



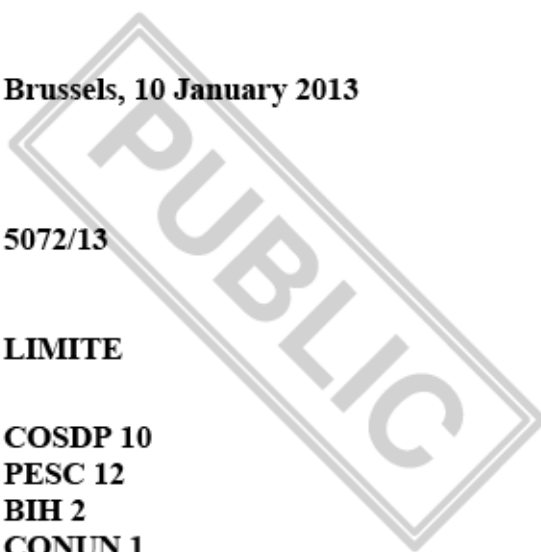
**COUNCIL OF
THE EUROPEAN UNION**

Brussels, 10 January 2013

5072/13

LIMITE

**COSDP 10
PESC 12
BIH 2
CONUN 1**



NOTE

from: Politico-Military Group
to: Political and Security Committee

Subject: Operation ALTHEA – 32nd Quarterly Report to the United Nations

On 10 January 2013, the PMG agreed the 32nd Quarterly Report by the High Representative of the Union for Foreign Affairs and Security Policy on the activities of the European Union Military Mission (EUFOR) in Bosnia and Herzegovina (BiH).

The PSC is invited to approve the report as set out at Annex, and invite the High Representative to send it to the United Nations Secretary General.

OPERATION ALTHEA – 32nd QUARTERLY REPORT TO THE UNITED NATIONS**Report by the High Representative of the European Union for Foreign Affairs and Security
Policy on the activities of the European Union Military Operation (EUFOR)
in Bosnia and Herzegovina (BiH).****I. INTRODUCTION**

1. This report covers the period from 1 September to 30 November 2012.
2. United Nations Security Council Resolutions 1575 (2004), 1639 (2005), 1722 (2006), 1785 (2007), 1845 (2008), 1895 (2009), 1948 (2010), 2019 (2011) and 2074 (2012) request that Member States, acting through or in cooperation with the EU, report to the Council on the activities of EUFOR at least at three monthly intervals. This is the thirty second such report.

II. POLITICAL BACKGROUND

3. The reporting period was largely marked by political instability and lack of substantial progress in BiH. While the European integration remained a political priority for the BiH leaders, the political leaders were pre-occupied with the local elections held on 7 October and with the efforts to reshuffle government coalitions both at the state level and in the Federation. As a result the Progress Report of the European Commission also warned that BiH is lagging behind the region in terms of progress on the European integration path.
4. Although the positive momentum established during the previous reporting period has not been built upon, the next steps required for progress on the EU path remain unchanged. These are notably the implementation of the ruling of the European Court of Human Rights (ECHR) on Sejdic/Finci case and setting up of the BiH coordination mechanism for EU affairs. The BiH political parties have submitted into the BiH parliamentary procedure various proposals

on how to implement the ECHR ruling, however, so far failed to adopt a compromise which would meet the requirements of the EU and other relevant European institutions. This is essential for, the Stabilization and Association Agreement with the EU to enter into force.

5. Some progress has been made on the implementation of the State Aid Law and the Population and Household Census Law. The State Aid Council has formally been established, but further steps need to be taken to ensure it is fully functional. The Pilot Census, held in October, provided valuable input for the preparation of the countrywide BiH Census in 2013.
6. On 7 October 2012, municipal elections were conducted in a generally fair and peaceful manner without serious incidents reported. There were some delays in certifying the election results. Particularly in Srebrenica, the electoral results were challenged thus delaying the formation of the local institutions.
7. In Brcko district there were hopeful signs of reconciliation following the suspension of international supervision, and the Brcko Mayor and the government were appointed speedily after the local elections. In Mostar, the OHR continued to facilitate following the absence of the local elections in the city. However, due to the intransigence of the political parties, there has been little progress in this regard.
8. Following the local elections, SNSD and SDP concluded an agreement which led to the establishment of a new six-party coalition at the state level. The new Council of Ministers was formed in November. However, the political instability resulting from the ongoing government reshuffle in the Federation continues to distract BiH political leaders from working effectively in addressing the country's challenges, including the implementation of the EU related agenda.
9. Progress on the registration of state and defence property remained limited. Despite the reiteration of NATO's commitment towards BiH, no progress has been registered in fulfilling the outstanding condition for the activation of the Membership Action Plan (NATO/MAP).

10. The economy continued its negative trend. The forecast for the next year has been revised to zero or negative growth. The full implementation of the latest IMF arrangement for BiH is essential. BiH is also late in addressing the challenges deriving from the accession of Croatia to the EU.
11. The comprehensive approach, promoted by the reinforced EU presence on the ground (merged EU Delegation – EU Special Representative Office) and the continued close cooperation between EUSR and Operation Althea further consolidated and strengthened EU's engagement in BiH.

III. SECURITY SITUATION & EUFOR ACTIVITIES

12. The overall security situation in BiH remained calm and stable throughout the reporting period. Inflammatory nationalistic rhetoric continued, but it had no impact on the safe and secure environment (SASE). The pre-election rhetoric ahead of the municipal elections contributed to increased political tension. The number of Inter-Ethnic Incidents so far this year was lower compared with the same period last year and almost at the same level as during 2010. Organised crime was characterised by a large number of small groupings, with no consolidated and permanent links among them. The number of crimes committed against property grew as did the use of firearms in different sorts of crime. Football hooliganism with ethnic undertones remained an issue of concern countrywide. The current economic situation (rising food and energy prices), the high rate of unemployment and the weak administrative structures remained of concern.
13. Corruption continued to be a concern and was in general not successfully prosecuted.
14. The Law Enforcement Agencies continued to prove capable of dealing with threats to the SASE and EUFOR was not called upon to intervene.
15. As of the 1st of September 2012, the force has been reconfigured in line with Council Conclusions and the main effort is Capacity-Building and Training while retaining the means to contribute to the BiH authorities' deterrence capacity. The force was concentrated in Sarajevo with Liaison and Observation Teams (LOTs) deployed throughout BiH. 23 nations (18 EU, 5 non-EU) provided troops to the Operation.

16. A new Intermediate Reserve concept has been developed, allowing the EU to deploy a minimum of 4 companies within 4 days independently without having to bid for the shared EU/NATO Operational Reserve. These companies are based outside the country and once called to the operation, will operate under the Multi National Battalion Command and Control within the overall EUFOR structure.
17. The shared EU/NATO Over the horizon Reserve Forces capability was limited due to their partial deployment to Kosovo and the withdrawal of the German-Austrian Battalion on 15 November 2012 from support to EUFOR in BiH.
18. EUFOR continued to advise and to monitor BiH authorities within activities related to ammunition and weapons storage sites, the civilian and military movement of weapons and military equipment, the disposal of surplus weapons and ammunition and defence industry factories.
19. On 14 November 2012, the UN Security Council adopted Resolution 2074(2012) thereby extending the executive mandate for another year.

IV. OUTLOOK

20. The security situation is expected to remain calm and stable.
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