



Security Council

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Letter dated 23 February 2006 from the Secretary-General addressed to the President of the Security Council

I have the honour to convey the attached communication, dated 16 February 2006 (see annex), which I received from the Secretary-General of the Council of the European Union, Javier Solana, conveying the annual report on the activities of the European Union Police Mission in Bosnia and Herzegovina.

I should be grateful if you would bring it to the attention of the members of the Security Council.

(Signed) Kofi A. **Annan**

Annex

**Letter dated 16 February 2006 from the Secretary-General
of the Council of the European Union addressed to the
Secretary-General of the United Nations**

In accordance with the statement by the President of the Security Council of 12 December 2002 (S/PRST/2002/33), I attach a report on the activities of the European Union Police Mission in Bosnia and Herzegovina, covering the period from 1 January to 31 December 2005. I propose to provide the Security Council with a written update on the progress of the Mission. I should be grateful if you would transmit this report to the President of the Security Council.

(Signed) Javier Solana

Enclosure

Report of the Secretary-General and High Representative for the Common Foreign and Security Policy of the European Union on the activities of the European Union Police Mission in Bosnia and Herzegovina, covering the period from 1 January to 31 December 2005

Introduction

1. The European Union Police Mission (EUPM) is the first operation undertaken under the European Security and Defence Policy. It was initiated with a three-year mandate starting on 1 January 2003 as a follow-on mission to the United Nations International Police Task Force.
2. This report is the fifth update by the Secretary-General and High Representative for the Common Foreign and Security Policy of the European Union to the Security Council on the activities of the Mission and covers the period from 1 January to 31 December 2005.

Methodology and staffing

Methodology

3. The four strategic priorities of the Mission until 31 December 2005 were institution- and capacity-building at management level; to combat organized crime and corruption; to develop financial viability and sustainability; and to promote police independence and accountability. Also in 2005, the Mission continued to develop and implement its seven core programmes. Their emphasis has been to support key areas of expertise and capability necessary to elevate policing in Bosnia and Herzegovina to best European practices, in particular free from inappropriate political interference. The programmes were developed in partnership with the local police, the European Commission, other international stakeholders and bilateral donors. The Mission remains committed to the principle of local ownership, facilitated through the Police Steering Board, which consists of representatives from all elements of the local police services, mentored by EUPM. The Police Steering Board has acted as the final arbiter on the design and introduction of the different projects that make up the seven core programmes.

Staffing

4. At the end of the last reporting period, EUPM numbered 801 staff (410 seconded police officers, 61 international civilians and 330 national staff). Towards the end of 2005, the Mission gradually reduced staffing levels, in anticipation of a refocused mandate (as from 1 January 2006). All 25 European Union member States, together with nine non-EU contributing States, participated in the Mission in 2005.

Achievements during the reporting period

1. Institution- and capacity-building

Ministry of Security

5. The Ministry of Security has responsibility for the political oversight and direction of the State-level police agencies (State Investigation and Protection Agency, State Border Service, Interpol). During the last year, the Ministry took possession of additional office capacity and established internal departments covering all of its areas of responsibility. EUPM monitored and advised on the whole process. The Ministry is now also asserting its role in the gathering and dissemination of information on international cooperation. In July, the Bosnia and Herzegovina Council of Ministers accepted a Strategic Agreement with Europol presented by the Ministry of Security. The agreement should facilitate the cooperation of EU members and Bosnia and Herzegovina in preventing and combating international crime and is to be seen as the first stage in the sharing of intelligence effectively to combat organized crime.

6. In 2005, the Council of Ministers decided to establish a Ministerial Council for Cooperation on Police Matters. Originally established as the Ministerial Consultative Meeting on Police Matters, the new body has started to work on improving coordination and cooperation between police agencies in Bosnia and Herzegovina and adopting decisions and instructions that will be binding for the Police Steering Board. The Minister of Security chaired the first meeting of the Ministerial Council in December 2005. The Council has a limited mandate that will not last longer than the establishment of a final mechanism for cooperation under the aegis of the ongoing police reform process.

7. The Bosnia and Herzegovina Immigration Law came into effect in August 2005. The Ministry of Security plans to take over the financing of the Immigration Service from spring 2006. Entities and cantons will play the recruited inspectors for the first few months, until the Service is properly established. The Ministry agreed with representatives of the entity and cantonal Ministries of the Interior on the transfer of staff and handover of equipment and office space to the Service. A temporary detention centre for illegal immigrants will be fully funded by the Ministry of Security. The European Commission and the International Organization for Migration indicated that they would provide financial support for the detention centre.

8. Following a proposal of the Ministry of Security, the Council of Ministers decided, on 22 December 2005, to propose to the Presidency of Bosnia and Herzegovina to start procedures for the participation of Bosnia and Herzegovina police in the United Nations Mission in the Sudan. This follows a previous Bosnia and Herzegovina contribution to the United Nations Mission of Support in East Timor and the present engagement in the United Nations Mission in Liberia and the United Nations Stabilization Mission in Haiti.

State Investigation and Protection Agency

9. Considerable progress has been made in setting up the State Investigation and Protection Agency (SIPA), conceived as the main agency in the fight against major and organized crime. The Agency impressively stepped up recruitment efforts

during the year. Parallel to this, an internal SIPA working group — advised by EUPM — reviewed various books of rules on internal organization and continued to review the structure of the different departments, their responsibilities and the way they work with each other. In August, SIPA announced vacancies for more than 250 officers. EUPM closely monitored and advised on the selection and recruitment process. With the assistance of EUPM, the Agency made important progress in developing its human resources strategy. Successful recruitment gave a considerable boost to staffing and capacity levels.

10. Besides the three established regional offices (Sarajevo, Banja Luka, Mostar) the Council of Ministers decided in December 2005 that the fourth SIPA regional centre would be located in Tuzla, thus removing one of the last obstacles to the development of the SIPA regional centre structure. By the end of 2005, the decision on the final location of the SIPA headquarters was on the agenda of the Council of Ministers.

11. In July, the SIPA Financial Intelligence Department, seven months after its inception, was officially invited to become a member of the Egmont Group, a worldwide network of law enforcement agencies that shares intelligence on money-laundering. EUPM supported SIPA membership and the Egmont Group's invitation to Bosnia and Herzegovina is a clear signal that the Agency's continued development is being recognized internationally.

State Border Service

12. The structure of the State Border Service (SBS), including command, rank and organizational aspects, has been brought in line with the other State-level agencies and the procedures and powers given to police officers on the border are now clearer and more effective. EUPM has helped to secure management training for senior officers and has mentored them in how to apply this knowledge. There has been a concerted effort on the part of EUPM and SBS to advance project implementation in order to improve the effectiveness of the Service. This has resulted in an improvement in management culture and operational effectiveness.

13. EUPM actively worked to overcome the issue of the failure by the Council of Ministers to appoint a Director for the Service, as this affected the implementation of the Mission's projects and was detrimental to development of the agency by Bosnia and Herzegovina. A resolution was achieved in September, when the High Representative intervened and appointed Vinko Dumancic as SBS Director, in line with the law. EUPM publicly made clear its involvement in scrutinizing the appointment process and its support for the High Representative's decision. The appointment immediately generated positive changes in the workings of the State Border Service.

14. In September, the head of the European Commission delegation in Bosnia and Herzegovina, Michael Humphries, and the Bosnia and Herzegovina Minister of Security, Barisa Colak, signed a memorandum of understanding on European Commission funding for the construction of the new SBS headquarters near Sarajevo airport. The European Union will provide €2.9 million for the construction project, which is expected to take 27 months to complete. The cornerstone of the new headquarters building was laid on 25 November 2005.

15. Despite the positive developments hundreds of kilometres of the State border remain not fully secure, owing to a lack of staff and equipment and the inaccessibility of the terrain. This hinders efforts to fight smuggling and human trafficking. The possible solutions to reduce illegal border crossings have been identified. They include the installation of physical barriers, as well as better cooperation and exchange of information with neighbouring States and the introduction of modern means of surveillance. EUPM is supporting efforts of the Bosnia and Herzegovina authorities in this direction.

2. Fight against organized crime and corruption

16. Key issues in the fight against organized crime, such as the development of the State Investigation and Protection Agency and the other State-level agencies, have already been discussed under institution- and capacity-building. In addition, certain technical developments represent major achievements in this area.

The national intelligence model

17. A nationwide intelligence system has been introduced and during 2005 EUPM supported efforts to make the system more effective, in particular by ensuring that it operates across all entities and police agencies in Bosnia and Herzegovina. This has been a delicate issue, owing to a lack of trust between some police officers in different locations. However, during 2005 police have started to submit information and regular intelligence meetings are being held in all areas. The intelligence flow is beginning to work effectively between locations and agencies at all levels, including between the entities.

18. Various projects at entity and State level have helped to contribute to an improvement in the culture of intelligence gathering and dissemination, including the Crime Hotline, which, since its handover to SIPA in spring 2005, is receiving on average 150 calls from members of the public each day.

19. Intelligence has started to be available online through the use of information technology systems. The effective gathering and use of criminal intelligence is recognized by the Bosnia and Herzegovina authorities as one of the most crucial tools in any modern police.

National coordination by the State Investigation and Protection Agency

20. Early in October 2005, the SIPA Director, Sredoje Novic, organized a meeting between the heads of all Bosnia and Herzegovina law enforcement agencies to discuss organized crime in Bosnia and Herzegovina, the promotion of cooperation and arrangements for future activity. All participants agreed on the need for better procedures to exchange and store confidential information to prevent unauthorized disclosure. They also agreed to approach EUPM, EUFOR and the Office of the High Representative with a request for all information these agencies have on organized crime. Such meetings are now held every month at the level of Directors and Chiefs of Criminal Investigation Departments.

Operation “Safe Place”

21. The South-Eastern Cooperation Initiative (SECI) Regional Centre operation “Safe Place”, focusing on combating the smuggling and illegal possession of small

arms and ammunition across 12 member countries, ended on 31 August 2005. The final report noted that most Bosnia and Herzegovina law enforcement agencies participated in the operation, and Bosnia and Herzegovina achieved the best results of all the participating countries as far as seizures of weapons are concerned. Throughout 2005 citizens of Bosnia and Herzegovina continued to provide information on illegal weapons. The Regional Centre, in a letter to the Bosnia and Herzegovina Minister of Security, praised the efforts of the law enforcement agencies. The SECI operation has been carried under full Bosnia and Herzegovina ownership. In parallel EUFOR and local police also cooperated in regular "Harvest" weapons collection operations. EUPM has continued to encourage and to monitor weapons collection activities by local police.

3. Financial viability and sustainability of the local police

Police budget

22. To help achieve financial viability and sustainability of the local police, EUPM has made progress in developing local capacity regarding salary scales, budget planning for organizational units, revising maintenance costs of premises, rationalization of the use of police equipment, control over inventories and payrolls, and general budget implementation and management. Staff at the Federation of Bosnia and Herzegovina and Republika Srpska Ministries of the Interior were trained in handling budgets at a local level, in particular in matching operational planning and budget management. Progress in this area will enable the Public Security Centres in the Republika Srpska and the Police Administration in the Federation of Bosnia and Herzegovina Ministry to operate using improved fiscal methodology in 2007.

23. EUPM is seeing the first encouraging results of the implementation of its austerity financial action plan for the Bosnia and Herzegovina law enforcement agencies. The savings and unspent funds foreseen in the Action Plan were earmarked to renovate run-down premises in many locations, change costly electrical heating systems and renew the vehicle fleet through the auctioning of older vehicles. However, these achievements call for careful reflection. The project demonstrates that improving the capital investment budget lines can only be achieved through fostering a streamlined savings plan combined with a policy of internal transfers between budget lines. More savings are expected from the procurement of standardized police equipment. A EUPM programme working group helped to elaborate a list of equipment, which the Police Steering Board later approved, and is now awaiting approval by the Ministerial Council for Cooperation on Police Matters.

24. The State Investigation and Protection Agency managed to get the approval of the Ministry of Finance and Treasury for the transfer of KM 6 million from the salary budget for capital expenditures. The assessment and support of EUPM was crucial, allowing SIPA to alleviate the budget shortfall in capital expenditure and the lack of equipment that goes with this. The funds were used to purchase weapons, uniforms, vehicles and other specific equipment for the new Special Support Unit. The Unit was set up in September 2005 to provide police tactical support capacity to other SIPA units, and has since been involved in a number of operations.

25. Finally the book of rules on salaries of police officials of Bosnia and Herzegovina was adopted and entered into force on 1 January 2006. Police salaries are now linked to rank and not to position held. This will be a model for the future regulation of salaries as agreed under the ongoing police restructuring process.

4. The development of police independence and accountability

26. Also in 2005, EUPM continued to monitor meetings and decisions of the Independent Selection and Review Boards. Cantonal Police Commissioners' assessments were also reviewed.

27. The appointment of Directors of SBS and SIPA in the autumn, followed by the appointment of other senior managers, helped to unblock a number of issues affecting developments in independence and accountability in these law enforcement agencies, most notably in SBS where the new leadership oversaw decisions to finalize the drafting of a new book of rules.

28. The adoption and acceptance by the Republika Srpska National Assembly of the three EU basic principles on 5 October, namely (i) all legislative and budgetary competences for all police matters must be vested at the State level; (ii) there must be no political interference with operational policing; and (iii) functional local police areas must be determined by technical policing criteria where operational command is exercised at the local level, was an important step towards this strategic priority and will advance the process of police restructuring (see below).

Other key contributions of the Mission

Police restructuring

29. Upon the request of the Chairman of the Bosnia and Herzegovina Council of Ministers, the High Representative/European Union Special Representative established a Police Restructuring Commission in July 2004, which included the EUPM Head of Mission. The Commission was tasked to produce recommendations to establish a single and effective police structure under the oversight of a ministry or ministries in the Bosnia and Herzegovina Council of Ministers.

30. Political representatives of the Republika Srpska resisted some key elements, which prevented the full report of the Police Restructuring Commission being agreed upon by all members. Therefore, the Chairman of the Commission, Wilfred Martens, presented a report to the High Representative/European Union Special Representative in January 2005. In response, the European Commission reiterated its three key principles for reform mentioned above (para. 28).

31. Following a EUPM/Office of the High Representative public information campaign on the report of the Police Restructuring Commission, political consultations started in April 2005. Political party negotiations however did not reach agreement, culminating in the decision of the Republika Srpska National Assembly to reject any restructuring model where local police organization would cross the Inter-Entity Boundary Line.

32. After months of deadlock and pressure by the international community, the Republika Srpska National Assembly in October 2005 adopted the Agreement on Restructuring of Police, thus removing one of the last obstacles for Bosnia and

Herzegovina to start negotiations with the European Union on the Stabilization and Association Agreement. In the period following the agreement, EUPM and the Office of the High Representative/European Union Special Representative developed a framework for the establishment of the Directorate for Implementation of Police Restructuring. As from January 2006, the EUPM Head of Mission, Brigadier General Vincenzo Coppola, will be a member of the Directorate's steering board with a casting vote, serving as the representative of the European Union and the international community. A technical executive body will ensure preparation of a phased implementation plan by the end of September 2006.

Security arrangements for Srebrenica commemorations

33. EUPM monitored and advised on the preparation and implementation of security measures, witnessing well-organized and coordinated policing by the Republika Srpska police, together with the Federation Police, SIPA, SBS, the Ministry of Security and the Office of the State Prosecutor, which provided a safe and secure environment for the commemoration activities from 8 to 11 July 2005. EUPM coordinated closely with EUFOR, which provided contingency security.

Cooperation with other international actors and European Union coordination in Bosnia and Herzegovina

34. The work of the European Union Police Mission involves close cooperation with international partners, particularly the Office of the High Representative/European Union Special Representative. Close cooperation is maintained with OSCE, UNHCR, the International Criminal Investigative Training Assistance Program and others.

35. Within the European Union, the Mission coordinates closely with the European Commission. In September, the European Union Special Representative, EUPM and EUFOR agreed on principles aimed at strengthening and increasing trilateral cooperation and coordination and at further clarifying and delineating the respective roles and tasks of EUFOR, EUPM and the European Union Special Representative.

36. Consequently, EUPM began to take a more proactive approach and took the lead in coordinating policing aspects of efforts under the European Security and Defence Policy in the fight against organized crime in Bosnia and Herzegovina. EUFOR has also begun further to coordinate and align its anti-organized-crime operations with EUPM.

Returnee forums

37. Ensuring the sustainable return of refugees and displaced persons, and in particular their security, continues to be a priority for the international community and domestic authorities in Bosnia and Herzegovina. The matter is addressed by EUPM, notably under the community-policing project, alongside the support for specific returnee forums. The EUPM returnee forum initiative has helped to bridge the gap in the communication between citizens, the police, the judiciary and local authorities.

Police certification

38. On 25 October, the European Commission for Democracy through Law (the “Venice Commission”) rendered its opinion on a possible solution to the issue of decertification of police officers in Bosnia and Herzegovina, concluding that the International Police Task Force, while implementing the vetting procedure of local police officers, failed to provide the relevant police officers with a public, adversarial, impartial and independent examination of their rights. The review mechanism appeared to be abortive for the larger part. The Venice Commission therefore recommends that the United Nations carries out a review process of the decisions that deny certification and that have been challenged before domestic authorities after the end of 2002.

The refocused mandate

39. By a Joint Action of 24 November 2005, the Council decided that EUPM (established initially from 2003-2005) shall be continued from 1 January 2006 to 31 December 2007 in a refocused manner. EUPM, under the guidance and coordination of the European Union Special Representative and as part of the broader rule of law approach in Bosnia and Herzegovina and in the region, will aim, through mentoring, monitoring and inspecting, to establish in Bosnia and Herzegovina a sustainable, professional and multi-ethnic police service operating in accordance with the best European and international standards. The police service should operate in accordance with commitments made as part of the stabilization and association process with the European Union, in particular with regard to the fight against organized crime and to police reform. EUPM will operate in line with the general objectives of annex 11 to the Dayton/Paris Agreement and its objectives will be supported by European Community instruments. Under the direction of the European Union Special Representative, EUPM will take the lead in the coordination of policing aspects of efforts under the European Security and Defence Policy in the fight against organized crime. It will assist local authorities in planning and conducting major and organized crime investigations. Brigadier General Vincenzo Coppola from Italy was appointed Head of Mission/Police Commissioner as from January 2006. He took over from Commissioner Kevin Carty (Ireland) who was Head of Mission from March 2004 until December 2005.
