 8.25 million

(Possible) **Contributors:** NATO Allies; Partnership for Peace Nations; contact countries; international organizations.

Lead Nations: United Kingdom, Netherlands and Croatia

Executing agent: International Organization for Migration (IOM) in close cooperation with the OSCE.

Challenges for the Way Ahead

The immediate future brings some real challenges. Key issues include:

- Possible additional reductions of defense personnel, including officers, due to the high percentage of overage members of the current force.
- Recruiting new personnel to create a balanced, modern and professional force.
- Continuous effort to maintain budgetary support for the reforms, especially not having the budget reduced based on the reduction of personnel numbers. Sufficient funding is required to support a smaller, but, professional force that will be able to operate in a modern, NATO compatible environment.
- Training for a military and civilian structure that is totally professional and modeled after NATO standards.
- Final disposition of the great amount of excess arms and ammunition in the country.
- Continued development of a Defense Planning System that openly and systematically determines defense requirements, prioritizes these requirements and allocates resources on documented decisions of the defense leadership.

Concluding Remarks

Even a cursory review of the facts mentioned reveals two salient facts. First, many accomplishments have been met and our reform efforts have been far-reaching. Secondly and equally obvious is the fact that much work remains to be done to fully implement the very significant and complicated defense reforms that have been accomplished to date.

When implemented, our newly embarked defense reforms will clearly reiterate the determination of Bosnia and Herzegovina to move to the future and toward full integration into the Euro-Atlantic family of nations.

Results achieved so far have helped our efforts to change the position as a consumer of international security and defense efforts and to become a provider of security.

As examples you can witness our participation in PSO in Iraq, UN monitoring missions, active participation in regional activities: SEECF, SEEGROUP, Stability Pact, and as observers in SEDM, Adriatic Charter and others.

The transition will foster the Euro-Atlantic integration of BiH so that in the future, BiH will be in a position to serve as a catalyst for positive trends and developments in the region. It has been seen that “instability” that may occur within one part of the region could inevitably “spill out” to other regional countries. In a similar fashion, “progress” made in one part of the region can “spread” positively to other countries within the Balkans. This rule especially applies and is proven here in Bosnia and Herzegovina, due to its unique position and internal structure. An “investment” in the stability of BiH will reap profits and benefits of stability throughout the region and Europe.