

**BOSNIA'S REFUGEE LOGJAM BREAKS:
IS THE INTERNATIONAL COMMUNITY READY?**

30 May 2000

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BOSNIA'S REFUGEE LOGJAM BREAKS: IS THE INTERNATIONAL COMMUNITY READY?

EXECUTIVE SUMMARY

After four and a half years of concerted efforts by the international community, significant numbers of minority refugees are returning spontaneously to areas of Bosnia controlled by heretofore hostile ethnic majorities. This provides an opportunity to reverse wartime ethnic cleansing and make substantial progress toward achieving a core goal of the international community and the Dayton Peace Agreement. The requirement for modestly increased reconstruction and security assistance to facilitate this process, however, poses a challenge for governments and international aid and security organisations, many of which are seeking to wind down their Bosnia commitments. Absent such international community support and increased Bosnian government co-operation, the ceiling for returns may be low, and could jeopardise the success of current and future return efforts.

In the first four months of 2000, the number of minority refugees returning to their pre-war homes without targeted assistance from the international community has increased nearly four-fold over 1999 levels, to 12,579. The reasons for the increase in returns include refugee impatience, a change in the psychology of the majority and minority populations, Bosnian government policies, and increased international community willingness to use the powers vested in the Office of the High Representative to remove obstructionist officials and implement property laws.

With many potential spontaneous returnees waiting to see the success of current efforts, numbers are likely to increase significantly in June and July, traditionally the peak months for return. Many of these returns are occurring in the previously impenetrable hard-core Serb nationalist heartland of eastern Republika Srpska. In addition to Bosniaks, both Serbs and Croats are also returning to their pre-war homes, challenging assumptions about the political appeal of pro-partition policies and ethnic separatism.

With its efforts in Bosnia bearing fruit, the international community needs to improve its capability to support these long-awaited returns through reconstruction assistance and security, while the Bosnian government must focus on self-sustainability. Lack of donor support for reconstruction and other infrastructure projects would compel many returnees to de-mine and de-booby-trap their own homes, and reconstruct their homes and schools, roads, water, sewage and electrical systems from their own limited or non-existent funds. Although the security situation is improving gradually, continued attacks on minority returnees have underlined SFOR's uneven record in providing security for returnees. The Bosnian government must accept primary

responsibility for overcoming its failure to implement economic reform measures that could make returns self-sustaining through job creation and agricultural programs.

Despite pledges of new money from the Stability Pact, available donor aid may be sufficient to support reconstruction in only 10 per cent of the spontaneous returns to date, with heavier requirements looming this summer. Just when refugee returns are beginning to increase, major donors, such as the European Union, lag far behind – in some cases years – in the expenditure of pledged aid. To date, only the U.S. and a few smaller bilateral donors, such as The Netherlands, have proven able to target aid rapidly and effectively at needed areas. As a result, some refugees who returned to their homes two years ago are still waiting for assistance to reconstruct their homes and provide electricity and running water.

The international community and Bosnian government must quickly take advantage of this window of opportunity. Successful support of this year's refugee returns will encourage other refugees to return during the course of the next 18 months. This can provide a platform for moving to the next phase of Dayton implementation and, by demonstrating progress in an area that affects neighbouring Croatia and Serbia, set the stage for greater regional stability. Success in expanding minority refugee returns will bring the international community significantly closer to succeeding in its mission in Bosnia and achieving its broader regional goals.

RECOMMENDATIONS

Stability Pact

1. The Office of the Special Co-ordinator of the Stability Pact for South Eastern Europe should undertake, as an urgent priority, to persuade its members to immediately make good on their pledges for refugee return assistance in time to affect this year's returns.

European Union

2. The European Union should immediately expedite the rapid delivery of already pledged funds to the region to support refugee and displaced persons returns. Such funds should begin to become available by the end of June for maximum impact during this year's return season.

U.S. Government

3. USAID should continue to target its Community Infrastructure Reconstruction Program (CIRP) and Municipal Infrastructure and Services program (MIS) exclusively at supporting minority refugee returns.
4. The U.S. Congress should support re-targeting part of USAID's in-country surplus towards refugee returns.

Other donors

5. Donor nations that did not pledge new funds at the Stability Pact donors' conference should be encouraged to do so for refugee returns.
6. Donors should emphasise seed and farm tool distribution programs and micro-credits for returnees.

Office of the High Representative

7. The Office of the High Representative should urgently seek supplemental funding for 2000 (by mid June) and 2001 to support refugee returns.
8. The Office of the High Representative – in concert with other donors such as IMF, World Bank, and USAID and with Bosnian officials – should work to radically and comprehensively reform business regulations at all levels of government to enable returnees to more easily start their own businesses.

Bosnian Governments

9. The Bosnian governments (Federation, Republika Srpska, Central Government) must take a more active role in financing and supporting self-help efforts for refugee returns, including seed and farm tool distribution.
10. The Bosnian governments must undertake immediately the economic and regulatory reforms necessary to provide stronger economic growth and a more welcoming business environment.

SFOR

11. SFOR Commander General Ronald Adams and new NATO Supreme Commander General Joseph Ralston should implement expanded and more uniformly effective security measures in support of self-initiated minority refugee returns.
12. Additional SFOR security in those areas where minority refugees are returning should include aggressive foot patrols and identifying and dealing firmly with local troublemakers. Contentious areas – such as Kopaci – would benefit greatly from an overnight SFOR presence.
13. SFOR should not reduce its troop strength below 20,000 men, and the U.S. should maintain its forces at present levels to ensure the success of increased minority returns.
14. SFOR engineer units should make bad roads passable in regions where passage of trucks with building supplies is difficult.
15. SFOR should utilise its extensive de-mining capabilities to assist with de-mining to support refugee returns.

United Nations/International Police Task Force

16. The U.N. Security Council and the Peace Implementation Council should redefine the International Police Task Force's (IPTF) mandate to include elite armed units, which could provide security in those areas where local police and SFOR are unwilling to do so.
17. IPTF should increase efforts among local police in Republika Srpska where returns are occurring.

Sarajevo/Washington/Brussels, 30 May 2000



BOSNIA'S REFUGEE LOGJAM BREAKS: IS THE INTERNATIONAL COMMUNITY READY?

I. INTRODUCTION¹

Efforts by members of the international community to wind down their commitments in Bosnia without risking renewed conflict are dependent on successfully implementing the Dayton Peace Agreement (DPA). The key to DPA implementation is refugee return, which is guaranteed in Annex 7 of DPA and the Bosnian Constitution.² All other DPA annexes either depend on refugee return, or were created to assist in implementing refugee return. Without the moderating stability provided by refugee return, the international community cannot seriously contemplate reducing its presence in Bosnia. Nonetheless, nearly five years after the signing of DPA, little refugee return has occurred, except in statistically insignificant instances.³ As a result, the risks of a substantial international community wind-down have not significantly diminished.

Two of Dayton's signatories, Franjo Tudjman and Slobodan Milosevic, actively opposed refugee returns, hoping to consolidate control over ethnically clean

¹ The International Crisis Group (ICG) prepared this report with the co-operation of numerous field officers and officials from the Office of the High Representative's Reconstruction and Return Task Force (RRTF), United Nations Mission in Bosnia and Herzegovina (UNMiBH), United Nations High Commission for Refugees (UNHCR) and the Organisation for Security and Co-operation in Europe (OSCE). They provided invaluable on-the-ground insights, statistics and information regarding the day to day flow of returnees. So too, many people within various non-governmental humanitarian organisations responsible for the actual hands-on work of reconstruction and return provided ICG with insights into the return process. Most of our official and NGO sources asked that ICG refrain from identifying them or citing the titles of specific documents shared with ICG. The offices of the President of the Federation, the Federation Ministry of Social Affairs, Displaced Persons and Refugees, and the Sarajevo Canton Ministry of Refugees and Displaced Persons also provided ICG with invaluable data and information.

² "All refugees and displaced persons have the right freely to return to their homes of origin. They have the right...to have restored to them property of which they were deprived in the course of hostilities since 1991 and to be compensated for any such property that cannot be restored to them." *Constitution of Bosnia and Herzegovina*, Article II:5

³ ICG has published ten reports on refugee return in Bosnia. These include: *Going Nowhere Fast: Refugees and Displaced Persons in Bosnia and Herzegovina* (1 May 1997); *A Hollow Promise? The Return of Bosnian Serb Displaced Persons to Drvar, Bosansko Grahovo and Glamoc* (January 1998); *Minority Returns or Mass Relocation* (14 May 1998); *Impunity in Drvar* (20 August 1998); *Too Little Too Late: Implementation of the Sarajevo Declaration* (9 September 1998); *Preventing Minority Return in Bosnia and Herzegovina: The Anatomy of Hate and Fear* (2 August 1999). These and other ICG reports may be obtained via the ICG website, www.crisisweb.org

territories. Taking their orders from the top, many municipal and cantonal officials of all ethnic groups actively obstructed returns. In addition to local obstruction, the NATO-led Stabilisation Force (SFOR) distanced itself from playing an active role in providing security for minority refugee return, its responsibilities and authority under DPA Annex 1-A notwithstanding.⁴

Refugee return is best judged on the success of "minority" return⁵ figures, as minorities are far less likely to return to rented accommodations or to live with families or friends in areas where they form a minority. Such persons are almost certain not to have been allocated abandoned property by majority politicians, and are often subject to official and unofficial harassment, threats, and attacks. As of 31 August 1999, minority returns throughout Bosnia numbered a mere 100,714, less than 5 per cent of all the refugees and displaced persons created by the war. As a result, by September 1999, approximately 1,189,150 people, including 836,500 internally displaced persons,⁶ were still without permanent secure access to their pre-war homes four years after the cessation of hostilities.⁷

Since that time, a significant turn-around has occurred. In spite of continued obstruction from local officials, sometime in the last quarter of 1999 the first signs of the long-awaited breakthrough in refugee returns seem to have appeared. Preliminary figures indicate that refugee returns in the first quarter of 2000 – 12,579 – are nearly four times the 3,438 recorded during the same period in 1999.⁸

This dramatic upsurge in refugee returns – although still below desired levels – has caught the international community unprepared in two key areas, reconstruction assistance and security. By summer's end, the reconstruction funding gap may reach 90 per cent and SFOR still lacks a coherent policy on providing security to all returnees. In addition the Bosnian governments have yet to present an economic reform plan that would help make returns self-sustaining. As the refugee return season gains pace, particularly in the key months of June and July, the number of minority spontaneous returns will certainly increase, and will likely overwhelm international community resources and efforts. Having waited nearly five years for serious returns to begin, the international community and Bosnian governments now find themselves

⁴ This Article of the Dayton Peace Agreement gave broad powers to IFOR/SFOR to assist civilian agencies in implementing all aspects of the agreement. See pages 23-25 of *Is Dayton Failing? Bosnia Four Years after the Peace Agreement*, ICG Balkans Report No 80, 28 October 1999.

⁵ These are defined as return to areas where a different ethnic group retains military control and a population majority.

⁶ The latest figures available are from 31 May 1999: 490,000 in the Federation and 346,500 in Republika Srpska.

⁷ "Update August, 1999," UNHCR Sarajevo Office of the Chief of Mission. A sizeable majority of these people, particularly RS Serbs, appear to be not searching very hard for a permanent solution, being perfectly happy to live in other people's property while concealing the fact that they have sold their property in the other entity so as to continue as DP's in their new entity.

⁸ "Minority Returns 2000," Update 4 May 2000, a joint UNHCR/OHR/SFOR document. This contains figures compiled and updated monthly by SFOR, UNHCR, and the OHR's Reconstruction and Return Task Force. See also "Four Times As Many This Year Than Last..." UNHCR Press Release 9 May 2000.

unprepared to respond constructively to positive initiatives from Bosnian refugees of all ethnicities.

This report asks why this dramatic upswing in returns is occurring, and attempts to examine what lessons can be gained from these successes. The report examines the ability of the international community to support minority returns, and discusses the long-term and short-term ramifications of the gap between needs and aid. So too, SFOR's ability and willingness to provide security to returnees comes under scrutiny, as do international community and Bosnian government efforts to make returns economically self-sustaining. The report concludes that successful international community support of refugee return is key to any exit strategy or draw-down. Prolonging refugee returns through inaction simply prolongs the international presence. Finally, recommendations lay out areas where the international community should act, so as to support and speed up refugee return.

II. BREAKDOWN OF RETURNS

A. Who?

The majority of this year's minority returns are "spontaneous." This means that the refugees return on their own initiative, usually without international community assistance or approval from the local authorities. Some returnees were evicted from their homes, as part of the international community's new campaign to robustly enforce property laws. Others, impatient with the international community's slow efforts, simply decided to return on their own, tired of waiting as long as eight years to reclaim their property. Only a small percentage of those who have returned this year have done so with international community assistance. Although the average returnee continues to be of retirement age, this picture is changing somewhat, as more and more younger heads of households are returning, some with school-age children.

Many of the spontaneous returns reflect a "home-grown" strategy by refugee groups and Bosnian government officials to target areas of least resistance. In this strategy, refugees return to remote, unoccupied, burned out villages deep within "enemy" territory, where there is little or no presence of the majority group. Because the returns are low visibility and do not displace members of the majority ethnic group from their housing, ethnic tensions are usually manageable, and the local majority is able to slowly adjust to the presence of a significant minority group nearby. Success in one village is then duplicated in another nearby village. This policy of reoccupying remote or empty regions, is responsible for most of spontaneous returns. Refugees from the same region – seeing the viability of these initial returns – are then encouraged to return.

In addition to spontaneous returns, others – Serbs and Croats in Sarajevo, Muslims in Banja Luka and Bijeljina – are returning to their pre-war homes or apartments, which are now vacant following evictions and implementation of the property laws.

B. Where?

Returns are occurring throughout the entire country. Significantly, many of these are taking place in areas previously considered untouchable, such as the hard-line ethnic Serb strongholds of eastern Republika Srpska.

1. Eastern Republika Srpska

In eastern RS the municipalities of Foca, Visegrad, Trnovo, Han Pijesak, Kalinovik, Rogatica, Sokolac, Zvornik, Pale, Trebinje, Nevesinje and Zepa are now seeing significant refugee returns. These include the towns and villages of Kozja Luka, Kopaci, Jelec, Vragolovi, Medjedje, Pozega, Laze, Kukavica, Kratina, Izbisna, Ustikovina, Jezero, Turovi, Dubista, and Tijentisa. The most extreme hard line area, Srebrenica, is expected to receive its first 100 families shortly.⁹

2. Northern Republika Srpska

In northern RS, Banja Luka, Prnjavor, Derventa, Doboj, Prijedor, Teslic, Modrica, and Bijeljina are seeing Croats and Bosniaks returning. Last year Bijeljina saw the return of 315 Bosniak families, and an additional 150 Bosniaks are willing to return their destroyed homes. In Janje approximately 65 families have returned.¹⁰ In Doboj minorities are returning to 22 different sites, including approximately 100 families to the city centre. In Teslic, Bosniaks are returning to the town center, as well as to the outlying areas Memic Brdo, Stenjak, Barici, Gomjenica, Ruzevici, Rajseva and Kamenica, while Croats are returning to their pre-war villages of Komusina and Studenici. Near Modrica Bosniaks are returning to Tarevci, Modricki Lug and Jakes, while Croats are going back to Srnava, Pecnik, Kuznjaca, Cardak, Garevac, Turic and Tramosnica. In the Prijedor region numerous spontaneous returns have occurred to Novi and Dubica.

3. Bosniak Majority Regions

In Bosniak majority areas, Serbs are returning to Gorazde, Sarajevo, Sanski Most, Petrovo Selo, Maglaj, Grahovo, Kljuc, Bihac, and Travnik.

4. Croat Majority Regions

Perhaps the greatest proof of the viability of the international community's refugee return efforts comes in Drvar. Prior to the war, Drvar was nearly 100 per cent Serb. Driven out by the Bosnian Croat Army (Hrvatsko vijece obrane, or HVO) in 1995, the town then became 100 per cent Croat. Today, in spite of the presence of an HVO unit in the town itself, the Drvar municipality is now nearly 70 per cent Serb. Drvar is the first municipality where a *de facto* change of political

⁹ Information provided by RRTF field officers/officials.

¹⁰ Ibid.

control occurred through return. In central Bosnia the municipalities of Jajce, Ahmici, Travnik, Novi Travnik, and Busovaca are seeing new, and in some cases the continuation, of ongoing returns. The hard-line Croat areas of western Herzegovina, such as Stolac and Glamoc are also experiencing an increased influx of both Bosniak and Serb returnees.

C. How Many?

Given the confusion in post-war Bosnia, exact numbers of returnees are difficult to calculate. Information on refugee returns is collected primarily by three different agencies: United Nations High Commission on Refugees (UNHCR), Office of the High Representative's Reconstruction and Return Task Force (RRTF), and the NATO-led Stabilisation Force (SFOR). In addition, each utilises a different methodology for gathering data on returns, and each readily admits that its numbers are inaccurate. Given the difficulties of accurate statistical collection in Bosnia, none of these numbers should be taken as absolute. Rather, they should be seen as relative indicators of trends. UNHCR figures are based on the number of returnees that actually register with the UNHCR field offices. RRTF figures are based on "previous experience and the fact that substantial numbers of returnees do not register." SFOR figures are based on "reports from SFOR patrols, which cannot cover the whole state, but may be useful as a trend indication." As a result of the different methodologies, UNHCR, RRTF, and SFOR all provide differing estimates. Given the difficulties of accurate statistical collection in Bosnia, none of their numbers should be taken as precisely accurate, but rather as general indicators of trends.

Bosniak officials claim that from 1 September 1999 until 1 May 2000, more than 30,000 Serbs, Croats and Bosniaks have returned to their pre-war places of residence.¹¹ According to SFOR estimates, 12,579 minority returns occurred between 1 January and 30 April 2000, as compared with 3,438 for the same time period in 1999.¹² These numbers – however incomplete – are still well below desired return levels. Nonetheless, whatever the exact number, the increase over previous years represents a significant positive trend that should be encouraged by all means possible.

D. Why Now?

The sharp increase in refugee return comes after four and a half years of hard work by numerous international agencies, including the RRTF, UNHCR, and numerous humanitarian organisations acting as implementing partners for the major donors. Although many of these efforts have met with failure, long-term initiatives have now begun to bear fruit. Some have met with symbolic but numerically insignificant success. All have proven slow. The real reasons for the increase in returns are three-fold: refugee impatience; new international community effectiveness; and a change in the psychology of both majority and minority populations.

¹¹ Interviews with Federation President Ejup Ganic and officials of the Federation Ministry of Social Affairs, Displaced Persons, and Refugees.

¹² "Minority Returns 2000," Update 4 May 2000.

Bosnia's refugee population – some of whom have been waiting as long as eight years to return home – seems to have decided that it is time to return. This indicates a subtle shift in the psychology of both majority and minority populations, caused by the absence of fighting for over four years, as well as the general level of security conveyed by the international presence. So too, many have decided that international community efforts are too slow, and that they must take the initiative to achieve their rights under the Dayton agreement. Other influences on psychology may be attributed to new actions taken by the international community to enforce the right of pre-war occupants to their property, as well as the heartening effect of the elections in Croatia, which provided a strong signal that Croatian nationalism was waning. In addition, Bosniak government officials have actively encouraged refugee groups to undertake spontaneous returns.

The High Representative's imposition of new property laws, as well as the RRTF's emphasis on the rule of law have succeeded in turning what was formerly a highly politicised issue into a simple question of adherence to the law. Using the Property Law Implementation Program (PLIP), the primary focus has shifted from tolerating excuses for non-implementation by local officials to emphasis on following the letter of the law, as expressed in the RRTF document "Non-negotiable Principles in the Context of The Property Law Implementation."

In the cases of evictions from refugee property this has proven highly successful, as seen by the evictions taking place throughout the country. During the month of May 2000, 205 evictions took place in the Federation and 163 in RS.¹³ As of the end of February, there had been total 4,882 evictions in the Federation since the imposition of the new property law. Although RS has seen a total of only 424 evictions, the pace is picking up rapidly as evictions spread to such previously untouchable areas as Banja Luka, Bijeljina, Foca, Visegrad and Pale.¹⁴ The OHR has followed through aggressively by dismissing officials who refuse to implement the property laws. Continued evictions send a subtle message to those illegally occupying someone else's property that they can not remain indefinitely. Sooner or later their turn will come. As a result, a major psychological barrier has been breached.

The success of the 1998 Sarajevo Declaration, which succeeded in returning 20,000 non-Bosniaks to Sarajevo, has had an effect throughout the country. As these people are "down-loaded" from Sarajevo, they free up housing for minority pre-war occupants, while at the same time returning to their pre-war regions and placing pressure on illegal occupants to vacate property. Many people evicted from their Sarajevo apartments have decided to undertake spontaneous returns. Returnees from RS and Croat majority regions, in coming back to Sarajevo, have freed up the housing they illegally occupied in their majority area, which permits increased returns there and creates momentum for a "virtuous circle" of nationwide minority returns.

¹³ UNMiBH internal document.

¹⁴ *Review of Implementation of the Property Laws, Republika Srpska and Federation*, 29 February 2000, OHR, OSCE, UNHCR - Summary. Also taken from an UNMiBH internal document.

III. INTERNATIONAL COMMUNITY AND BOSNIAN GOVERNMENT READINESS

Although the international community has fought long and hard to get returns, now that success is beginning to occur throughout the country, it finds itself unprepared in two key areas: reconstruction assistance and security. Despite pledges of new money at the Stability Pact donors' conference, available donor aid may be sufficient to support reconstruction in only 10 per cent of the spontaneous returns to date, not to mention those that will occur at the height of the return season, in June and July. The lack of donor support for reconstructing war-damaged housing as well as for other infrastructure projects means that many of these returnees will be forced to de-mine and de-booby-trap their own homes, and reconstruct homes, schools, roads, water, sewage, and electrical systems from their own extremely limited or non-existent funds. Although the security situation is improving gradually, continued attacks on minority returnees have underlined SFOR's uneven record providing security for returnees. A further problem is that none of the Bosnian governments at any level have even attempted to undertake the economic reforms necessary to make returns self-sustaining.

A. Assistance

According to all RRTF and UNHCR officials interviewed by ICG, the gap between aid availability and aid needs in 2000 could be as high as 90 per cent. The exact amount of how much is needed to support this year's returns is difficult to ascertain, as statistical data on exact refugee returns is difficult to maintain. However, ICG interviews revealed a striking lack of resources available to assist this year's numerous "spontaneous" returns. The following is an overview of the funding gap in certain key areas throughout the country, and how it impacts refugee return.

1. Eastern Republika Srpska

Numerous spontaneous returns are occurring throughout eastern RS in areas that have absolutely no donor funding. Returns in this region are vital to the success of the Sarajevo Declaration and the overall functioning of DPA, as 55,000 Bosniaks from eastern RS are occupying housing in Sarajevo.¹⁵ Every returnee to this region frees up space for minority returnees to Sarajevo. The Sarajevo Canton Ministry for Labour, Social Policy, Displaced Persons and Refugees claims 900 additional spontaneous returns could be achieved immediately in eastern RS, provided assistance were available. This alone would free up at least that many places in Sarajevo for Serb and Croat returnees, which translates into increased returns in both directions.¹⁶ An indicator of the success of these spontaneous returns is the imminent return of

¹⁵ Information provided by RRTF field officers/officials.

¹⁶ Sarajevo Canton Ministry for Refugees.

100 families to Srebrenica, site of the 1995 massacre of over 7,000 Bosniak men by Serb forces.

In addition to spontaneous returns throughout the region, RS police have begun evicting occupants of minority housing. In Pale RS police evicted ten people, in Rogatica nine, in Foca eight, and in Visegrad four. Although these numbers are small, they are precedent-setting and indicate significant progress.¹⁷

Although eastern RS is seeing returns in Pozega, Zepa, Vragolovi, Laze, Kukavica, Kratina, Jelec, Kozja Luka, Izbisna, Ustikovina, Jezero, Turovi, Dubista, Tijentisa, only Iran, The Netherlands, and USAID are actively supporting these returns. The entire region has approximately \$US 17 million in donor aid available to support returns, out of which 500 houses will be reconstructed. All 500 houses are already targeted. RRTF officials estimate that to meet the needs of spontaneous returns to date, at least triple that amount is needed. This does not include the large number of returns expected in June and July, as well as those leaving Sarajevo due to increased evictions.¹⁸

In the Bosniak municipality of Gorazde, Serb returnees from Cajnica and Kopaci are living in tents, cleaning their fields and homes. Some of these Serb returnees braved the disapproval and active discouragement of Serb authorities in Kopaci, who attempted to prevent Serb returns to the Gorazde region, as this would free up homes for returning Bosniaks.¹⁹

2. Southwest Region (Cantons 7, 8, and Trebinje/Nevesinje)

In the Federation's Cantons 7, 8, and the Trebinje/Nevesinje region of Republika Srpska, the returns that have taken place to date without donor support require at least 16 million DM over aid currently budgeted. Returns that have taken place with only extremely limited assistance still require an additional 19.9 million DM. In addition to this aid gap, RRTF officials estimate – on the basis of interviews with refugees – that potential returns during the course of this year could require 14.8 million DM. In short, for this region alone the assistance gap is at least 50.7 million DM.²⁰

3. Doboј

Thousands of returns are possible in the Doboј area, as there is no political obstruction nor local hostility towards returnees. According to one RRTF official, "the only obstacle to return is lack of funds from

¹⁷ Information provided by RRTF field officers/officials.

¹⁸ Ibid.

¹⁹ Ibid.

²⁰ RRTF internal document showing the breakdown on funding gaps in the RRTF South area of operations.

donors."²¹ Approximately 2,000 Bosniak and Croat heads of households are ready to return to the Dobož region. Last year's spontaneous returnees lived in tents, basements and rubble, without heat, electricity, and in many cases running water. The Dobož region, which for funding purposes includes Teslic and Modrica, will receive funds for 250 housing units this year. This assistance will support less than 10 per cent of all potential returns. In this region, Bosniaks are cleaning their houses with the help of their Serb neighbours.²²

Those areas that do receive assistance often find it at best incomplete. In the village of Civarli USAID installed electricity for 250 houses. Of these, donor funding was available to repair only 123. However, 163 families returned, 45 of which are living in tents or rubble. The school is still surrounded by mines, and an additional 350 houses need to be repaired. Yet no additional funding was proposed for this area.²³

In the Dobož region, RRTF officials estimate that as of 12 May 2000, international assistance to returnees meets about 10 per cent of requirements. In the villages of Svjetlica, Potocani and Pridelj, refugees have returned to 500 homes, cleared away the rubble and overgrowth, and now live in the ruins, awaiting reconstruction assistance. The international community response has been to repair 35 homes. Although 123 homes have been reconstructed in the village of Sevarlije, 300 more families await funding, while an additional 50 families live under plastic sheeting or in the rubble of their homes. The situation is similar throughout the region. Large numbers of additional refugees would return if assistance for home repair became available. These include an estimated 4,000 people to Grapiska and 2,500 to Kotorsko.²⁴ The result for Dobož is a funding gap of 90 per cent.²⁵ The Dobož region received EU funding for only 35 houses, even though field workers estimate that at a minimum at least 2,200 returnee homes need to be repaired. In short, the Dobož region alone is lacking at least 26.4 million DM for reconstruction.²⁶

4. Modrica

In the Modrica region, the village of Tramosnica has 200 Croat families living in 126 reconstructed homes. An additional 650 families wish to return, but there is no funding available for reconstruction. The formerly Bosniak villages of Tarevci, Modricki Lug and Jakes, and the formerly Croat villages of Srnava, Pecnik, Kuznjaca, Cardak, Garevac, Turic and Tramosnica received some assistance. However, it is completely inadequate for the large number of spontaneous returnees

²¹ Information provided by RRTF field officers/officials.

²² House cleaning refers to the process that occurs when returnees remove the rubble from around their destroyed homes, clear weeds, and prepare the home for reconstruction work to begin.

²³ Information provided by RRTF field officers/officials.

²⁴ Ibid.

²⁵ Internal RRTF documentation obtained by ICG.

²⁶ Information provided by RRTF field officers/officials.

who returned, cleaned their property, and are now living in the rubble of their homes. The Modrica region received no funding under the EU Obnova 2000 program.²⁷

5. Teslic

Although over 1,000 spontaneous returns have occurred in the Teslic region, there is no funding for the village of Rajseva, even though returnees have cleaned 100 homes and returned to 25 homes, where they have managed to partially reconstruct single rooms using their own resources. Stenjak is similar, with over 100 houses cleaned and 45 families returned, some of which have young children. Neither village has electricity. Only 30 homes have been rebuilt with donor assistance. In nearby Podjezera, 70 Serb families wanted to return, but there was only assistance available for thirteen houses, the town was partially mined, and was without electricity. RRTF officials estimate an additional 1,500 refugees would return to Teslic this year if funds were available. It appears that Teslic received no funding under the EU Obnova 2000 program, even though field workers estimate that at least 700 returnees' homes need to be repaired. In short, the Teslic region is lacking at least 8.4 million DM for reconstruction.²⁸

6. Prijedor

From 1996 until the end of 1999 there were only 2,001 returns in the Prijedor region, most of which occurred in the latter half of 1999. Between 1 January and 1 May 2000, 890 returnees have registered with UNHCR. In addition, there are at least 550 spontaneous returns that are unregistered. During 1999 spontaneous returns occurred in ten areas, primarily beginning in June 1999. Yet no funding arrived until the end of the construction season. Even then, funding was adequate to meet only 10 per cent of needs. Today many of these returnees are still living in tents.²⁹ This year returnees have already begun returning to five new areas, while continuing to return to the areas opened up last year.³⁰

The returnees are largely Bosniaks coming from Kljuc, Sanski Most, and Bihac. They in turn free up housing in those areas for Serb or Croat returnees. And Serbs are indeed beginning to return to the Bosniak majority town of Sanski Most. Funding available for this region is sufficient to cover only 30 per cent of needs, and no EU money is expected until September. Local RRTF officials expressed concern that if no assistance was readily forthcoming, many of the returnees would give up and go back.³¹

²⁷ Ibid.

²⁸ Ibid.

²⁹ Interviews with OSCE field officers/officials.

³⁰ Interviews with OSCE field officers/officials.

³¹ Information provided by RRTF field officers/officials.

7. Brcko

In Brcko the former Supervisor Robert Farand did not permit spontaneous returns. Nonetheless, a funding gap exists between approved returns and promised assistance. To date, about 4,500 returns to destroyed properties (mostly Bosniaks) have been approved. Reconstruction assistance has been secured for only about 2,200 of these cases. RRTF does not know what the gap will be for Serb returns to the south, because they are still waiting for a full report on what the donors will support. Nonetheless, there will definitely be a gap: there are currently 170 Serb families ready to move back into Brcko, but funding has been secured for only 80 homes.³²

As shown above, a serious funding gap exists between the needs of those who have already returned and available donor assistance. An internal UNHCR document obtained by ICG estimates that for the three northern RS municipalities of Doboj, Teslic, Bosanski Brod, and Derventa, funding was unavailable to repair 3,740 homes of Bosniak and Croat returnees.³³ The Federation Ministry of Social Policy, Displaced Persons and Refugees estimates that, on the basis of spontaneous returns as of the beginning of May, nearly 2,320 homes in eastern RS lacked funding.³⁴ New and increased spontaneous returns, which are likely to occur in June and July after schools let out, will be left to fend for themselves. These returns promise to be far greater than those seen thus far, particularly given the high levels of local media coverage focusing on the success of ongoing returns. Already returnees – fed up with living in tents – are expressing disappointment with the lack of donor support and are preparing to give up the returns.³⁵

B. Security

Another area in which the international community is ill-prepared to assist refugee return is security. In order for minority refugees to return to their pre-war homes, they must feel secure. Should the international community fail to provide a secure environment, returns will be much lower than otherwise possible. Unfortunately, although the overall security situation has improved somewhat over previous years, it is still quite far from what is required to meet the minimal needs of minority returnees. Indeed, the year 2000 began with an attack directed against returnees, when – on New Year's Day – local extremists launched a mortar attack against Bosniak returnees in the Croat-controlled municipality of Stolac.³⁶ Since that time, attacks have continued. These include recent bomb attacks on returnees in Kopaci, Prnjavor, Capljina, and Pocitelj as well as numerous incidents of majority groups stoning minority

³² Ibid.

³³ "Funding Gaps." Updated 12 May 2000. UNHCR SONBiH Doboj Satellite Office.

³⁴ "Osvrt na realizaciju i probleme u realizaciju aneksa 7 dejtonskog mirovnog sporazuma." Federalno ministarstvo socijalne politike, raseljenih osoba i izbjeglica, May 2000.

³⁵ "Povratnici tvrde da su prevareni" *Dnevni Avaz*, 30 May 2000, p.1.

³⁶ "Do kada ce Stolac biti leglo terorizma," *Dnevni Avaz*, 3 January 2000, p.3. "Minobacacima na Fazlagagica Kulu," *Dnevni Avaz*, 9 September 1999.

returnees.³⁷ According to internal UNMiBH reports, between 1 March and the end of April 2000, approximately 108 attacks on minorities were reported. These included increased Serb attacks against Bosniak and Croat returnees in RS, but also Croat attacks against Serb and Bosniak returnees in the Federation. In Drvar alone there were four incidents during the week of 6-12 May. Between 28 April and 11 May 2000, there were 22 minority related incidents throughout Bosnia.³⁸ Given the number of incidents, there is no justification for reducing SFOR troop strength below its current level of approximately 20,000.

The reasons for these attacks are simple. Ethnic cleansing was the goal and not the by-product of both the Serb and Croat greater national programs. In many instances, the same individuals – police, mayors, city councillors, businessmen, war profiteers – who oversaw ethnic cleansing's worst horrors, still remain in power. For those people, successful refugee return represents a repudiation of their wartime and post-war politics, goals and behaviour. It calls into question their very reason for fighting the war, and threatens them with possible prosecution for war crimes. For other local residents, many of whom are themselves refugees from another area, and are illegally occupying the home of a potential minority returnee, the appearance of returnees threatens them with the loss of their new home. These individuals form groups to protect their interests, such as the Croat HVIDR-a and the Serb Ostanak, both of which are rumoured to be involved in attacks on returnees.

For potential returnees to return to an area from which they were driven by force and violence requires courage, particularly when those who drove them out still maintain power in the area. Returnees know that in many instances the local police will not protect their rights. They also know that only the international community – SFOR and the International Police Task Force (IPTF) – can do anything to make the security situation reasonably safe.

1. The Role of SFOR

Since the war, SFOR's record on security has been uneven. Different national contingents have favoured different policies and degrees of involvement in local security matters. Not surprisingly, there appears to be a direct correlation between successful refugee returns and the degree of SFOR's engagement.

According to RRTF, OSCE, and IPTF field officers, those contingents with the best records of involvement are the British, Canadian, Czech, Danish, Finnish, German, and Norwegian contingents. Those with less good records are the French, Italian, Russian, Spanish, Ukrainian, and U.S. contingents.

³⁷ "Napadi na povratnike u Capljini i Pociteljju" *Oslobodenje*, 30 May 2000, p. 11. "Novi napad na povratnike u Prnjavor," *Dnevni avaz*, 28 March 2000, p.7: "Poginuo povratnik Samir Mujanic," *Oslobodenje*, 26 March 2000, p.3: "Prognanici docekani bombom," *Oslobodenje*, 12 March 2000, pp.1, 5.

³⁸ UNMiBH Human Rights Office, Weekly Report for the week of 6-12 May 2000.

It follows, therefore, that the areas where those contingents with good records are located – Doboj, Drvar, Prijedor, Modrica, Teslic – have seen some of the highest levels of spontaneous returns. In one incident, the Czechs responded to local trouble with a show of force that included tanks. The British contingent has the highest number of war criminal arrests, more than double the number of the U.S. and French contingents combined. In Novi, Dubica and Sanski Most, SFOR is very active, visiting returnees and checking on them.³⁹ The German SFOR contingent is providing high visibility assistance to returnees in Kozja Luka, where they are engaged in repairing roads and a bridge, reconstructing homes, and stringing electric lines.⁴⁰

Where SFOR is less willing to provide security, refugees have greater difficulties. The most recent example is the unwillingness of an Italian Multinational Special Unit (MSU) to provide security to a convoy of Bosniak women returning to visit graves in Bratunac. Although the Italian MSU was assigned to protect the bus, they did not intervene when it came under attack by an organised group of stone-throwing Serbs. Among those injured in the attack were thirteen women, the bus driver, and four local Serb police, who attempted to protect the women.⁴¹ Not surprisingly, there have been no returns to Bratunac.

2. The Role of IPTF

The United Nations' International Police Task Force (IPTF) is responsible for training and overseeing local police forces, and assuring that they uphold DPA and adhere to internationally accepted standards of proper police behaviour.⁴² As is the case with SFOR, where the IPTF is most effective, there are higher levels of local police professionalism, a better overall security situation, and higher levels of refugee returns.⁴³

RRTF and OSCE field officers in Prijedor credit local IPTF with a high degree of effectiveness, which has translated into a higher level of competence among the local police and increased refugee returns throughout the Prijedor region. In areas such as Novi and Drvar, where local IPTF contingents are seen as siding with the majority group, police behaviour is judged far worse, with resulting security problems for refugees.⁴⁴

As the situation now stands, security issues vary in each municipality, depending on the level of engagement of the local SFOR and IPTF contingents. Both IPTF and SFOR have demonstrated convincingly the ability to assist in

³⁹ Interviews with OSCE field officers/officials.

⁴⁰ Information provided by OSCE and RRTF field officers/officials, as well as site visits by ICG analysts.

⁴¹ "Povrijedeno 13 žena i jedan vozač autobusa," *Dnevni Avaz*, 13 May 2000, p.8.

⁴² For an overview of the role of the IPTF under DPA, see the ICG report *Is Dayton Failing? Bosnia Four Years after the Peace Agreement*, ICG Balkans Report No 80, 28 October 1999, pp.109-123.

⁴³ Interview with OSCE field officers/officials.

⁴⁴ Information provided by RRTF field officers/officials.

creating secure environments for minority returns. However, with SFOR in particular, ability does not necessarily translate into willingness to act. Until such time as SFOR acts more consistently to protect refugees, and IPTF exhibits greater impartiality and professionalism, the security situation will remain inconsistent throughout the country and the ceiling for spontaneous returns will remain low.

C. Self-sustainability

Once refugees return, they are faced with a number of factors – beyond electricity, running water, and house repair – which make staying difficult.⁴⁵ First and foremost is finding employment. Minority returnees are typically unable to obtain re-employment in their pre-war state-owned firms. As a result they are left to fend for themselves, either by starting private companies with their own limited resources, or falling back on subsistence agriculture. In both instances, refugees typically lack the capital either to start a business, or to purchase farm tools and seeds. The lack of education is also a problem, particularly for the increasing number of returnees with children. Local schools were often destroyed during the war, and a number of donors are reluctant to reconstruct schools. Often the nearest school is distant, either back in the returnee's majority area, or controlled by the majority ethnic group and teaching a version of history or religion unacceptable to the returnee. As a result, numerous instances have occurred where refugees have returned to their pre-war homes and then left, unable to sustain themselves.

Although programs oriented towards making a returnee self-sufficient have demonstrated phenomenal success, many international donors are reluctant to fund them. In Drvar local RRTF officials had to engage in arm twisting to get donor funds necessary to contribute to these programs. Results are now clear, with 17,000-20,000 people benefiting from these efforts, which included assistance with creating small businesses and distributing farm tools, seeds, and in some cases, cows. Agencies such as Oxfam and Care distributed farm machinery and provided guidance as to how to bring goods and produce to market.⁴⁶

Paucity of donor effort aside, no donor program could have a long-term impact within the framework of the current economic environment. Given the plethora of bureaucratic regulations, barriers, and guidelines, all of which stifle entrepreneurship and force business people to operate outside the law, no amount of aid will prove of anything more than passing value. In order to establish their own businesses, minority returnees must navigate the labyrinth of Bosnia's bureaucracy. The very nature of this highly non-transparent system provides ample opportunity for multiple abuses, and permits the majority officials numerous excuses for denying business licenses or other necessary permissions. These same regulations hinder domestic and foreign

⁴⁵ See the UNHCR report *Daunting Prospects: Minority Women: Obstacles to their Return and Integration*. April 2000.

⁴⁶ Information provided by RRTF field officers/officials.

investors in their efforts to create productive industries and new jobs.⁴⁷ Until such time as the Bosnian governments and politicians take their economy seriously and begin exhibiting responsibility, no amount of donor aid will make a serious impact on the problem of economic growth or job creation. Unfortunately, to date the Bosnian governments have shown a manifest disinterest in the economic well-being of their own citizens: not one level of government in either the Federation or RS has as yet put forward a program for economic and regulatory reform.

IV. DONOR FUNDING POLICIES

At the precise moment when refugee returns are beginning to increase, major donors, such as the European Union, lag far behind – in some cases years – in the expenditure of pledged aid. To date, only the U.S. and a few smaller bilateral donors, such as The Netherlands, have proven able to target aid rapidly and effectively at needed areas. As a result, some refugees who returned to their homes two years ago are still waiting for assistance to reconstruct their homes, provide electricity and running water.

Examination of donor performance reveals that not all donors are equal. In terms of the actual on the ground currency value of aid to returnees, the United States is the single largest donor to Bosnia in the field of refugee return, with a total value of 127 million Konvertabilna Marka (KM), while the EU is donating only 97.6 million KM.⁴⁸ Aside from the amounts pledged, some donors have a significant impact with relatively small sums. Others are not so helpful.

A. The European Union

Of all the major donors, the European Union (EU) was expected to be the largest single donor and have the greatest impact. Unfortunately, this has yet to be the case. Since 1996, the EU has been late and often inefficient in its donations, thereby reducing their potential impact and value. Nor did the EU pledge any new funds for Bosnia at the Stability Pact donors' conference.

The EU's 1998 aid budget for Bosnia was 190 million euros. To date, this has not yet been entirely spent, and will hopefully be disbursed by the end of 2000.⁴⁹ The 1999 EU aid budget targeted at refugee returns was 69 million euros, with an additional 40 million euros for the European Community Humanitarian Office (ECHO). The EU did not begin spending the money budgeted for 1999 until after the summer construction season had passed. At the time of writing, the EU has spent approximately 50 per cent of the funds budgeted for 1999.

⁴⁷ *Why Will No One Invest In Bosnia and Herzegovina: An Overview of Impediments to Economic Investment and Self Sustaining Economic Growth in the Post-Dayton Era*, ICG Balkan Report No.64. 21 April 1999.

⁴⁸ The current exchange rate is 1.95 KM per euro and 2.19 KM per USD: *Oslobodenje*, 23 May 2000, p.8.

⁴⁹ EU document obtained by ICG.

The budget for 2000 has been dramatically reduced. All ECHO funding has been cut, and 50.1 million euros allocated refugee assistance through the Obnova 2000 program. Of this 50.1 million euros, only 35 million are allocated to actual reconstruction projects. Even this amount is deceptive, as part of it goes to de-mining and UNHCR legal advice. In keeping with previous years, the EU has yet to sign a single contract with an implementing partner organisation, and may not do so until late June at the earliest.⁵⁰ Unless the EU changes its practices, these contracts may not be signed until the end of the summer, as in previous years, meaning that once again, EU assistance will not reach Bosnia until after the construction season is over. Furthermore, at the time of writing, the EU's Obnova 2000 program has yet to produce any results in supporting refugee returns.

Many field officers in various international organisations thought the slowness was caused in part by the funding process adopted by Directorate-General IA (DGIA), the department within the European Commission responsible for external relations. Designed to be totally transparent, it is also designed for a country in the development phase with no political obstruction to the goals of the projects. As a result, the EU process can address corruption, but not obstruction. Field officers felt that the ECHO funding process was far more efficient and better suited to Bosnia.

To date EU funding, although welcome, has proven rather inefficient. Regarding the reconstruction of destroyed refugee homes, the EU insists on hiring contractors to carry out the work, who will then present the returnees with the key to a reconstructed, finished home. The central flaw in this concept is that approximately 95 per cent of all private detached homes in Bosnia were designed and built by their occupants with their own hands. Historically construction companies rarely engaged in building private homes. The result is that most Bosnians know how to reconstruct their own homes.⁵¹

Numerous experiences have proven that it is far less expensive for donors to support self-help programs. When given the materials, a returnee can rebuild his home at far lower cost than a contractor. In the village of Cajre, near Dobož, Mercy Corps Tuzla reconstructed about 50 homes at low cost, simply by donating materials. In many cases donors are simply sending bricks, mortar, lumber and roof tiles: the returnees do the rest. One RRTF official in Dobož stated: "self-help has worked in the past and is ideal for most of these returnees, who are extremely eager to move back."⁵² In the Prijedor region another official said that "donors should have provided materials and not insisted on rebuilding houses. If this had happened, more homes could have been reconstructed." A joint Federation/Republika Srpska government proposal to return 400,000 refugees illustrates just how cheaply it can be done. Relying on the principle of self-help, refugees can be returned for a cost of

⁵⁰ ICG Interviews with EU officials in Brussels and Sarajevo.

⁵¹ ICG interviews with Bosnian contractors and government officials.

⁵² Information provided by RRTF field officers/officials.

approximately 4,608 DM per person, including home and infrastructure rebuilding.⁵³

In contrast, implementing NGOs responsible for the actual reconstruction reported that EU allocated costs for repairing a single-family dwelling ranged from 17,000 to 22,000 DM, depending on location and the terms of the program's contract. The same implementing NGOs stated that at least one third of this cost went to labour. By extrapolation it appears that the EU – by revamping its programs – could reconstruct at least one third more homes for the same amount of money.⁵⁴ One experienced field worker claimed homes could be reconstructed through self-help for 10,000 to 12,000 DM, one half the amount the EU has spent in some projects.⁵⁵

B. Bilateral Donors

In contrast to the EU, bilateral donors have proven far more flexible and effective, and are able to engage in effective programs – such as the self-help efforts to rebuild homes. Almost without exception, the Dutch government's efforts proved a successful example of how to assist returnees. Somewhat unnoticed, The Netherlands has proven to be one of the larger and most effective bilateral donors in Bosnia. For the 2000-2001 period it has allocated approximately \$US 22 million, most of which goes to refugee return. Aid workers in Bosnia praised the Dutch as being flexible and innovative in getting money to the field in a timely and useful fashion. The only constraint is that much of this money is spent in areas where Dutch SFOR is stationed.

The largest bilateral donor, the United States, will be spending approximately \$US 58 million to assist refugee returns in 2000, placing it ahead of the EU in this category. Much of it will go towards USAID infrastructure programs, such as electrification, water purification, and the reconstruction of roads, bridges, schools and small medical clinics. Critics of USAID have pointed out that previously it has spent its money in projects chosen largely by the US Army, and were often not targeted at returnees. In welcome contrast, this year USAID will be spending its entire reconstruction budget targeting return areas. Alongside municipal infrastructure reconstruction, the State Department's Bureau of Population, Refugees and Migration (PRM) will fund housing reconstruction.⁵⁶

⁵³ "Everyone in Their Own Houses..." Joint publication of Federation of Bosnia and Herzegovina Ministry of Social Affairs, Displaced Persons, and Refugees, and Republika Srpska Ministry of Displaced Persons and Refugees.

⁵⁴ ICG interviews with NGO field officers. It must be emphasised that self-help programs are not as effective in eastern Republika Srpska as they are in northern Republika Srpska. The reason is that in eastern RS, many homes have been completely dynamited, whereas in northern RS, most homes have only been "stripped" of their roofs, door and window frames, and plumbing and electrical features.

⁵⁵ Information provided by RRTF field officers/officials.

⁵⁶ ICG interviews with USAID and USG officials in Washington and Sarajevo.

V. CONCLUSION

The international community is now faced with a conundrum. Four and a half years after the signing of the Dayton agreement, minority refugee returns have been minimal. While progress has been made in some other programs, the failure to move ahead in this core area has impeded the ability of the international community to complete its mission, reduce its commitments and lower its presence in Bosnia without risking the renewal of conflict. Now, when the long-awaited refugee returns are finally taking place, donors are willing to support only a small fraction of these returns. Due to the lack of funding, many returning minority refugees could well find themselves huddled in the rubble of their destroyed homes, without water, electricity or heat when another Balkan winter approaches.

Refugee return in Bosnia is a regional issue that also affects Croatia and Serbia. Should the international community fail to provide the needed assistance, it will prolong its own engagement in the Balkans and hinder attempts to create long-term regional stability and integrate the region into Europe. Failure to support refugee returns will discourage potential returnees from making the move, embolden obstructionist forces, reinforce the power of the ethnic cleansers, and project a lack of resolve on the part of the international community to provide even the modest increase of funding and security support necessary to achieve the core Dayton goal of minority refugee returns.

The level of additional international expenditure and security engagement necessary to take advantage of this window of opportunity is not great, but the impact would be significant. Successful support of this year's refugee returns would encourage other refugees to return during the course of the next eighteen months, setting the stage for long-term regional stability. Urgent and sustained action to provide emergency assistance to returnees will provide the international community with an opportunity to move to the next stage of Dayton implementation, as well as pave the way for the long-awaited international community pull-out without risking renewed conflict. For the Bosnian government, minority refugee return is a prerequisite for eventual European integration.

Sarajevo/Washington/Brussels, 30 May 2000